



# TRANSFORMING MARKETS, SHAPING TOMORROW



**YEARS OF  
OPERATIONS**

**INTEGRATED ANNUAL REPORT 2023-24**



# Transforming Markets, Shaping Tomorrow

In the last three decades, the National Stock Exchange (NSE) emerged as a pioneer in India's financial landscape. Our journey began in 1992 with a vision to integrate stock trading across the nation, and today, we have evolved into a platform that is well known for its inclusivity, transparency, and accessibility. As India rises as the world's fifth-largest economy and fourth-largest capital market in the world, NSE stands as a testament to this growth, now the largest exchange globally by daily order volume and trades.

With a registered investor base exceeding 9 crores, we have created trust through seamless connectivity and efficient trade execution. Our journey is deeply intertwined with India's growth narrative, facilitating capital access for enterprises and enabling investors to participate in India's economic ascent. We have positioned ourselves as a gateway for global investors seeking to explore India's vast opportunities.

As we look to the future, NSE continues to innovate, leveraging cutting-edge technologies to maintain India's leadership in dynamic financial market ecosystem. We are committed to promoting financial inclusion, equitable access, and capital formation, supporting the dynamic and fast-growing Indian economy.

We continue shaping tomorrow by transforming markets today. We strive to be the global gateway to Indian capital markets, providing fair, efficient, transparent, and orderly markets. As we move forward, NSE will solidify its position as a global leader in financial markets, driving growth and prosperity for all stakeholders.



## The NSE Bell: A Timeless Tradition

The NSE Bell is an icon that resonates the rich tradition of the Exchange. Reverberating with historical significance, the Bell stands as an embodiment of NSE's genesis. The ceremonial act of bell ringing epitomises NSE's role in the nation's economic narrative.

# Benchmarking Excellence

## National Stock Exchange of India

As India's first electronic stock exchange, the National Stock Exchange (NSE) has been the nation's largest since it started operations in 1994. Our comprehensive business model covers trading, clearing and settlement, indices, market data, and financial education. With a strong commitment to regulatory compliance and technological innovation, NSE provides a fair, efficient and transparent platform, driving India's capital markets forward.



## Global Ranking

**No. 1**

Multi-asset Class Exchange  
(No. of Trades)

**No. 1**

Derivatives Exchange (No. of  
Contracts Traded)

**No. 3**

Equity Exchange  
(No. of Trades)



## Capital Formation

**₹13.8** lakh crores

Total Fund Mobilisation

**₹2.41** lakh crores

Equity Fund Mobilisation  
Including by Business Trusts

**₹11.4** lakh crores

Debt Fund Mobilisation  
(Includes ₹5.9 lakh crores raised in CPs)



## Market Share

**92.7%**

Equity Cash

**99.9%**

Equity Futures

**96.9%**

Equity Options (Premium value)



## Reach

**9.2** crores

Investors

**99.8%+**

PIN Codes

**2,000+**

Cities

**2,439**

Listed Companies

**50**

Common Investor Service  
Centres (ISC)\*



## Trading Infra

**1,400+** crores

Daily Average Messages

**5+ Million**

Messages per Second across  
Asset Classes Processing  
Capacity

**2 lakhs**

Trading Terminals

## Fault-tolerant

Fully Indigenous Systems



## Clearing Infra

**1<sup>st</sup>**

Clearing Corporation in India

**AAA rated**

By India's Premier Credit  
Rating Agency

**₹8,818.99** crores

Core Settlement  
Guarantee Fund

\* Out of 50 ISCs, 37 are managed by NSE  
Note: All figures as of March 31, 2024

## Performance Snapshot for FY 23-24

### Issuers

**₹13.8** lakh crores  
Total Capital Raised  
Equity + Debt Including CPs

**213**  
Companies Listed on NSE  
through IPOs on NSE's  
Main Board and Emerge  
in FY 23-24

### Investors

**9.2** crores  
Unique Registered Investors

**₹1,992** crores  
Investor Protection Fund

**5,889**  
Number of Investor  
Awareness Programmes


### Intermediaries

**1,297**  
Trading Members


**660**  
Webinars Conducted

### Financial Highlights

**₹16,433.61** crores  
Consolidated Revenue

28.74% Y-o-Y 

**₹8,305.74** crores  
Profit After Tax

12.91% Y-o-Y 

### Operational Highlights

**₹382** lakh crores/  
**\$4.6** trillion  
Market Capitalisation

**₹81,721** crores  
Average Daily Turnover  
in Cash Markets

**₹61,779** crores  
Average Daily Turnover in  
Equity Options Markets

Note: All figures as at March 31, 2024

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# About the Report

Through this 32<sup>nd</sup> Annual Report for FY 23-24, we at NSE aim to offer all our stakeholders a comprehensive view of how we create value. This Report reflects our vision, strategy and performance across economic, environmental, social and governance parameters.

It underscores our commitment to adhering to SEBI's guidelines, which encourage the adoption of Integrated Reporting. We envisage this Report to provide an impetus to our ecosystem of partners and customers to embrace a holistic approach to business management and corporate disclosures. Such an approach can play a crucial role in enabling efficient and sustainable allocation of capital.

## Report Period, Boundary and Coverage

The contents of this Report showcase our performance, strategy and outlook for the reporting period FY 23-24 for the National Stock Exchange of India Limited (NSE).

## Reporting Framework and Guidelines

This Report has been prepared in line with the requirements of:

- The Companies Act, 2013
- Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 'SECC Regulations of SEBI'
- Integrated Reporting (IR) framework of the International Integrated Reporting Council (IIRC) (now consolidated into the IFRS Foundation)
- Indian Accounting Standards (Ind AS)
- National Guidelines on Responsible Business Conduct (NGRBC Principles)
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Secretarial standards
- Other applicable laws

## Responsibility Statement

Our senior management has reviewed this Report to ensure the integrity and balance of the data represented. They have appraised the claims and content presented in this Report collectively.

## Feedback

This is our 5<sup>th</sup> Integrated Report; we look forward to your inputs towards further strengthening our value creation proposition and improving the relevance of the information represented.

## Forward-looking Statements

This Report consists of forward-looking statements which represent our envisioned future orientation for the business. These statements are based on certain assumptions and can be identified using words such as 'believe', 'estimates', 'anticipates', 'may', 'plan' and other words with similar connotation. These statements are solely representative of our expectations based on our experience, sector insight and assumptions which may be incorrect in the future. Hence, these statements must not be used as a guarantee of future performance and must be treated solely as a representation of expectations for the future based on current scenarios and assumptions which could change materially in the future.

## Alignment to Standards

This Report is also aligned to the recommendations made in the publication titled 'How exchanges can embed sustainability within their operations' published by the United Nations Sustainable Stock Exchanges (SSE) initiative in collaboration with World Federation of Exchanges (WFE).

The Global Reporting Initiative (GRI) standards and Sustainability Accounting Standards Board (SASB) standards have been referenced for devising Key Performance Indicators (KPIs) for material topics. Additionally, contributions to the United Nations Sustainable Development Goals (SDGs) have been mapped throughout this Report.

## Materiality

This Report includes information that is material to all stakeholders of our exchange and provides an overview of our business and related activities. Our material topics define the contours of the Report. These material topics are categorised into six distinct sections, termed as 'capitals' which are representative of our value creation pillars. Under each capital, our performance during the year, strategic intent and outlook have been described. The capital-specific narratives are followed by the statutory reports including board reports and financial statements.

## Strategic Focus Areas

NSE's strategic priorities are centered on creating an inclusive, fair and efficient and transparent market environment that supports capital formation, economic growth and wealth creation. We focus on innovation and technology to ensure that markets remain accessible and trustworthy for all participants. This enhances market stability and keeps the platform at the forefront of global financial markets.



### Catalyst for Capital Formation

NSE acts as a catalyst for capital formation by efficiently allocating capital, which enables the growth of enterprises of all types, from traditional to new-age companies.



### Trust Markets

Build a safe, fair, efficient, transparent, and orderly trading environment in the country.



### Broaden Access

Enhance capabilities for diverse market participants, prioritising financial inclusion and equitable access.



### Market Evolution

Remain committed to a capital-market driven economy with cutting-edge, impactful financial products across asset classes.



### Technological Advancement

Modernise and upgrade to maintain India's leadership in financial market technologies.



### Strategic Partnerships

Forge sustainable collaborations to enhance business resilience.

[Read more on Page 7](#)

## Capitals



### Financial Capital



### Intellectual Capital



### Infrastructure Capital



### Human Capital



### Social and Relationship Capital



### Natural Capital

[Read more on Page 60](#)

## Stakeholders



### Investors

Retail Investors, Domestic Institutional Investors (DIIs), Foreign Portfolio Investors (FPIs), High Net-worth Individuals (HNIs), Non-resident Individuals (NRIs), Hindu Undivided Families, Proprietary Traders, Partnership Firms, Trusts etc.



### Issuers

Corporations including Small and Medium Enterprises (SMEs) Social Enterprises, Government Bodies etc.



### Intermediaries

Trading Members, Market Infrastructure Institutions (Exchanges, Depositories and Clearing Corporations), Mutual Fund Distributors, Banks etc.



### Government and Regulatory Bodies

SEBI, RBI, Governments and other regulatory bodies



### Others

Employees, Academic Institutions, Researchers and Thinktanks, Media and Journalists, Society etc.

[Read more about stakeholder engagement on Page 46](#)

## Introduction

# Gateway to India's Economy

The National Stock Exchange of India (NSE) serves as a crucial gateway to Indian financial markets, acting as the primary conduit through which both domestic and international investors access the country's economic growth. By providing a sophisticated platform for trading equities, equity derivatives, currency derivatives, commodity derivatives and debt securities, the NSE facilitates seamless integration of Indian markets with global financial systems. India is the fourth-largest capital market in the world, as measured by market capitalisation.

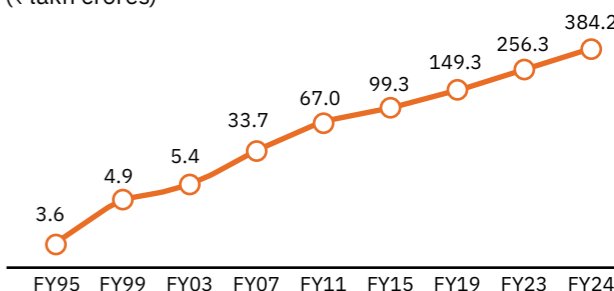
**5<sup>th</sup>**  
Largest Economy

**4<sup>th</sup>**  
Largest Capital Market

Since the launch of online trading at NSE, 30 years ago on Diwali in 1994, the Indian markets have risen from a market capitalisation of ₹3.6 lakh crores to over ₹384 lakh crores on March 31, 2024 while the Market Capitalisation surpassed the US\$4.6 trillion mark for the first time, in May 2024. The Indian market today is the fourth largest in the world, after the US, China (including Hong Kong) and Japan. This significant growth in market capitalisation is a testimony to the rise of the Indian economy, which has expanded by ~29x over the same period and currently ranks as the fifth-largest in the world. The time to add each successive trillion dollars has significantly shortened, with the market advancing from US\$4 trillion to US\$5 trillion in under 6 months, compared to nearly a decade for the previous increment. India's equity culture can be seen beyond value terms. The spread of equity holders across companies has also seen a marked increase over the past decade. The share of number of companies in the listed universe with more than 50,000 individual non-promoter shareholders has more than doubled in the last 10 years about 45% today. Further, there are about 55 companies today having more than 10 lakhs individual shareholders, while this number was just 7 a decade ago.

## Market Capitalisation

(₹ lakh crores)



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## About NSE

# Powering India's Financial Future

**NSE is more than just the premier stock exchange in India; it is an institution of national importance and of international stature. It has been pivotal in shaping India's financial trajectory, offering a dynamic platform for diverse financial instruments and generating trust through corporate governance, transparency, efficiency and cutting-edge technology. NSE is focused on investor protection and disciplined development of capital market space.**

### Our Ethos



#### Purpose

Committed to improve the financial well-being of people.



#### Vision

To continue to be a leader, facilitate the financial well-being of people.



#### Values

- Integrity
- Customer-focused culture
- Trust
- Respect and care for the individual
- Passion for excellence
- Teamwork

### Our Business Activities

At NSE, we offer a range of services for investors, listed companies and trading members with listing and trading of stocks, bonds, derivatives, and ETFs, ensuring fair, efficient, transparent, and orderly trading in line with regulations. Our state-of-the-art, real-time electronic trading system supports high-speed, high-frequency transactions, ensuring seamless market operations and comprehensive market data dissemination. Our robust risk management systems, clearing and settlement infrastructure, market surveillance, and investor protection framework foster liquidity, price discovery, market development and trust in India's financial ecosystem.

**Trading Services:** We offer a comprehensive range of trading services, including stocks, bonds, derivatives, and ETFs, ensuring fair, efficient and transparent transactions. We use advanced electronic systems and follow strict regulatory adherence, to ensure a market that facilitates market development in the Indian financial ecosystem.

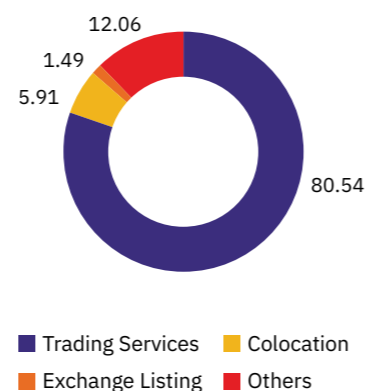
**Exchange Listing:** Exchange listing on the NSE is a crucial milestone for companies aiming to raise capital, enhance visibility, and liquidity. Companies must meet specific

financial and governance criteria to list their shares, which can then be traded freely leading to improved credibility and investor confidence, thus facilitating business growth and market development.

**Clearing and Settlement:** NCL acts as a central counterparty, ensuring trade obligations are met and transfers funds and securities between parties on the designated settlement date.

**Other Services:** Other services include index, data terminal services and data feed services.

### Revenue Contribution by Business Activities (in %)



## Our Product Landscape



### Equities

- Common stock
- Exchange Traded Funds
- REITs
- InvITS
- Mutual Funds



### Equity Derivatives

- Index Options
- Index Futures
- Stock Options
- Stock Futures



### Fixed Income

- Government securities
- Corporate Bonds
- OTC Clearing
- Sovereign Gold Bonds



### Fixed Income Derivatives

- Interest Rate Futures
- Interest Rate Options



### Currency Derivatives

- Currency Futures
- Currency Options



### Commodity Derivatives

- Commodity Futures
- Commodity Options



### Key Indices

- Nifty 50
- Nifty Bank
- Nifty Next 50
- Nifty Financial Services
- Nifty Midcap Select
- Nifty 100
- Nifty Midcap 150
- Nifty Smallcap 250
- Nifty Large Midcap 250
- Nifty 500
- Nifty 100 ESG
- Nifty CPSE
- Nifty Bharat Bond Indices



## Technological Leadership

Technology underpins all the services provided by the Exchange, firmly rooted in advanced innovations. The Exchange trading platforms process a daily average of 14+ billion messages from 2,00,000+ terminals across the country in multiple asset classes. Its systems enable seamless interoperability among multiple clearing corporations and feature cutting-edge surveillance, including real-time alerts and social media integration. The introduction of fault-tolerant servers and the ability to shift operations to a disaster recovery site within 45 minutes—an industry first—demonstrate its commitment to resilience and efficiency. The migration to T+1 settlement further underscores its drive to enhance trading speed and market practices.

[Read more on Pg. 64](#)



## Board of Directors

## The Minds behind NSE

**Prof. S Sudarshan**

Public Interest Director



Prof. Sudarshan is currently a professor at the Indian Institute of Technology, Bombay. He has a distinguished academic and research career, including a tenure as a visiting researcher at Microsoft Research in Redmond, WA, and as a Principal Investigator (Member of Technical Staff) in the Database Research group at AT&T Bell Laboratories, Murray Hill, New Jersey.

He holds a B.Tech in Computer Science from the Indian Institute of Technology Madras, and both an MS and a PhD in Computer Sciences from the University of Wisconsin-Madison, U.S.A.

He is a co-author of an internationally best – selling textbook 'Database System Concepts now in its 7<sup>th</sup> edition, and his research publications are highly cited. He is a fellow of the ACM, IEEE, INAE, INSA and IASc.

**Shri. Tablesh Pandey**

Non-Independent Director



Shri Tablesh Pandey, the current Managing Director of Life Insurance Corporation of India, holds a B.Tech in Agricultural Engineering and is an Associate Member of the Institute of Actuaries of India. He embarked on his illustrious career with the Life Insurance Corporation of India as a Direct Recruit Officer of the 16<sup>th</sup> Batch in February 1988, beginning his journey in Varanasi, North Central Zone.

Over the years, he has garnered extensive experience across various zones, including the North Central Zone, East Central Zone, and South Zone. He has held several key positions, notably as Regional Manager (IT) in the Central, East Central, and South Zones. In May 2015, he joined the Central Office in Mumbai, serving initially as Secretary (Actuarial) and subsequently as Secretary (P&GS).

His career trajectory saw a significant rise in April 2018 when he was promoted to Zonal Manager (Ordinary Scale) and appointed as Chief (Actuarial), followed by Chief (P&GS). Further advancement came in April 2021, when he was elevated to Zonal Manager (Selection Scale) and took on the role of Executive Director (Investment-Mid Office). Before assuming the position of Managing Director, he served as Executive Director (ERM/CRO/ACGC).

- Audit Committee
- Corporate Social Responsibility Committee
- Member and Core Settlement Guarantee Fund Committee

- Nomination & Remuneration Committee
- Public Interest Directors Committee
- Regulatory Oversight Committee

**Shri. S Ravindran**

Public Interest Director



Shri S. Ravindran is an experienced regulatory professional having worked with the Securities and Exchange Board of India (SEBI). He retired as the Executive Director of SEBI. During his stint at SEBI, he had worked as head of various departments such as Corporation Finance Department, Surveillance and Investigation Department, Mutual Fund Department, Foreign Portfolio Investor Department, Market Regulation Department. He was closely involved in initiating multiple policy initiatives for developing the securities market and fostering transparency and orderliness in the markets. He is a strong advocate of market innovation while keeping the interest of issuers, intermediaries and investors in mind. He also represented SEBI in various committees setup by Government of India, Reserve Bank of India and International Organization of Securities Commissions (IOSCO).

In addition to his distinguished service at SEBI, he served as an advisor to the Central Bank of Bahrain on deputation from SEBI. In this capacity, he was responsible for drafting and implementing Bahrain's Securities Market Regulatory Framework to align with international standards. His efforts facilitated Bahrain's entry into a Multilateral Memorandum of Understanding (MOU) with the International Organization of Securities Commissions (IOSCO), thereby significantly enhancing the country's regulatory framework and market credibility.

**Shri. Ashishkumar Chauhan**

Managing Director &amp; CEO



Shri Ashishkumar Chauhan is the Managing Director & CEO of the National Stock Exchange of India (NSE). A technocrat from Indian Institute of Technology (IIT), Bombay and Indian Institute of Management (IIM), Calcutta, he was part of the founding team of NSE. He is credited with setting up the first screen-based trading in India, mobile trading, mutual fund distribution through exchanges, markets for SME shares, satellite telecom, the NIFTY index, equity derivatives trading and many other modern developments in the Indian stock markets. He is considered as the father of modern financial derivatives in India.

Prior to joining NSE back in 2022, he was the MD and CEO of the Bombay Stock Exchange for 10 years. He is a member of the University Grants Commission and the Chancellor of the University of Allahabad. He is on the board of IIM Calcutta, Open Network for Digital Commerce (ONDC) and other institutions of repute. He is a faculty at Nottingham University, UK and Toronto Metropolitan University, Canada. He has also worked in the Reliance group and as the CEO of Mumbai Indians IPL cricket team in its formative years.

A book titled 'Sthithpragya: The Process of Maintaining an Equilibrium' addresses his life journey. He has been awarded many awards in India and abroad including the lifetime achievement award from Global Custodian at Singapore in 2023, Lifetime Achievement award in the field of Information Technology by CTO Magazine, Istanbul in 2007, 50 CIOs in the world by Information Week, US, Digital Icon of the Year, Asian Banker of the Year and many more.

- Risk Management Committee
- Stakeholder Relationship Committee
- Standing Committee on Technology

- Committee to decide on compulsory Delisting
- Investor Protection Fund trust
- Committee of PID for second review of claims lodged by the claimants of the defaulter/expelled members

C - Chairperson M - Member





## Board of Directors

**Shri. Rajesh Gopinathan**

Public Interest Director

C M M M M M M

Shri Rajesh Gopinathan, a business leader with over 25 years of experience in the global technology industry, holds a Post Graduate Diploma in Management (MBA) from the Indian Institute of Management, Ahmedabad, and a BE in Electrical and Electronics Engineering from the Regional Engineering College, Tiruchirapalli. Currently, he is working with IIT Bombay, focusing on strengthening the interface between academia, corporates and the startups to facilitate the programmatic translation of academic research into real-world solutions. He is also engaged with the larger startup ecosystem in the country through various forums like the National Startup Advisory Council, and through advisory relationships with young companies.

In his previous role, he served as the CEO & MD of one of the world's largest technology services firms, where he was instrumental in driving growth, strategic transformation and long-term value creation. He is a strong advocate for building diverse and inclusive teams that foster creativity, innovation and entrepreneurship.

He is passionate about driving organisational change through a culture of self-respect, continuous learning and market focus. He believes that the rapid pace of global change necessitates greater collaboration among all stakeholders to ensure equitable and sustainable progress.

**Justice (Retd.) Smt. Abhilasha Kumari**

Public Interest Director

C C M M M M M M M

Justice (Retd.) Smt. Abhilasha Kumari enrolled as an Advocate on March 26, 1984, and practised in the High Court of Himachal Pradesh across all branches of law. Throughout her career, she held significant roles, including Legal Advisor-cum-Standing Counsel for Himachal Pradesh Krishi Vishwavidyalaya, Himachal Pradesh University, Himachal Pradesh Scheduled Castes and Scheduled Tribes Development Corporation and Himachal Pradesh State Electricity Board. She also served as Standing Counsel for the Municipal Council, Dalhousie, Shimla Municipal Corporation, Himachal Pradesh Board of School Education, and Himachal Pradesh Technical Education Board. From 1995 to 2002, she was the Central Government Standing Counsel.

She was appointed as Additional Advocate General for the State of Himachal Pradesh from March 2003 to December 2005. On December 2, 2005, she was elevated as Additional Judge of the Himachal Pradesh High Court and later transferred to the High Court of Gujarat, taking her oath on January 9, 2006. She was confirmed as a permanent Judge on September 25, 2006.

A trailblazer, she became the first lady Chief Justice of the Manipur High Court, taking her oath on February 9, 2018, and retiring on February 22, 2018. Subsequently, she was appointed Chairperson of the Gujarat State Human Rights Commission on May 17, 2018, a position she held until March 26, 2019. On March 27, 2019, she took oath as Judicial Member of the Lokpal of India, serving with distinction until March 26, 2024.

■ Audit Committee

■ Corporate Social Responsibility Committee

■ Member and Core Settlement Guarantee Fund Committee

■ Nomination &amp; Remuneration Committee

■ Public Interest Directors Committee

■ Regulatory Oversight Committee

**Shri. Veneet Nayar**

Non-Independent Director

C M M

Shri Veneet Nayar is the founder and chairman of the Sampark Foundation, an organisation transforming the lives of 10 million children in rural government schools across eight states in India. Previously, he served as Vice Chairman and CEO of HCL Technologies, where he led a groundbreaking transformation that earned HCL recognition as 'the world's most modern management' by Fortune magazine.

Author of the acclaimed management book 'Employees First, Customers Second: Turning Conventional Management Upside Down', his innovative approaches have garnered widespread recognition. In 2016, he was named in Forbes' 'Heroes of Philanthropy List' for driving innovation-led, large-scale social change and was honoured as a 'Global Thinker' by Foreign Policy magazine for his efforts in enhancing children's education through technology-free methods. His visionary leadership extends beyond his tenure at HCL Technologies, with both HCL and the Sampark Foundation's management practices being studied as case studies at Harvard Business School. Fortune magazine also selected him for its inaugural global 'Executive Dream Team' in 2012, highlighting his exceptional contributions to the field of management and education.

**Prof. (Dr.) Mamata Biswal**

Public Interest Director

M M M M M

Prof. (Dr.) Mamata Biswal brings 25 years of rich teaching experience to her role as a Professor of Law and ICSSR Senior Research Fellow at Gujarat National Law University, Gujarat. Holding a Ph.D. in Law, she has a B.Sc. (Honours) and an LLM in Commercial Law (Corporate and Business Law). She has cleared the NET (UGC) and has been recognised as an ICSSR Senior Research Fellow.

She was a visiting scholar to the University of Illinois, Urbana Champaign, USA. She has been a resource person in various training programme in (State and National level) training of the Grade A officers of IFSCA, CBI Law Officers Capacity Building Programme, Probationary Officers (5<sup>th</sup> Batch) of the Indian Corporate Law Service, Ministry of Corporate Affairs, GNLU Indian Business & Commercial Laws Academy (GIBCLA), the Insolvency and Bankruptcy Board of India Awareness Programme etc. She has been the course coordinator and resource person for different certificate courses on Corporate Governance, Company Law 2013, Insolvency and Bankruptcy Laws, Financial Market Laws etc.

Her prolific contributions to legal academia include numerous published articles, books, and research papers on various legal subjects. Her expertise has been acknowledged globally, as she has been invited as a guest speaker, expert member and panelist by numerous institutions both within India and internationally. Her extensive academic and research background underscores her significant impact in the field of legal education.

■ Risk Management Committee

■ Stakeholder Relationship Committee

■ Standing Committee on Technology

■ Committee to decide on compulsory Delisting

■ Investor Protection Fund trust

■ Committee of PID for second review of claims lodged by the claimants of the defaulter/expelled members

C - Chairperson M - Member



Governance

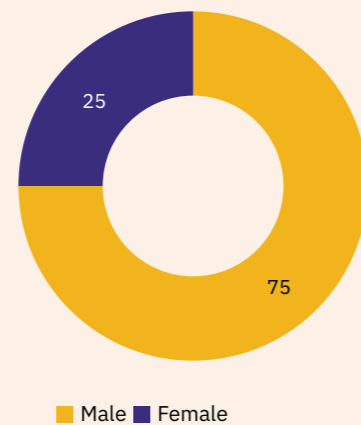
# Diverse Board to Manage Stakeholder Expectations

NSE's governance framework ensures fairness, efficiency and transparency in all its operations. The Board provides strategic oversight, while our stringent policies and procedures uphold compliance and ethical conduct.

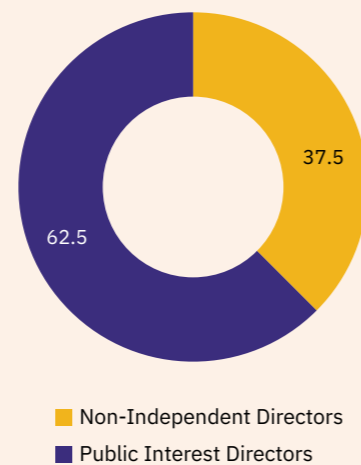
## Key Policies

- Dividend Policy
- Environment Policy
- Group CSR Policy
- Policy for Nomination and Appointment of Directors, KMPs and Senior Management
- Policy on Determining Material Subsidiaries
- Policy on Materiality and Dealing with Related Party Transactions
- Policy for Determination of Materiality of Events / Information
- Remuneration Policy

**Board Diversity\*** (in %)



**Board Independence\*** (in %)



\* As per current composition



## Board Committees

### Committees under SEBI Regulations

Member and Core Settlement Guarantee Fund Committee

Standing Committee on Technology

Regulatory Oversight Committee

Investment Protection Fund Trust

Audit Committee\*

Nomination and Remuneration Committee\*

Public Interest Directors Committee\*

Risk Management Committee\*

Stakeholders' Relationship Committee\*

Committee to decide on compulsory delisting

Committee of PID for second review of claims lodged by the claimants of the defaulter/expelled members

### Committees under Companies Act, 2013

Audit Committee\*

Corporate Social Responsibility Committee

Stakeholders' Relationship Committee\*

Nomination and Remuneration Committee\*

Risk Management Committee\*

Public Interest Director's Committee\*

\* The Committees common under SEBI Regulations & Companies Act, 2013

# Serving the Growth Story of India

“

**The 3 I's – Investors, Issuers and Intermediaries are important parts of the NSE family.** ”

”

## Dear All,

We are delighted to present the 32<sup>nd</sup> Annual Report of NSE which outlines our key role in facilitating wide participation in India's growth story through capital mobilisation and wealth creation, with the benchmark Nifty 50 index serving as a reliable gauge of the nation's economic health.

Today, India is the 5<sup>th</sup> largest economy and the 4<sup>th</sup> largest capital market in the world while the National Stock Exchange is the largest exchange in the world in terms of the number of trades per day - processing over 2,000 crores orders and 29 Crore trades on some days. As India continues on its high and sustained economic growth path over the next decade, driven by public capex and private investments, its capital markets have an even more crucial role to play in fuelling growth and entrepreneurship, while accelerating wealth creation. In addition, with steady and robust participation from domestic investors – both institutional and retail – the vulnerability to market volatility on account of global market flows has diminished. The domestic non-promoter ownership of the market between individuals and institutional investors is now comparable with the non-promoter foreign ownership.

The 3 I's – Investors, Issuers and Intermediaries are important parts of the NSE family. The number of investors participating in the capital markets through NSE surged to 9.2 crores this year, nearly tripling over the last four years. Remarkably, it took just five months to add the last crore of investors since October 2023. Importantly, NSE today has investors from 99.85% of PIN codes in the country. NSE has more than 1,300 members who continue to work hand in hand with the exchange to be the facilitators of capital formation. NSE facilitates capital allocation through more than 2,500 companies listed on NSE platform who play a key role in economic growth through value creation, job creation and wealth creation.



## MD & CEO's Message

### India Remains the Bright Spot

The Indian economy outperformed even the most optimistic forecasts, growing at 8.2% in FY 23-24, despite significant global headwinds emanating from geopolitical tensions, trade disruptions, high inflation and interest rates. This growth was driven by several factors, including the Government's continued thrust on infrastructure and housing, rising share of manufacturing in GDP, and revival in private capex on the back of strong corporate profitability and robust bank balance sheets.

High-frequency indicators like GST collections, manufacturing and services PMI, and automotive statistics all suggest a continuation of this growth momentum into FY 24-25. The Reserve Bank of India projects GDP growth at 7.2% for the coming year, underpinned by strong public and private capital expenditure, a recovery in agriculture and rural sectors buoyed by an expected normal monsoon and steady consumer demand. This, if materialised, would mark the fourth year in a row to report a 7%+ GDP growth.

### Equity Markets Mirror Stellar Economic Performance

The benchmark Nifty 50 Index ended the year on a strong note in FY 23-24, delivering a 28.6% return and significantly outperforming its emerging market peers. Further, the Nifty Mid-cap 50 and Nifty Small-cap 50 indices excelled, registering gains of 60% and 72%, respectively. Globally, India with a market capitalisation of US\$4.6 trillion as of March 31, 2024, was the 4<sup>th</sup> largest market in the world after the US, China (including Hong Kong) and Japan. Additionally, the market capitalisation of SME companies listed on the NSE Emerge platform surpassed ₹1 lakh crores for the first time in December 2023.

**₹382 lakh crores /  
US\$4.6 trillion**

Market Capitalisation of Companies listed on NSE as on March 31, 2024

### Buoyant Sentiment Witnesses a Beeline for Primary Markets

In FY 23-24, a substantial ₹13.8 lakh crore was mobilised through debt and equity markets. The equity market along with business trusts saw fund mobilisation of ₹2.4 lakh crore, while the debt market recorded mobilisation of ₹11.4

lakh crores (Includes ₹5.9 lakh crores raised in CPs). The NSE EMERGE, our dedicated platform for SMEs, witnessed a record-breaking fundraising of ₹4,622 crore through IPOs by 138 companies—nearly 3.5x the amount raised in the previous year and ninefold the figure from two years ago. Further, our innovative Social Stock Exchange (SSE) for the non-profit sector saw projects of five Non-Profit Organisations (NPOs) raise about ₹8 crores.

**₹13.8 lakh crores**

Raised through Debt and Equity in Primary Market during FY 23-24

### Steadfast in Growth

NSE retained its position as the largest derivatives exchange in the world in terms of the number of contracts traded for the fifth consecutive year. NSE also became the largest global exchange in the equity cash segment for the first time in February 2024 based on the number of trades. Domestically, NSE's leadership is equally robust, with a 93% market share in the equity cash segment, 97% in equity options, 99.9% in equity futures, 99.2% in currency options, and 75.3% in currency futures.

During FY 23-24, our consolidated revenue from operations grew 24.66% to ₹14,780.01 crore, with operating EBITDA increasing by 4.68% to ₹9,869.69 crore, and EBITDA margin coming in at 70.73%. Our net profit after tax rose 12.91%, to ₹8,305.74 crore. This strong profitability was achieved even with a substantial contribution of ₹1,740.97 crore to the Settlement Guarantee Fund (SGF), underscoring our commitment to maintaining a secure and resilient trading environment.

### Enhancing Trust and Transparency with Technology

Building on our foundational role in the financial markets, we continuously invest in next-generation technologies. These initiatives include enhancing IT capacity, deploying the Log Analytics and Monitoring Application (LAMA), and introducing advanced software to monitor IT glitches for major trading members. These technological advancements streamline operations and play a crucial role in market development.

India's robust digital infrastructure facilitated the seamless adoption of the 'T+1' settlement regime, a rare global achievement. Recently, we have started experimenting with same-day settlement cycles ('T+0') for some selected securities. These changes have significantly increased

market efficiency and reduced settlement risks. A key milestone in our technological journey was the successful completion of the NSE IX – SGX Connect, with trading for the GIFT NIFTY Index starting on July 3, 2023. This marks a crucial step towards 'Onshoring the Offshore,' enhancing the vibrancy and liquidity of the market at GIFT IFSC.

Furthering market safety and transparency, we have implemented several regulatory measures like the regulation of client funds and pre-trade risk controls. We have also fortified our Settlement Guarantee Fund (SGF) and Investor Protection Fund (IPF), continually enhancing them based on daily trade values. These measures ensure the integrity of our operations and bolster investor confidence.

### Being Responsible

Our focus is on forging meaningful and sustainable relationships with all stakeholders while contributing to the broader financial ecosystem. We are committed to enhancing investor awareness through regular awareness and outreach programmes, empowering them to navigate their financial journey with confidence. In FY 23-24, NSE conducted 5,889 Investor Awareness Programmes covering 3.64 lakhs participants. Our collaboration with intermediaries, regulators and the government, continues to reinforce the market's integrity and transparency.

From HR perspective, we are dedicated to creating an inclusive work environment that promotes growth, innovation, and mutual respect among all employees, aligning with our shared goals. As a responsible corporate citizen, NSE is deeply engaged in uplifting the communities we serve. As part of our Corporate Social Responsibility (CSR), in FY 23-24, NSE Group CSR undertook a rigorous exercise, to review its strategy and way forward. Progressing from a pan India approach to be in various geographies across the nation, it was felt that few niche, large scale projects should be undertaken which would have measurable and sustained impact for large number of beneficiaries.

The COVID pandemic brought forth the lacunae in the health infrastructure of the nation and the need to augment the same was recognised by NSE Group. Moreover, there has been an exponential increase in the number of patients suffering from cancer throughout the nation and the facilities for low-cost cancer treatment are limited.

Thus, NSE Group has collaborated with the Advanced Centre for Treatment, Research and Education in Cancer (ACTREC), Kharghar, Navi Mumbai which is a wing of the Tata Memorial Centre under Department of Atomic Energy involved in the treatment of and research in cancer

and currently the largest (and only) dedicated tertiary cancer centre in Navi Mumbai. Through this partnership, a multispecialty OPD block will be constructed at the ACTREC campus in Kharghar, that will include general as well as super specialty services for treatment of co-morbidities in cancer patients. The block will also house a 60-bed centre dedicated for bone marrow transplant, which will become one of the largest centres for bone marrow transplant in the country.

**3.64 lakhs**

People Reached in Investor Awareness Programmes during FY 23-24

**14**

Languages Used

### Gratitude

At NSE, we have cultivated an organisation where respect and empowerment are fundamental to our interaction with every stakeholder. We are profoundly grateful for the unwavering trust and support that our stakeholders have extended to us, which has been instrumental in our success and continuous growth.

I would like to extend my special thanks to the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), Government of India, State Governments and other Regulatory bodies for their steadfast guidance and support. Their leadership has been pivotal in shaping the regulatory framework that enables us to operate effectively and innovate continuously.

Looking forward, we are confident in our continued collaboration with all our stakeholders. Together, we are committed to enhancing the vibrancy of India's capital market ecosystem.

Thank you,

**Ashishkumar Chauhan**

MD & CEO

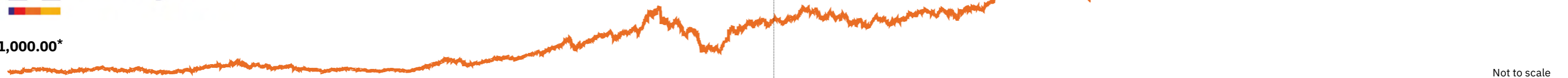


## Milestones

Three Decades of  
Leading from the Front

1,000.00\*

22,326.90#



Not to scale

\* As on November 3, 1995

# As on March 31, 2024

## 1992-93

- NSE incorporated following recommendations of the Pherwani Committee

## 1993-94

- Recognised as a stock exchange by SEBI in April 1993

## 1994-95

- Commences electronic, screen based trading (NEAT\*) in equity and wholesale debt market segments

## 1995-96

- Commences trading and settlement in dematerialised securities after Parliament passes the Depositories Act

## 1996-97

- Launches NIFTY 50 Index
- National Securities Depository Limited (NSDL) established
- NSE Clearing Limited (then known as NSE Securities Clearing Corporation (NSCCL)) incorporated, commences operations in April 1996

## 1999-2000

- Real-time risk management system established following recommendations of the J. R. Varma Committee

## 2000-01

- Launches index futures based on the Nifty 50 Index for trading in 2000-01

## 2001-02

- Launches ETF listings
- Launches index options based on the NIFTY 50 Index (then known as S&PCNX NIFTY) for trading

- Launches single stock futures and options on listed securities

## 2003-04

- Settlement cycle reduced from T+5 to T+3 from April 2002, and to T+2 from April 2003

## 2005-06

- Number of listed companies crosses 1,000 mark

## 2007-08

- Market Capitalisation of listed companies touches US\$1 trillion
- Registered investor base touches 50 lakhs unique investors

- Nifty 50 Index crosses 5,000 mark

## 2008-09

- Becomes the first exchange in India to offer trading in Currency Futures
- Securities Lending and Borrowing Scheme (SLBS) introduced

## 2009-10

- Registered investor base touches 1 crore unique investors
- Launches Mutual Fund Service System (MFSS)

## 2010-11

- Launches trading in currency options

## 2012-13

- Launches SME EMERGE platform for the listing and trading of SMEs

## 2013-14

- Launch of New Debt Segment (NDS)

## 2015-16

- Launches platform for sovereign gold bond issuance

## 2016-17

- Registered investor base surpasses 2 crore unique investors

- Promotes NSE IX, the International Stock Exchange, in India's first IFSC SEZ at GIFT City, Gandhinagar

- Launch of Electronic Debt Bidding platform (NSE-EBP) for issuance of debt securities on private placement basis

## 2017-18

- Market Capitalisation of listed companies touches US\$2 trillion
- Nifty 50 Index crosses 10,000 mark

## 2018-19

- Commodity Derivatives segment, and Tri-Party Repo of corporate debt securities launched
- Launch of Weekly expiry on Nifty 50 Index options

## 2019-20

- NSE celebrates its silver jubilee of operations

- Registered investor base touches 3 crore unique investors

- NSE IX-SGX Connect receives regulatory approval

- NSE EMERGE achieves 200<sup>th</sup> SME listing milestone

- Inter-operability among clearing corporations goes live, allowing settlement choice to investors

- Launch of Interest Rate Options on Government of India bonds

- Request for Quote (RFQ) Platform in debt securities launched

- Ranked number 1 by number of contracts in equity derivatives by WFE

## 2020-21

- Registered investor base touches 4 crore unique investors
- Nifty 50 Index crosses 15,000 mark

## 2021-22

- Registered investor base surpasses 5 crore unique investors
- Number of listed companies crosses 2,000 mark

- Market Capitalisation of listed companies crosses US\$3 trillion mark

- First exchange to implement T+1 settlement cycle in a phased manner beginning February 25, 2022

- NSE IX becomes the first international exchange at IFSC to physically settle US Stocks

- Silver Jubilee of NIFTY 50 Index and 20 Years of Derivatives in Indian Capital Market

## 2022-23

- Social Stock Exchange (SSE) launched as a separate segment

- Registered investor base surpasses 7 crore unique investors

- NSE IX-SGX Connect Inaugurated by Hon'ble Prime Minister of India Shri Narendra Modi

## 2023-24

- Market capitalisation of listed companies surpasses US\$4 trillion mark, closing the year at US\$4.61 trillion

- SME companies listed on the NSE Emerge platform crosses the ₹1 lakh crore Market Capitalisation mark

- Nifty 50 Index crosses 20,000 mark

- Registered investor base touches 9 crore unique investors

- Equity cash market turnover touches an all-time high of ₹1.68 lakh crores on November 30, 2023

- Launch of beta version T+0 settlement in the equity segment

- Equity IPO listing timeline reduced from T+6 to T+3

- Commodity derivatives on WTI Crude Oil and Natural Gas and base metals (Aluminium, Copper, Lead, Nickel, Zinc) launched

- Largest multi-asset exchange globally by number of trades

- Largest derivatives exchange globally for the fifth consecutive year in 2023 by number of contracts traded

- Third largest equity exchange globally in 2023 by number of trades

\* National Exchange for Automated Trading



## Key Performance Indicators

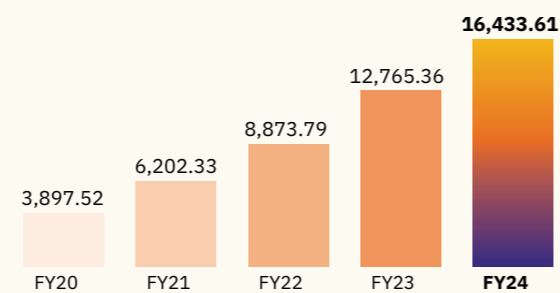
# Strong Performance on the Back of Attractive Markets

## Financial Highlights FY 23-24 (Consolidated)

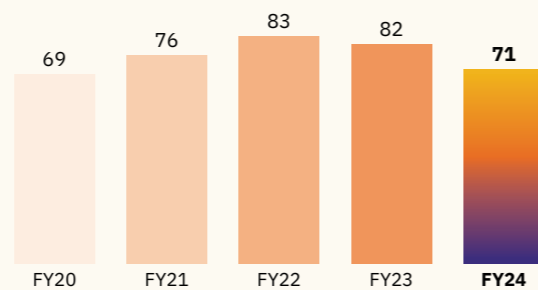
**₹16,433.61** crores**Revenue**

(₹ in crores)

43.30% (4-year CAGR) ↑

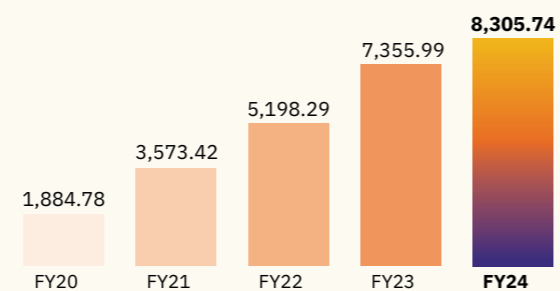
**71%****EBITDA Margin**

(%)

**₹8,305.74** crores**Profit After Tax**

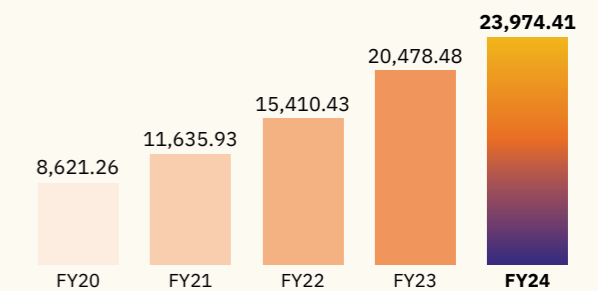
(₹ in crores)

44.89% (4-year CAGR) ↑

**₹23,974.41** crores**Net Worth**

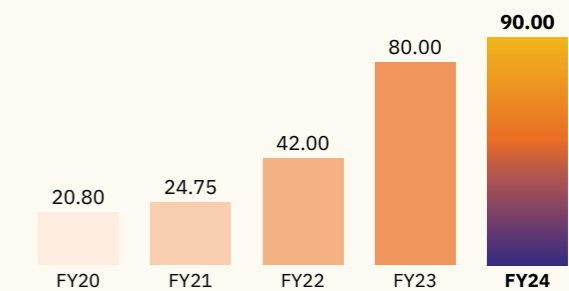
(₹ in crores)

29.13% (4-year CAGR) ↑

**₹90.00** Per Share**Dividend Per Share**

(₹)

44.23% (4-year CAGR) ↑





## Key Performance Indicators

# Strong Performance on the Back of Attractive Markets

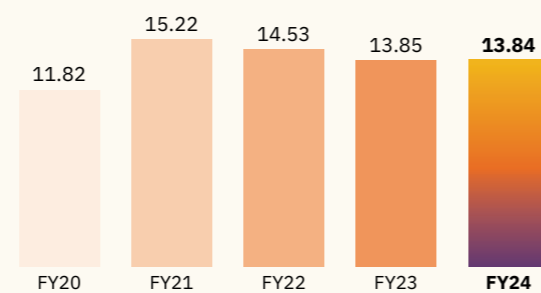
## Operational Highlights FY 23-24

The total fund mobilisation consists of fund mobilisation through equity including that by business trusts and fund mobilisation through debt issuances including commercial papers.

**₹13.84 lakh crores**

### Total Fund Mobilisation

(₹ in lakh crores)

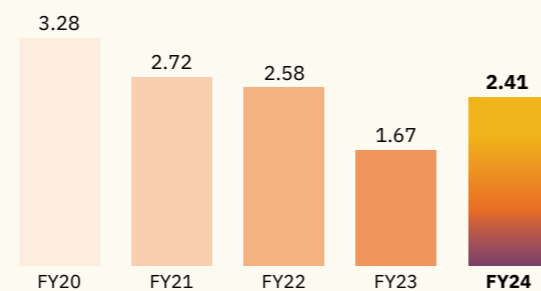


This includes Initial public offering, follow on public offering, rights, preferential allotment, qualified institutional placement and offer for sale by companies and business trusts.

**₹2.41 lakh crores**

### Fund Mobilisation through Equity

(₹ in lakh crores)



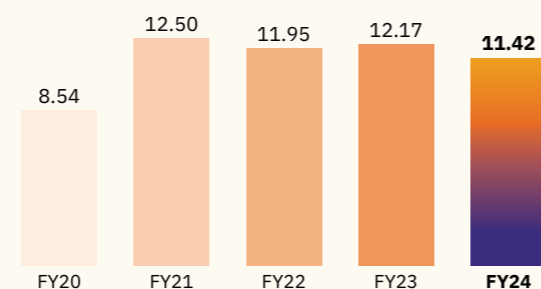
This includes capital raised through public and private placement of NCDs and commercial papers. Capital raising through debt at NSE has averaged over ₹11 lakh crore over the last five years.

**₹11.42 lakh crores**

(Includes ₹5.9 lakh crores raised in CPs)

### Debt Raised

(₹ in lakh crores)

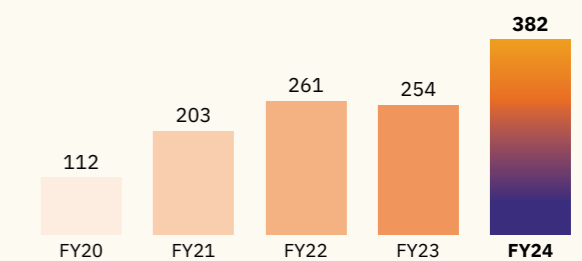


The market capitalisation of listed companies on NSE increased by about 50% to ₹384 lakh crores (US\$4.6 trillion) in FY 23-24, crossing the US\$5 trillion mark on May 23, 2024, making India the fourth largest market in the world after the United States, China (including Hong Kong) and Japan.

**₹382 lakh crores/  
US\$4.6 trillion**

### Market Capitalisation of Equity Shares Listed

(₹ in lakh crores)

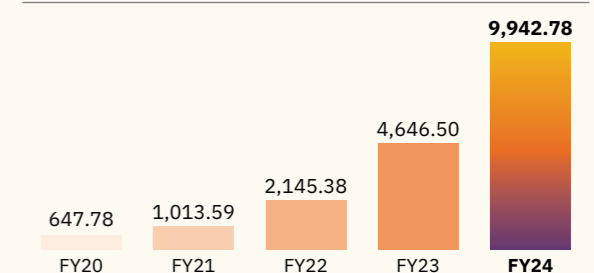


NSE is the largest derivatives exchange in the world by number of contracts traded.

**9,942.78 crores**

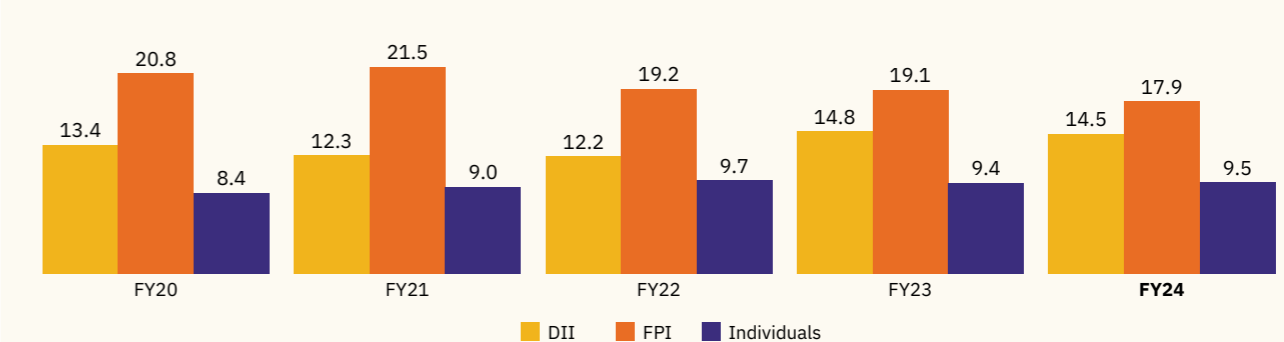
### Derivatives Contracts Traded

(Numbers in crores)



### Ownership Share of Companies Listed on NSE

(%)



Ownership Share of Domestic Institutional Investors (DIIs), Foreign Portfolio Investors (FPIs) and Individual Investors in Companies listed on NSE.



## Highlights of the Year

Our Contribution to  
India's Success

## NSE's Registered Investor Base Crosses 9 crores

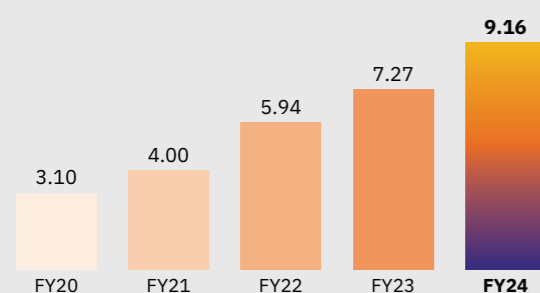
A development that signifies a deepening financial inclusion and growing public participation in India's economy, the unique registered investors at NSE crossed 9 crores on February 29, 2024, ending the fiscal year at 9.2 crores. The total number of client codes registered with the Exchange stands at 16.9 crores. This milestone reflects increasing awareness and interest in equity investments among the Indian population, indicating a shift towards more diversified and informed investment practices. It suggests economic confidence, with more individuals looking to capital markets for wealth creation and financial security.

The pace of investor registration has been steadily accelerating. It took nine months for the investor base to grow from 6 crores to 7 crores, but the subsequent additions happened at a much faster clip. The next crore was added in just eight months, and the jump from 8 crores to 9 crores took a mere five months. This broad investor base underscores the effectiveness of regulatory frameworks and investor education initiatives, contributing to a more resilient and dynamic financial ecosystem in India.

The investor base has seen more than a 3x jump in the last five years, facilitated by rapid growth in digitisation, rising investor awareness, financial inclusion, and strong market performance.

## Unique Investor Base

(in crores)



It is encouraging to see that the latest 1 crore new investors have been onboarded on the exchange in the shortest time of five months. Deepening participation in various exchange-traded financial instruments such as equities, ETFs, REITs, InvITs, Government Bonds, Corporate Bonds, etc. can be attributed to some of the key drivers such as simplification of KYC process over the years, financial literacy imparted by all stakeholders through investor awareness programmes and sustained positive market sentiment over the long term."

**Sriram Krishnan**

Chief Business Development Officer, NSE

~3x

Increase in Investor Base from  
FY 19-20

## India's Social Sector Becomes a Part of the Exchange

The Finance Minister envisioned an electronic fundraising platform for social sector as a part of the Budget Speech for FY 19-20. This vision is now a reality!

In the words of our Hon'ble Finance Minister, Smt. Nirmala Sitharaman "Taking capital markets closer to the masses and meet various social welfare objectives related to inclusive growth and financial inclusion."

The Social Stock Exchange (SSE) has emerged as a game-changer for social enterprises. This unique platform, regulated by SEBI, allows both Non-Profit Organisations (NPOs) and For-Profit Enterprises (FPEs) to raise capital through a recognised stock exchange platform.

It celebrated the listing of projects by five NPOs. These NPOs together raised about ₹8 crores, earmarked for impactful developmental projects in education, skill development, agriculture, livelihoods, women empowerment, etc.

## SSE Listings

NPO Name	Amount Raised (₹ crores)
Swami Vivekananda Youth Movement (SVYM)	1.55
Transform Rural India (TRI)	2.00
Mukti	1.75
Ekalavya Foundation	0.85
SGBS Unnati Foundation	1.80

The Social Stock Exchange is a win-win for social enterprises, investors / donors and the financial ecosystem. Social enterprises gain access to capital from sources other than donations and have increased visibility, while investors / donors can support different Sustainable Development Goals (SDGs) and seek positive social returns. This will fuel the growth of the social impact sector and promote further financial and social inclusion in India.

5

Non-Profit Organisations Listed in FY 23-24

₹8 crores

Money Raised



First listing on NSE Social Stock Exchange by SGBS Unnati Foundation



Apart from opening up a new financial pipeline for social sector development in India, the Social Stock Exchange will democratise participation of a large number of people in making India a developed nation during Amrit Kaal."

**Dr. R. Balasubramaniam**Chairman, Social Stock Exchange  
Advisory Committee, SEBI





## Highlights of the Year

## NSE IX GIFT NIFTY Records

NSE International Exchange (NSE IX) is India's leading International Exchange set up in GIFT IFSC, with a vision to become a preferred global financial gateway for both inbound and outbound investment flow by connecting India with rest of the world.

Commencing from July 3, 2023, SGX Nifty was rechristened as GIFT Nifty, which stands as a new benchmark to the growth story of Indian Equity Market. The full-scale transition of SGX Nifty to GIFT Nifty fortifies not only GIFT City's stature as a fast-emerging global financial hub, but also aligns impeccably with the visionary aspirations of Hon'ble Prime Minister, Shri Narendra Modi, to position India at a preeminent position in international finance. It stands as a testimony to our unwavering commitment to onshore international financial services activities from offshore, within GIFT City's realm. With India's economy projected to become the world's third largest, the GIFT Nifty presents an innovative pathway for global investors to gain exposure to India equities market.

NSE IX – SGX GIFT Connect has expanded trading opportunities by facilitating trading in NIFTY products for almost 21 hours, which overlaps Asia, Europe, and US trading hours. GIFT Nifty offers a single pool of liquidity and venue to access USD denominated Nifty derivatives at NSE IX under the regulatory framework of International Financial Services Centres Authority (IFSCA).

## July 3, 2023

Full-scale operations of NSE IX-SGX GIFT Connect commenced with US\$8.05 billion open interest in GIFT Nifty futures and over US\$1.04 billion open interest in GIFT Nifty Options.

## November 29, 2023

NSE IX wins 'Most Innovative Contract of the year' for GIFT Nifty at FOW London International Awards 2023.

## January 23, 2024

GIFT NIFTY sets an all-time high single day trading activity of 5,32,783 contracts with turnover of US\$22.88 bn

## March 26, 2024

GIFT NIFTY sets an all-time high open Interest of 3,30,623 contracts worth US\$14.68 bn.

## March 31, 2024

Since the full scale of operations, GIFT Nifty has witnessed a total cumulative volume of over 14.99 mn contracts and a cumulative turnover of US\$612 bn.



This marks a watershed moment in India's financial history as we successfully bring back an international contract that had previously been exported out of the country. This achievement underscores our commitment to strengthening India's position in the global financial landscape. GIFT Nifty is a catalyst in achieving Hon'ble Prime Minister's vision for GIFT City to become a price setter for largest traded instruments in the world."

**V. Balasubramaniam**  
MD & CEO, NSE IX



Launch of GIFT Nifty Trading

## Global Coverage of NSE Indices

The popularity of Nifty indices has gained further strength in the global investment landscape. Six new Exchange Traded Funds (ETFs) and Index Funds linked to Nifty Indices were launched in international markets like South Korea and Japan in FY 23-24.

In India, a total of 63 new equity and debt passive products (28 ETFs and 35 Index Funds) were launched in FY 23-24. Notably, 52 of these products were linked to Nifty Indices, highlighting their popularity among domestic investors.

As on March 31, 2024, 149 index funds and 145 ETFs are linked to Nifty Indices in India. The total Assets under Management (AUM) of the equity and debt passive funds (ETFs and Index Funds) linked to Nifty

indices in India was ₹6,30,235 Crores as on March 31, 2024, as compared to ₹4,66,383 Crores as on March 31, 2023.

As on March 31, 2024, 22 ETFs /Index Funds linked to Nifty Indices are available in international markets. The total AUM of International ETFs/Index Funds linked to Nifty Indices was US\$3,513 Million as on March 31, 2024 as compared to US\$1,167 Million as on March 31, 2023. The market share for active debt and hybrid mutual funds, in terms of benchmarking, increased from 51% in March 2023 to 62% in March 2024. Additionally, Nifty indices retained a sizeable 75% market share for benchmarking equity mutual funds, reflecting their growing recognition as reliable benchmarks for both domestic and international investors.

## ETFs and Index Funds Linked to Nifty Indices Launched in International Markets

Issuer Name	Fund Name	Country	Benchmark	ETF/Index Fund
Mirae Asset Global Investments	TIGER India Nifty 50 ETF	Korea	Nifty 50	ETF
Samsung Asset Management	KODEX India Nifty50 Leverage ETF	Korea	Nifty PR 2X Leverage	ETF
Samsung Asset Management	KODEX India Nifty50 ETF	Korea	Nifty 50	ETF
AU Asset management	auAM Nifty 50 Index Fund	Japan	Nifty 50	Index Fund
Sumitomo Mitsui Trust Asset Management	SMTAM India Equity Index Fund	Japan	Nifty 50	Index Fund
Mitsubishi UFJ Asset Management Co. Ltd	India Equity Index Fund	Japan	Nifty 50	Index Fund



Demand for Nifty Indices has been continuously increasing in India as well as outside India. AUM of passive funds tracking Nifty Indices outside India became ~3x in last one year. We will keep working with our clients to launch new and innovative indices for launch of passive products."

**Mukesh Agarwal**  
MD, NSE Indices and NSE Data & Analytics



NSE Indices awarded 'Best ESG Index Provider' by Asia Asset Management

Events at NSE

# A Snapshot of Key Events



Smt. Madhabi Puri Buch, Chairperson, SEBI, Shri Ashishkumar Chauhan, MD & CEO, NSE and other dignitaries at FICCI 20th Annual Capital Markets Conference at NSE



NSE and Government of Uttarakhand sign MoU during flag-off ceremony of Project GAURAV in the presence of Shri Pushkar Singh Dhama, Hon'ble Chief Minister of Uttarakhand



NSE-IMF Seminar on Regional Economic Outlook



Shri S. Jaishankar, Hon'ble Minister of External Affairs addressing a seminar on Indian Capital Market at NSE

Launch of NSE Multilingual Website by Shri G. P. Garg, Executive Director, SEBI



Shri Ashishkumar Chauhan, MD & CEO, NSE at the India Global Forum



Shri V. Anantha Nageswaran, Chief Economic Advisor, Government of India speaking at the IIM Kozhikode Conference on Macroeconomics, Banking and Finance

# Gallery



Shri Ashishkumar Chauhan, MD & CEO, NSE with Smt. Droupadi Murmu, Hon'ble President of India



Shri Ashishkumar Chauhan, MD & CEO, NSE presenting a memento to Shri Narendra Modi, Hon'ble Prime Minister of India



Shri Ashishkumar Chauhan, MD & CEO, NSE with Smt. Nirmla Sitharaman, Hon'ble Minister of Finance and Corporate Affairs



Shri Ashishkumar Chauhan, MD & CEO, NSE with Shri Piyush Goyal, Hon'ble Minister of Commerce and Industry



Shri Ashwini Vaishnav, Hon'ble Minister for Railways, Information and Broadcasting, and Electronics & Information Technology



Smt. Smriti Irani at NSE



Gift Nifty logo launch



NSE with International Finance Corporation (IFC) and Climate Bond Initiative (CBI) organised a program on Green, Social, and Sustainability Bonds



Shri Ashishkumar Chauhan, MD & CEO, NSE with Shri Arjun Ram Meghwal Hon'ble MoS of Ministry of Law and Justice and Parliamentary Affairs



Shri Ashishkumar Chauhan, MD & CEO, NSE with Shri D. Y. Chandrachud, Hon'ble Chief Justice of India

Gallery



Smt. Madhabi Puri Buch, Chairperson, SEBI at the celebration of first 5 listings on NSE Social Stock Exchange



Mr. Graham Paul Rouse, NZ Consul General and Trade Commissioner, Mumbai at NSE



Shri Ashishkumar Chauhan, MD & CEO, NSE presenting a memento to Shri Eknath Shinde, Hon'ble Chief Minister of Maharashtra



Shri Manoj Sinha, Hon'ble Lieutenant Governor of J&K at the inauguration of CT Scan Centre for the Indian Army 92 Base Hospital in Srinagar, a NSE CSR initiative



H.E. Taro Kono, Minister for Digital Transformation, Government of Japan at NSE

Awards and Accolades

# Celebrating Excellence

Each accolade is a symbol of our continuous effort to innovate, adapt, and excel in an ever-evolving financial landscape. As we celebrate these honours, we remain steadfast in our mission to deliver unparalleled value to our stakeholders, ensuring a secure, efficient, and inclusive market environment for all.



'Innovation in Finance' Award at Aegis Graham Bell Award (AGBA)



Best Infrastructure Platform in Asia by Asia Asset Management



Shri Ashishkumar Chauhan, MD & CEO, NSE receiving Bhartiya Mahantam Vikas Puraskar 2024 Award



Awarded 'Implementation of T+1 settlement in India' by Global Custodian



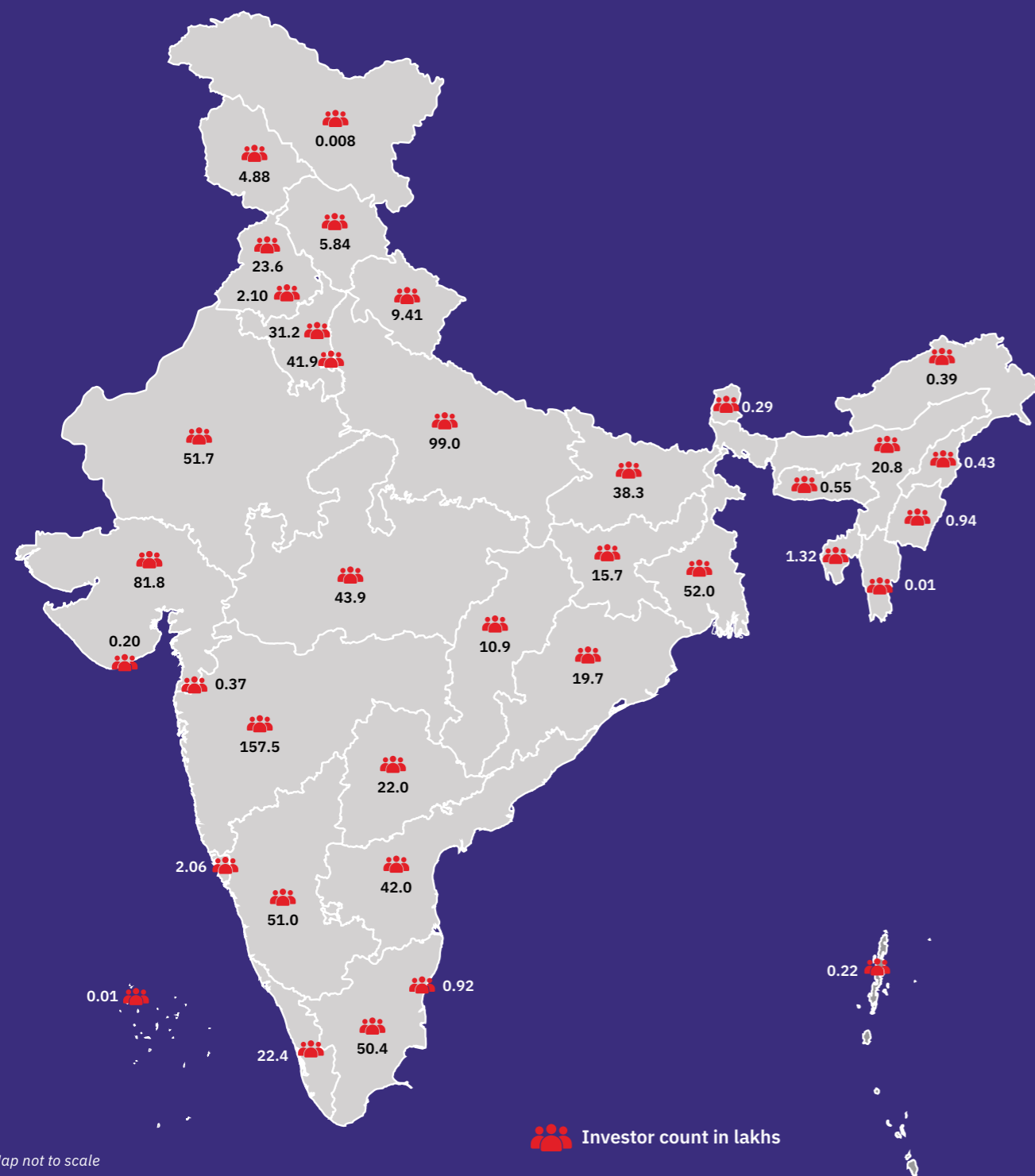
Awarded 'Exchange of the Year' in the Regulation Asia Awards for Excellence 2023



Awarded 'Best BFSI Brand' at Times Group ET Best Brands

Value Creation

# Connecting Investors with Opportunities



Map not to scale

As on 31.03.2024

Note: For some Investors state mapping is not available

The Exchange serves as a gateway to generating enduring value and fostering comprehensive development of the Indian economy. Our dedication lies in strong stakeholder engagement, ensuring that the perspectives of all stakeholders inform our strategic decisions.

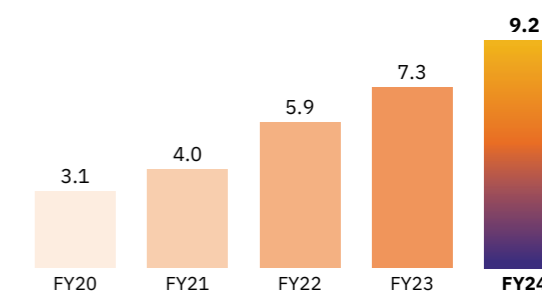
**NSE has Registered Investors in 99.85% of All PIN Codes in India**

While acting as a catalyst for India's wealth creation and economic growth, NSE has seen listing of more and more companies and has expanded its reach to serve a growing investor base. In FY 23-24, 213 new companies listed while we extended our services to all but 30 PIN codes nationwide.

To protect our investors and increase trust in the market, we are building an inclusive ecosystem via our Investor Awareness Programmes (IAP). These programmes are a repository of knowledge for informed investing, and we have conducted several awareness sessions with investors and issuers.

**No. of Investors in last 5 Years**

(in crores)



**In This Section**

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Value Creation Model

# Shaping Tomorrow: Transforming Markets for Value

External Environment

Indian Stock Markets Mirroring Indian Economy

INPUTS

FINANCIAL

**₹22,068.81** crores  
Total Non-current Assets

INTELLECTUAL

**₹1,095** crores  
Spent on Technology Driven Interventions

**370**  
Technology Workforce

INFRASTRUCTURE

**4**  
Data Centres

**6,500+**  
Servers

**13.2 PB**  
Storage Capacity

HUMAN

**44,839**  
Training Work Hours

SOCIAL AND RELATIONSHIP

**50**  
Investor Service Centres

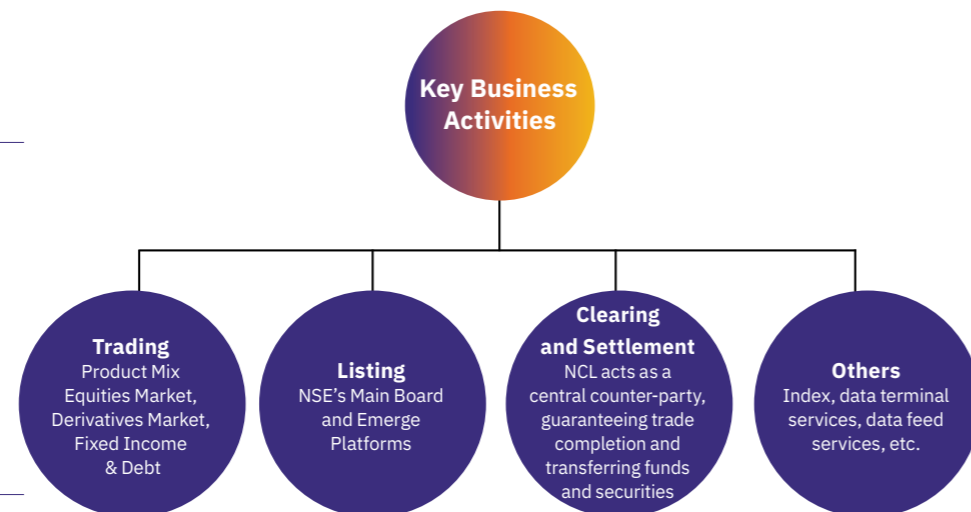
NATURAL

**39,085 Giga Joules (GJ)**  
Installation of Solar and Wind Power to Increase the Renewable Energy Mix

Vision

To continue to be a leader, facilitate the financial well-being of people,

Values



Strategic Focus Areas



Foundational Enablers



Our Stakeholders

- Investors** (Retail Investors, Domestic Institutional Investors (DIIs), Foreign Portfolio Investors (FPIs), High Net-worth Individuals (HNIs), Non-resident Individuals (NRIs), Hindu Undivided Families, Proprietary Traders, Partnership Firms, Trusts etc.)
- Issuers** (Corporations including Small and Medium Enterprises (SMEs) Social Enterprises, Government Bodies etc.)
- Intermediaries** (Trading Members, Market Infrastructure Institutions (Exchanges, Depositories and Clearing Corporations), Mutual Fund Distributors, Banks etc.)
- Government and Regulatory Bodies** (SEBI, RBI, Governments and other Regulatory Bodies)
- Others** (Employees, Academic Institutions, Researchers and Think Tanks, Media and Journalists, Society etc.)

OUTPUTS

FINANCIAL

**₹8,305.74** crores  
Profit After Tax (PAT)

INTELLECTUAL

**ZERO**  
Data Breaches

INFRASTRUCTURE

**5 Mn+**  
Orders Per Second Processed at our Trading Platform

HUMAN

**100%**  
Retention Ratio (Males and females returning from paternity and maternity leaves retained 12 months after returning to work)

**90%**  
Return to Work (Male and female return to work from maternity and paternity leaves)

SOCIAL AND RELATIONSHIP

**3.64 lakhs**  
Participants reached through Regional Seminars along with SEBI and Investor Awareness Programmes

NATURAL

**ISO 14001:2015**  
Environmental Management Systems, USGBC Platinum, and IGBC Gold Certification for Regional Office Buildings in Mumbai and Chennai, Respectively

OUTLOOK

FINANCIAL

Our robust financial position results from strategic initiatives, including diversification of our product and service offerings, infusion of next-generation technologies, and promotion of market inclusion. These initiatives enable us to retain a solid financial standing.

INTELLECTUAL

Forging future-ready computing capacity through the transformation of data centres, instilling agility in technology infrastructure, and making sustained investments in technology to seamlessly integrate next-generation digital capabilities into services and supervisory activities.

INFRASTRUCTURE

Developing sustainable infrastructural capabilities essential to ensure that our operations are resilient, responsive, robust, and future-ready. Developing sustainable infrastructural capabilities essential to ensure our operations are resilient, responsive, robust, and future-ready.

HUMAN

To build a future-ready workforce, boost diversity, and provide employees with next-generation tools and concepts.

SOCIAL AND RELATIONSHIP

To promote a collaborative and multi-stakeholder participatory approach, creating a market culture rooted in sustainability.

NATURAL

To continuously endeavour and to encourage sustainable practices among our partners and customers.

Increasing Use of New Technologies

Growing Participation of Youth

Widening Investment Avenues

Investor Protection and Awareness

Deepening Digitisation



## Strategic Priorities

# Taking India to Greater Heights

**NSE has firmly established itself as a leading multi-asset exchange with a focused strategic objective to accelerate growth and comprehensively expand client coverage. We are dedicated to offering our customers deeper, broader, and more integrated access to financial markets, providing advanced solutions that meet their evolving needs. Drawing on our robust foundational enablers, including technology and expertise, we are strategically positioned to propel NSE to new heights of success, driving innovation and setting new standards in the industry.**

## Our Strategic Focus Areas



01

### Catalyst for Capital Formation

NSE acts as a catalyst for capital formation by efficiently allocating capital, which enables the growth of enterprises of all types, from traditional to new-age companies.

#### How to Achieve it in Long Term

Offer wide variety of financial products to enable different companies including social enterprise and MSMEs along with top corporates to raise capital.

#### Why is this Important?

Enhancing capital formation and allocation is vital as it ensures efficient support for enterprises. This encourages innovation, drives economic growth, and strengthens the market by diversifying investment opportunities. This leads to a dynamic and competitive business environment while leading to wealth and job creation.

#### Objectives for Short and Medium Term

Fostering a well-regulated and equitable ecosystem for mobilisation of financial resources.

### Capitals Linked

#### Financial Capital

[Read more at Pg. 62](#)

#### Social and Relationship Capital

[Read more at Pg. 78](#)

### SDGs Supported



02

### Trust Markets

Build a safe, fair, efficient, transparent, and orderly trading environment in the country.

#### How to Achieve it in Long Term

Robust regulatory frameworks, sustained investment in technology and risk management, transparency in corporate governance, and consistent enforcement of rules are the key imperatives in developing trust in the markets. Educating investors about market operations and risks, alongside promoting financial literacy are essential too in fostering a stable investment environment that attracts both domestic and international participants.

#### Why is this Important?

Trust is the bedrock of a market system that enables millions of investors from all parts of the country to invest and participate in the growth path of companies they have never met. Such a system also allows these investors to have ready access to their capital anytime they need.

#### Objectives for Short and Medium Term

Continuously invest in trading and risk management systems to further enhance resiliency.

Align regulatory frameworks to changing market dynamics while keeping investor interest paramount.

### Capitals Linked

#### Financial Capital

[Read more at Pg. 62](#)

#### Intellectual Capital

[Read more at Pg. 64](#)

#### Social and Relationship Capital

[Read more at Pg. 78](#)

#### Infrastructure Capital

[Read more at Pg. 70](#)

#### Natural Capital

[Read more at Pg. 84](#)

### SDGs Supported



03

### Broaden Access

Enhance capabilities for diverse market participants, prioritising financial inclusion and equitable access.

#### How to Achieve it in Long Term

Leverage technology to ensure wider and more efficient distribution of financial services across diverse demographics. Regulatory reforms to encourage new listings and make diverse investment products available to a broad investor base.

#### Why is this Important?

We want to partner in India's dream towards becoming a developed economy by 2047 and a global economic powerhouse by providing an efficient fund-raising platform to all types of issuers including the small and medium enterprises. At the same time, we want to empower all investors, domestic or foreign, institutional or non-institutional institutional, with an array of financial products suiting their risk profiles and diversification needs.

#### Objectives for Short and Medium Term

Widen participation across asset classes including equities, fixed income, currency, commodities, and their derivatives as well as newer asset classes such as energy, carbon, etc.

### Capitals Linked

#### Financial Capital

[Read more at Pg. 62](#)

#### Natural Capital

[Read more at Pg. 84](#)

#### Intellectual Capital

[Read more at Pg. 64](#)

### SDGs Supported





## Strategic Priorities



04

### Market Evolution

Remain committed to a capital-market driven economy with cutting-edge, impactful financial products across asset classes.

#### How to Achieve it in Long Term

Align our product and service offerings to changing market dynamics within the regulatory framework, keeping investor interest front and centre.

#### Why is this Important?

A capital market-based financing model is crucial for diversifying funding sources, enhancing financial stability, and promoting innovation. This enables broader access to capital, fuels economic growth, and supports the development of a more resilient and dynamic financial ecosystem.

#### Objectives for Short and Medium Term

Develop a superior range of products for Retail, MSMEs, and Social Enterprises and become a preferred exchange in this transition.

#### Capitals Linked

##### Financial Capital

[Read more at Pg. 62](#)

##### Social and Relationship Capital

[Read more at Pg. 78](#)

##### Intellectual Capital

[Read more at Pg. 64](#)

##### Infrastructure Capital

[Read more at Pg. 70](#)

#### SDGs Supported



05

### Technological Advancement

Modernise and upgrade to maintain India's leadership in financial market technologies.

#### How to Achieve it in Long Term

Enhance digital transformation across exchange and clearing corporation systems and continue to further modernise trading platforms to handle high-volume asset classes and greater MIS and analytics capabilities.

#### Why is this Important?

Building of robust tech platform is essential to gain a leadership position in any given category. Digitisation facilitates building scalability. Technological prowess also leads to enhanced compliance and regulatory functions and improves trust in the markets leading to market integrity, attracting global investors, and positioning India as a leading financial hub, driving economic growth and competitiveness.

#### Objectives for Short and Medium Term

- Enhance application monitoring, and implement effective software and hardware asset management to streamline processes and further improve overall system performance
- Expand and upgrade data centres for scalability, ensuring continual enhancement of technology infrastructure for resiliency, redundancy, and security

#### Capitals Linked

##### Infrastructure Capital

[Read more at Pg. 70](#)

##### Intellectual Capital

[Read more at Pg. 64](#)

#### SDGs Supported



06

### Strategic Partnerships

Forge sustainable collaborations to enhance business resilience.

#### How to Achieve it in Long Term

Maintain leadership in regulatory functions by partnering with government bodies.

Emerge as a thought leader in financial markets and develop a digital retail investor platform to empower investors with knowledge, skills, and tools.

#### Why is this Important?

Collaborations with other exchanges, financial institutions, and regulatory bodies can lead to innovative products, increased liquidity, and improved market infrastructure, boosting NSE's trading volumes and revenue. Effective advocacy allows NSE to influence policy decisions, creating a favourable environment for investment and market growth.

#### Objectives for Short and Medium Term

- Enhance customer experience and support first-time investors while promoting awareness and building capacity for regulatory compliance
- Execute the design and delivery of new-generation surveillance systems, assess the latest technology for regulatory use, and build capacity for stakeholders to enhance compliance and monitoring by regulators

#### Capitals Linked

##### Human Capital

[Read more at Pg. 74](#)

##### Social and Relationship Capital

[Read more at Pg. 78](#)

##### Intellectual Capital

[Read more at Pg. 64](#)

#### SDGs Supported



## Foundational Enablers

#### Regulatory Compliance

The regulatory framework at NSE works towards maintenance of trust in the markets. Trust in listed companies by monitoring of disclosures by listed companies, trust in the broking system with a regulatory framework for clients' assets protection, trust in the transparency and fairness of markets by effective surveillance and investigation functions, and trust in investor protection by effective investor awareness and grievance redressal mechanism.

[Read more at Pg. 90](#)

#### Product Development

NSE has developed product offerings that meets the needs of global investors and Indian investors' global investment access. NSE has launched almost all key commodity products based on investors feedback. Improved collateral efficiency helps all investors, particularly FPIs who have long traded equity derivatives on NSE.

[Read more at Pg. 11](#)

#### Business Excellence

Business Excellence plays a pivotal role in driving operational excellence by optimizing processes, ensuring quality, and fostering a culture of continuous improvement. It provides assurance on risk management and compliance through audits, and offers insights that support strategic decision-making and enhance organizational effectiveness.

[Read more at Pg. 66](#)

#### Technology

By staying at the forefront of technological advancements, we aim to provide a robust foundation that supports innovation, meets regulatory requirements, and adapts to the dynamic needs of the market. We ensure seamless, secure, and efficient transactions in the continuously evolving Indian capital markets.

[Read more at Pg. 64](#)

#### Market Leadership

NSE has long been a market leader par excellence, helping companies raise capital, attracting investors - both global and local, and helping intermediaries and members thrive in a busy marketplace. NSE continues to set industry standards and drive innovation, always ensuring market efficiency and transparency, and in the process manufacturing trust. It is this trust that helps investors, companies and the broader economy.

[Read more at Pg. 3](#)





## Stakeholder Engagement

# Engaging with Diverse Participants of Indian Society

We have identified the following stakeholders as integral part of our business and engage with them on an ongoing basis to seek and understand their views.

Stakeholder	Initiatives Taken to Engage/Interact with Customers	Modes of Engagement	Key Engagement Topics
<b>Investors</b>			
Investors	<ul style="list-style-type: none"> <li>Implemented investor protection measures, including displaying designated client bank accounts on Exchange and broker's website and brokerage charges on brokers' terminals, and issued public notices against unregulated schemes</li> <li>Display of Risk Disclosures with respect to trading in equity F&amp;O segment upon login screen of trading of member</li> <li>Extensive investor awareness programmes are conducted</li> <li>Daily trade related information is sent to investors</li> <li>Weekly messages on funds and securities / commodities balances as reported by trading members</li> <li>Text messages to caution investors are sent to the registered mobile numbers of the investors on a monthly basis</li> </ul>	<ul style="list-style-type: none"> <li>NSE Website/Circulars</li> <li>SMS</li> </ul>	Information about Members, Investors and Authorised Persons (AP) Traded Values, Balance with brokers, etc.
<b>Issuers</b>			
Companies	<ul style="list-style-type: none"> <li>Conducted 20 awareness sessions for companies on the framework for restricting trading by Designated Persons, and regular reviews of regulatory policies</li> <li>Established a regulatory help desk and facilitated periodic regulatory filings by listed companies</li> <li>Acted as a Secretariat to the Industry Standard Forum (ISF)</li> </ul>	<ul style="list-style-type: none"> <li>One-on-One / group meetings / webinars</li> <li>Phone calls and emails.</li> <li>Application for various approvals</li> </ul>	Compliance and regulatory matters service-related matters
Urban Local Bodies and PSUs	<ul style="list-style-type: none"> <li>Reached out to potential Municipal Bond Issuers and Urban Development Departments at State government level to promote fund raising through Municipal Bond Issuances</li> <li>Engaged with several municipal corporations such as Varanasi, Surat, Gandhinagar, Rajkot, Bhavnagar - for their municipal bond issuances</li> <li>Continuous engagement with PSU issuers and facilitating fund raising through corporate bonds</li> </ul>	<ul style="list-style-type: none"> <li>Emails</li> <li>One-on-One meetings</li> <li>Group meetings</li> <li>Webinars</li> </ul>	Municipal Bonds, Green Bonds, Corporate Bonds, etc.
<b>Intermediaries</b>			
Trading Members	<ul style="list-style-type: none"> <li>Conducted several webinars/programmes for members covering topics such as New regulatory requirements, supervision of authorised persons, code of advertisement, pre-trade risk controls, surveillance obligations, consolidated penalty structures, and client code modification</li> <li>Issued Operational guidelines and SOP on Upstreaming of clients' funds by Stock Brokers (SBs) / Clearing Members (CMs) to Clearing Corporations (CCs) for smooth implementation of the Framework of Upstreaming of client funds by Trading Members</li> <li>Ease of Compliance for Trading Members through discontinuation of Reporting Requirements of Bank account balances / Bank statement reporting, Weekly reporting under enhanced supervision, Cash &amp; Cash Equivalent reporting</li> <li>Improved the internal audit mechanism further by empaneling the auditors for undertaking assignments related to internal audit of members</li> <li>Issued advisories to members regarding the legitimate use of NSE data, the necessity of monitoring social media for misuse of their name/ brand/ logo, and the importance of periodic regulatory filings</li> <li>Introduced a 'Penalty Dashboard' in the Member Portal for centralised access to penalty-related information, compliance directives, and expected penalties</li> <li>Attending flagship FIA (Futures &amp; derivatives) conferences in USA, UK, SG and HK to stay connected with existing Foreign Portfolio Investors (FPIs) and meet potential members of the Exchange</li> <li>Set up of distinct 'Working Group committee' for key domestic retail, domestic institutional, foreign brokers to update on product / market developments, regulatory and technology updates and hear segment specific asks, improvement areas</li> <li>Setup of dedicated desk for all broker associations i.e. ANMI, BBF and CPAI to manage engagement and handle their member concerns</li> </ul>	<ul style="list-style-type: none"> <li>One on one meetings</li> <li>Member help desk - Emails</li> <li>Periodic Compliance filings</li> <li>Webinars</li> <li>Member Surveillance Dashboard (MSD) for members</li> <li>NSE's Electronic Application System (NEAPS) for Listed Companies</li> <li>Regional meets</li> </ul>	<ul style="list-style-type: none"> <li>Compliance and regulatory matters</li> <li>Query resolving and assistance</li> </ul>



## Stakeholder Engagement

Stakeholder	Initiatives Taken to Engage/Interact with Customers	Modes of Engagement	Key Engagement Topics
Other Exchanges	<ul style="list-style-type: none"> <li>Conducted knowledge-sharing sessions with other exchanges/depositories</li> <li>Formulated a joint framework for changes related to the Reversal Transactions framework</li> <li>Submitted a joint proposal to the regulator on surveillance measures and frameworks for the SME segment, including the Short-Term Additional Surveillance Measure (ST-ASM), Graded Surveillance Measure, and Trade for Trade</li> <li>Introduced the Enhanced Surveillance Measure for Micro-Small Companies (market cap less than 500 crores) effective from 5 June 2023</li> <li>Introduced additional cautionary indicators via Exchange circular no. NSE/SURV/57778 dated 31 July 2023</li> </ul>	<ul style="list-style-type: none"> <li>Periodic joint meetings with exchanges &amp; depositories</li> <li>E mail discussion on policy matters</li> </ul>	<ul style="list-style-type: none"> <li>Information sharing and discussion on regulatory matters</li> <li>Discussion on policy matters</li> </ul>
<b>Regulators and Governments</b>			
Regulators	<ul style="list-style-type: none"> <li>Periodic meetings with SEBI officials to discuss various regulatory matters</li> <li>Timely submission of information and data requested by SEBI</li> <li>Regular discussions with SEBI and Market Infrastructure Institutions (MIIs) during SEBI Surveillance meetings on various surveillance-related matters</li> <li>Acted as Secretariat to the Broker Industry Standard Forum (Broker ISF), comprising of representatives from Market Infrastructure Institutions (MIIs), Members associations, Qualified Stock Brokers (QSBs), Back Office / Front office Vendors, Custodians, Foreign Brokers, Investor Associations and other relevant stakeholders and convened 21 meetings covering more than 90 agendas</li> <li>Engagement with SEBI on the following emanated through Brokers' Industry Standards Forum for enhancing the ease of compliance of Trading Members and smooth implementation of SEBI Regulations / guidelines- <ul style="list-style-type: none"> <li>Upstreaming of clients' funds by Stockbrokers (SBs) / Clearing Members (CMs) to Clearing Corporations (CCs)</li> <li>Permitting Quarterly/monthly settlement of clients' funds on Friday &amp; / or Saturday</li> <li>Framework for Trading Members to provide the facility of voluntary freezing/blocking the online access of the trading account to their clients.</li> <li>Most Important Terms &amp; Conditions document for client</li> </ul> </li> <li>Engaged with key Government Ministries including Ministry of Power (MoP), Ministry of Environment Forest and Climate Change (MoEFCC), CERC, CPCB, and BEE etc. for sustainable products (Electricity Derivatives, Carbon Credits, Green Credits, etc.), reinforcing our commitment to sustainable finance and national climate goals</li> <li>An MoU was signed between NSE-SSE and National Skill Development Council (NSDC) to support the development of NSE-SSE ecosystem</li> </ul>	<ul style="list-style-type: none"> <li>Periodic meetings with SEBI officials</li> <li>Emails</li> <li>Phone calls</li> <li>One-on-One meetings</li> <li>Group meetings</li> <li>Webinars</li> </ul>	<ul style="list-style-type: none"> <li>Periodic engagement with SEBI officials on key regulatory matters and important cases</li> <li>Discussions on policy matters</li> <li>Data requirements</li> <li>Active engagement with SEBI on the Unified Information Infrastructure (UII) initiative</li> <li>Electricity Derivatives, GSS+ bonds, Carbon Credits, Green Credits etc., Social Stock Exchange</li> </ul>
Governments	<ul style="list-style-type: none"> <li>We have entered into MoUs with 9 State Governments viz. West Bengal, Assam, Goa, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Uttarakhand and Gujarat for for improving the financing opportunities for the MSMEs and the early-stage companies</li> <li>NSE signed an Memorandum of Understanding (MoU) with the Government of Uttarakhand and flagged the commencement of Project GAURAV. A skill development programme for youth of Uttarakhand in the BFSI sector</li> <li>NSE has also engaged with the Govt. of Assam for a skill development project for the youth</li> <li>Multiple interactions are ongoing with several state governments, mainly Govt. of Madhya Pradesh, Govt. of Uttarakhand, and Govt. of Telangana to explore fund raising through outcome-based funding mechanism and Zero Coupon Zero Principal (ZCZP) instrument on NSE-SSE platform</li> </ul>	<ul style="list-style-type: none"> <li>Emails</li> <li>One-on-One meetings</li> <li>Group meetings</li> <li>Webinars</li> </ul>	<ul style="list-style-type: none"> <li>Fund raising for MSMEs, skill development in BFSI sector, investor awareness, Social Stock Exchange</li> </ul>
<b>Others</b>			
Others	<ul style="list-style-type: none"> <li>Structured communication through 'HR Bytes'</li> <li>Well-being sessions</li> <li>Employee engagement activities</li> <li>Collab connect sessions</li> <li>Employee townhalls</li> <li>Learning and development initiatives</li> <li>Campus Relations</li> <li>NSE Research Initiative 2.0</li> </ul>	<ul style="list-style-type: none"> <li>Emails</li> <li>Webinars</li> <li>In person meetings</li> <li>Class-room sessions</li> </ul>	<ul style="list-style-type: none"> <li>Communicating Policies, Processes and Announcements</li> <li>Employee well-being sessions</li> <li>Sports, festivals, and theme-based days</li> <li>Understanding employee feedback, point of view and engagement</li> <li>Townhalls (employee connects with the leadership)</li> <li>Technical and Functional training programme as well as leadership development</li> </ul>

## External Environment

# Driving Participation in the India Growth Story

Driven by a strong foundation and reforms, India is poised to remain one of the fastest-growing large economies in the world. With these strong tailwinds to support us, we at NSE are ready to leverage our robust tech-led infrastructure and innovation to empower investors to contribute to India's success.



Listing of Mankind Pharma Ltd. on NSE



As NSE continues to innovate and provide cutting-edge technology infrastructure to maintain reliability and resiliency of markets, the Enterprise Risk Management framework plays an important role in ensuring that risks are identified, assessed and mitigated on a continual basis to provide a secure trading platform for all stakeholders.”

**Somasundaram K S**

Chief Enterprise Risk Officer, NSE

## Indian Stock Markets Mirroring Indian Economy

NIFTY 50 CAGR for last five years has been 15%+. In fact, Indian stock market is the 4<sup>th</sup> largest in the world by market capitalisation. India remained the fastest growing large economy in the world for the third consecutive year, defying expectations with a phenomenal GDP growth of 8.2% for FY 23-24. This performance was fuelled by renewed capex cycle, pick up in investments, a well-capitalised Banking system, rising domestic consumption and a thriving services sector. Equity markets have been a testament to India's robust economic environment.

### Our Approach

NSE acts as a catalyst for capital market growth by creating an environment that is conducive to capital formation, investor participation, and market efficiency. This creates a vibrant ecosystem that benefits both companies seeking to raise capital and investors seeking investment opportunities.

# 28.6%

NIFTY 50 Returns in FY 23-24

## Widening Investment Avenues

In the last few years, Indians have been investing more in options like direct equity, mutual funds, among other investment avenues. The net assets under management of the Indian mutual fund industry stood at ₹53 lakh crore as of March 31, 2024, which accounts for ~18% of India's GDP. While this has increased meaningfully over the last five years from ~11% in FY 19-20, it remains much lower than 90% for developed markets like the United States.

Direct ownership of individuals as non-promoters in equity markets at 9.5% also compares unfavorably with 20%+ in the United States. This shows immense growth potential for direct as well as indirect participation of individuals in the Indian equity markets.

### Our Approach

At NSE, we have made investments into launching new, innovative products to attract all types of Indian investors, including first time investors in the market. We are continuously taking infrastructure-based initiatives that enhance service stability, reliability and quality. This has resulted in investor confidence leading to increased inflow in equity markets.

# ₹12.66 lakh crores

Equity Capital Raised on NSE from FY 19-20 to FY 23-24



## External Environment



### Deepening Digitisation

Indian investment ecosystem is experiencing rapid shift, giving rise to deepening digitisation following the trinity of Aadhar, Internet and Awareness. With more and more people having access to trading avenues on the fingertips, the numbers of investors investing has gone up significantly. This enables growth of the entire market ecosystem.

#### Our Approach

NSE operates on the 'National Exchange for Automated Trading' (NEAT+) system, a fully automated screen based trading system, which adopts the principle of an order driven market.

**14+** billion

Messages daily Average Messages Processed by Trading Platforms

**5+** million

Messages per Second across Asset Classes Processing Capacity

### Investor Protection and Awareness

The function of investor protection and awareness is carried out for developing fair, efficient and transparent markets. This safeguards investors from fraudulent activities. Regulatory bodies monitor trading activity and enforce rules to prevent manipulative practices such as price fixing and insider trading. They establish clear rules and regulations for all market participants, promoting transparency and building trust among investors.

#### Our Approach

We have established an Investor Protection Fund (IPF) with the objective of compensating investors in the event of counter-party defaults and for promoting investor education, awareness and research. In addition to abiding the rules and regulations set by all regulatory authorities like SEBI, RBI, MoF among others, NSE, as a front line regulator, also formulates and maintains the rules and regulations pertaining to compliance issues, listing securities, monitoring transactions, and registering members. We also undertake Investor Awareness Programmes at four levels to create awareness among small investors and empower them to chart the way to their financial independence. Recently we ran an ad-campaign creating awareness against social media fin-influencers. We also run a podcast series 'Shashakt Niveshak – pathway to \$5 trillion economy.'

**₹1,992** crores

Investor Protection Fund as of March 31, 2024

[Read more on Page 80](#)



### Growing Participation of Youth

The Indian youth are playing an increasing role in the economic narrative with increased participation in the capital markets. Increasing per capita income further acts as a catalyst towards bringing more young people to the capital market ecosystem.

#### Our Approach

We have witnessed a rise in young investors over the years. The biggest gain from this has been reducing reliance of Indian markets on foreign flows. Although the FPI ownership in March 2024 reached a 12-year low of 17.9%, Indian markets continued to do well on surging domestic inflows.

Age Category	20-Mar	21-Mar	22-Mar	23-Mar	24-Mar
Less than 30 years	23.50%	29.40%	37.50%	38.50%	40.00%
30-39 years	31.20%	30.40%	28.90%	29.20%	29.10%
40-49 years	19.70%	17.90%	15.80%	15.60%	15.40%
50-59 years	12.60%	11.00%	9.10%	8.60%	8.10%
60 years and above	13.00%	11.20%	8.70%	8.10%	7.40%

### Increasing Use of New Technologies

Several organisations have adopted digital transformation journeys to reshape their business models over last few years. Technology is leveraged to offer better customer experience, support new product and service offerings, and strengthen regulatory compliance. The world of finance is becoming increasingly reliant on technology. More businesses, including stock exchanges are investing heavily in innovative solutions to enhance their operations and stay competitive.

#### Our Approach

At NSE, we recognise technology as a key driver of success. We leverage cutting-edge solutions and industry partnerships to continuously enhance our technology infrastructure. This commitment ensures efficient operations, exceptional customer experiences, and a competitive edge in the ever-evolving financial market.

At NSE, we leverage cutting-edge technology, automation, and industry partnerships while prioritising cybersecurity to enhance our technology infrastructure. This ensures efficient operations, exceptional customer experiences and competitive edge in ever evolving capital markets. We have automated critical processes, from data centre and disaster recovery switchover to system patching, server provisioning, and workflow automation across four data centres. Our use of AI, including generative AI for test case generation and document summarisation, further boosts efficiency and reduces human error.



## Materiality

# Mapping Material Issues in the Ecosystem

At NSE, we continually identify and prioritise material issues that significantly impact us and our stakeholders. Through ongoing materiality analysis, we remain responsive to emerging trends and challenges, ensuring long-term value creation.

### Review Process

The materiality review process at NSE is structured around two key elements:

#### 1. Review of Topics in the Context of the Enabling Environment

**Current Impact and Relevance:** This phase involved evaluating the impact and relevance of identified material topics. We assessed these topics against the backdrop of the macroeconomic environment, key risks, regulatory landscape, and global trends.

**Peer Analysis:** We conducted a peer analysis to validate the relevance of our material topics for the reporting period and to ensure that our priorities aligned with industry standards and best practices.

#### Enabling Environment

- Peer review
- Macroeconomic trends
- Regulatory and global compliances

#### 2. Review Based on Stakeholder Inputs

**Stakeholder Feedback:** We analysed inputs received from our diverse stakeholder engagement channels. This feedback helped us confirm that our list of material topics comprehensively covers the wide spectrum of stakeholder interests.

#### Inputs from the Identified Stakeholders

- Internal stakeholder inputs
- External stakeholder inputs
- Meeting the expectations and requirements of the identified stakeholders

## Key Material Issues

### Financial Capital

#### Economic Performance

##### Stakeholders Impacted

Issuers (Companies), Investors (Shareholders), Others (Internal Stakeholders)

##### Rationale of Identification

NSE, being a key player in the stock market, thrives on the performance and stability of the economy.

##### Key Performance Indicators

Direct economic value generated and distributed driven by business performance.

##### UN SDGs



#### Indirect Economic Impact

##### Stakeholders Impacted

Issuers (Companies), Government and Regulatory Bodies, Others (Society)

##### Rationale of Identification

NSE, being a prominent stock exchange, plays a vital role in capital formation and facilitating economic growth and development.

##### Key Performance Indicators

Initiatives and investments in segments to broaden base market participation and sustainable capital formation.

##### UN SDGs



### Intellectual Capital

#### Technology and Innovation

##### Stakeholders Impacted

Investors (Shareholders), Issuers (Companies), Intermediaries (Trading Members)

##### Rationale of Identification

As the world becomes increasingly reliant on technology, businesses across various sectors are investing heavily in innovative solutions to enhance their operations and stay competitive. This wave of technological advancement provides an opportunity for NSE to build on digital experiences and deliver exceptional service to its customers.

##### Key Performance Indicators

- Investments made in technology and the resulting outcomes of the deployment
- New products/services introduced and the consequent impact on service delivery

##### UN SDGs



#### Managing Business Continuity & Technology Risks

##### Stakeholders Impacted

Investors (Shareholders), Issuers (Companies), Intermediaries (Trading Members)

##### Rationale of Identification

Failure to adequately secure trading platforms against cyber threats poses a significant technology risk for the exchange, compromising business continuity and market stability. Effective management of business continuity and technology risks can provide NSE with a competitive advantage and strengthen its reputation as a reliable and resilient exchange.

##### Key Performance Indicators

- Efforts to prevent technology risks, security breaches, and market disruptions
- Data security breaches encountered and percentage involving customers' personally identifiable information
- Significant market disruptions and duration of downtime

##### UN SDGs



#### Market Integrity & Stability

##### Stakeholders Impacted

Issuers (Companies), Government and Regulatory Bodies, Others (Society)

##### Rationale of Identification

When market participants have confidence in the fairness and transparency of the exchange, they are more likely to engage in trading activities, which helps in generating revenue for NSE. Further, a stable market reduces the likelihood of sudden market crashes or disruptions, which can have severe financial consequences for both the exchange and its participants.

##### Key Performance Indicators

- Initiatives and investments to strengthen cybersecurity and surveillance infrastructure
- Number of breaches/non-compliance to regulation/reported cases of fraudulent activities/transactions
- Data security breaches encountered

##### UN SDGs





## Materiality

### Infrastructure Capital

#### Technology-enabled Infrastructure Capabilities

##### Stakeholders Impacted

Investors (Shareholders), Issuers (Customers), Intermediaries (Service Providers)

##### Rationale of Identification

Our technology infrastructure has safeguard trader interests, contributing to the growth and stability of the Indian financial system. Regular investments in upgrading technology systems and infrastructure boost trading capacity, reduce latency, and improve trading efficiency and transparency. This enhances user access and supports future business growth.

##### Key Performance Indicators

- Investments made in fixed assets to enhance service delivery in the resulting outcomes
- Infrastructure-based initiatives that enhance service stability, reliability and quality

##### UN SDG



### Human Capital

#### Employee Wellbeing & Development

##### Stakeholders Impacted

Others (Internal Stakeholders)

##### Rationale of Identification

Focusing on employee well-being, NSE ensures a healthy, productive, and motivated workforce. This is critical for maintaining high levels of service and operational efficiency and strengthens the organisation's reputation as a responsible employer.

##### Key Performance Indicators

- Employee welfare initiatives and corresponding investments

- Training and Education:** Average hours of training per employee, programmes for upgrading employee skills, transition assistance programmes
- Employees receiving regular performance and career development reviews

##### UN SDGs



#### Promoting Diversity

##### Stakeholders Impacted

Investors, Others (Internal Stakeholders, Society)

##### Rationale of Identification

Diversity, equity, and inclusion in NSE's workforce bring varied perspectives and ideas that drive innovation and adaptability. This fosters our ability to serve a diverse clientele and stay competitive.

##### Key Performance Indicators

- Diversity of governance bodies and employees
- Age diversity
- Gender diversity

##### UN SDG



### Social and Relationship Capital

#### Collaborations & Advocacy

##### Stakeholders Impacted

Investors, Issuers (Companies), Intermediaries (Market Participants, Service Partners)

##### Rationale of Identification

Through proactive collaborations and advocating for its interests, NSE can expand its reach, attract new market participants, and enhance its overall standing within the financial industry.

##### Key Performance Indicators

- Key collaboration and advocacy linked initiatives and outcomes of the programmes
- Investor awareness programmes
- Initiatives for promoting responsible investing and green and social finance

##### UN SDGs



### Community Engagement

##### Stakeholders Impacted

Others (Society)

##### Rationale of Identification

NSE has the opportunity to foster meaningful and sustainable relationships, enabling transformational growth and shared prosperity, by actively engaging with the local communities. A well-implemented CSR strategy delivered through the NSE Foundation can create positive social and environmental outcomes, amplifying NSE's reputation and visibility.

##### Key Performance Indicators

- Investments made in community development
- Outcomes of CSR initiatives

##### UN SDGs



### Business Ethics

##### Stakeholders Impacted

Investors, Government and Regulatory Bodies, Issuers (Companies) Intermediaries (Trading Members)

##### Rationale of Identification

Strong ethical practices can enhance NSE's reputation and attract investors who prioritise responsible and sustainable investing. Lapses in ethics can lead to compromised investor trust, regulatory scrutiny, and reputational damage

##### Key Performance Indicators

- Initiatives to enhance governance measures through awareness, training programmes, and the implementation of policies

- Policies and processes to identify and assess conflicts of interest between the exchange's regulatory obligations and the interests of its members, its market operations, its listed issuers, and, in the case of a demutualised self-regulatory organization (SRO), its shareholders

##### UN SDG



### Natural Capital

#### Responsible Resource Management

##### Stakeholders Impacted

Investors, Others (Society)

##### Rationale of Identification

NSE can position itself as a responsible stock exchange which promotes green practices in the management of its resources.

##### Key Performance Indicators

- Energy saved through energy-saving initiatives
- Reduction in GHG emissions
- Water recycled & reused
- Renewable energy adoption

##### UN SDG



#### Climate Change

##### Stakeholders Impacted

Investors, Others (Society)

##### Rationale of Identification

As the world grapples with the urgent need to transition to a low-carbon economy, companies involved in energy efficiency, renewable energy, and sustainable technologies are poised for massive amounts of capital requirements. NSE has been playing a pivotal role in facilitating the financing and capital requirements of these sectors. Towards the same, NSE can explore various channels including GSS+ bonds, carbon credits trading, sustainable investment indices, outcome-based funding models, other offerings on the SSE platforms etc some of which are already

operational. Additionally, NSE can position itself as a leading Indian corporate by reducing its carbon footprint through renewable energy, tree planting, and purchasing green power to achieve net-zero climate goals.

##### Key Performance Indicators

- Engagement with key stakeholders to create awareness on sustainable ecosystem
- Reduction in GHG emissions

##### UN SDGs



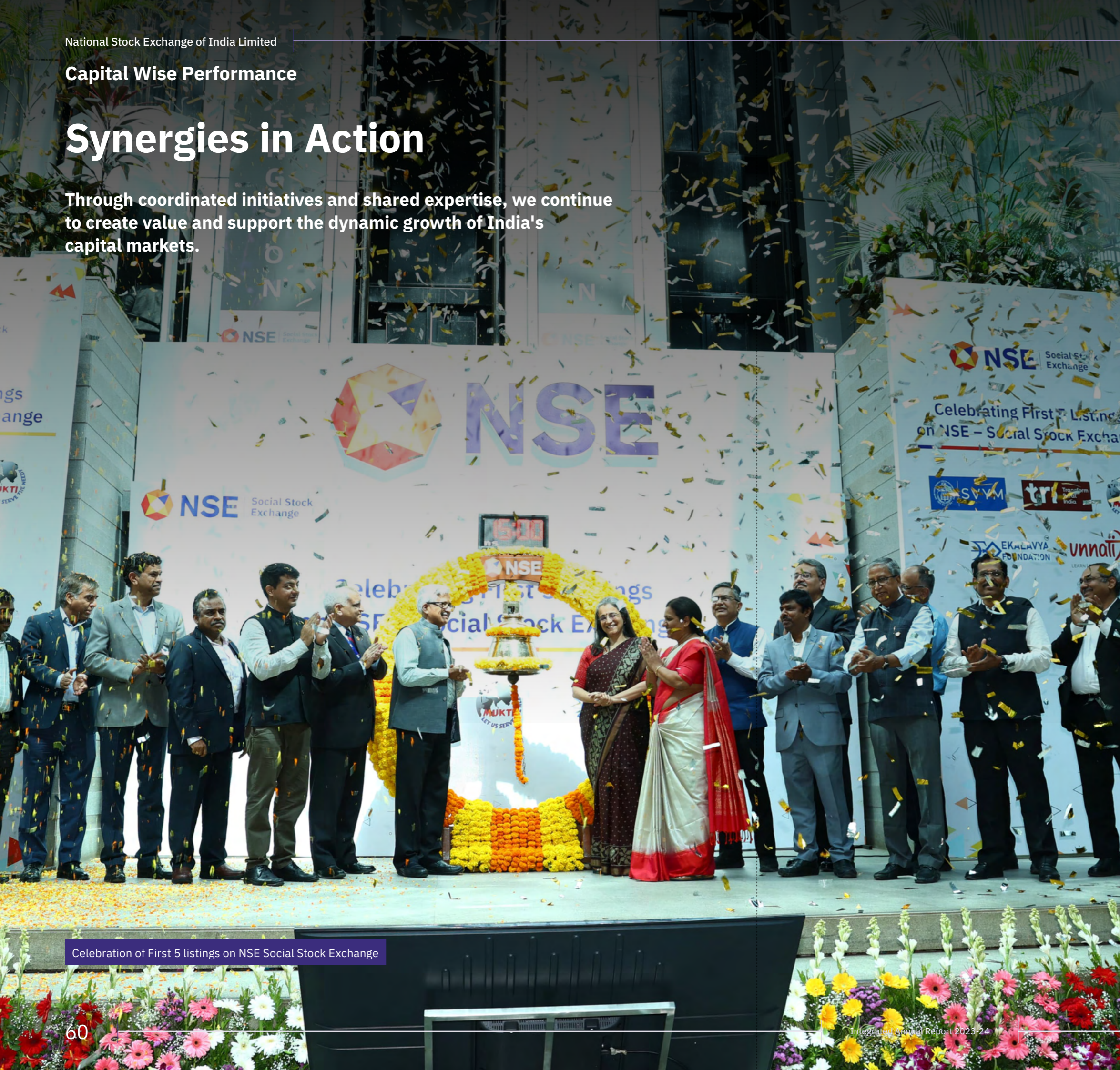


# Interplay of Capitals

	Financial	Intellectual	Infrastructure			Human	Social and Relationship	Natural
Financial	 We make strategic investments in our surveillance as well as IT- systems to provide a seamless customer experience.		We leverage financial resources to improve engine capacities and efficient IT infrastructure, paving the way for future growth.			By investing in professional development of our workforce and building leadership, we cultivate a skilled and motivated workforce and maximise our return on human capital.	We prioritise investing in community support and build trust and positive relationships that further lead to long term growth and sustainability.	By implementing sustainable practices like mitigation efforts on energy conservation and other planet-positive initiatives, we ensure long term business viability while preserving natural capital.
Intellectual	Our digital strategy has yielded unique service capabilities and solidified our position as a market leader in several segments. This forms the cornerstone of our financial value creation.	 We translate our innovative roadmap into building robust infrastructure that unlocks benefits like boosting profitability, streamlining of operational efficiency, enriching customer experiences and enhancing organisational agility.				We empower our employees with digital tools and ideation platforms to foster innovation and enhance efficiency.	We take a collaborative and digital approach to our community development programmes and policy advocacy initiatives. This approach deepens our engagement with diverse stakeholders and strengthens our ability to create social value.	We leverage digital solutions to track resource consumption patterns, enabling us to plan efficient measures that reduce our ecological impact.
Infrastructure	The strength of our infrastructure is the foundation of our ability to deliver exceptional services, generating economic value for our stakeholders and promoting overall societal growth.	Our advanced technology infrastructure and processes support digital innovation. Focusing on continuous system upgrades and process streamlining enables us to stay ahead of the curve in the digital age.	 Our expert personnel manage the company's fixed assets, technology infrastructure, and related processes. Their expertise, commitment, agility, and innovation amplify the value of our technology infrastructure and fixed assets, benefiting our customers and stakeholders.			Our state-of-the-art infrastructure and processes support workforce safety, well-being, growth, and development, enabling them to excel at work and deliver value to diverse stakeholders.	Our infrastructure and hardware including efforts like Disaster Recovery Sites form the foundation of a robust market system built on trust and safety.. This ensures that diverse stakeholder needs are met while upholding market integrity and ensures the vitality of India's capital markets, even during challenging times.	We promote resource-efficient technologies and invest in renewable infrastructure to minimise our ecological impact and enhance natural capital.
Human	Our employees with their skill, knowledge and training, drive innovation and productivity, which translates to increased financial efficiency.	The diverse expertise and collective knowledge of our employees forms the foundations of our intellectual wealth. This invaluable resource enables us to engineer solutions tailored to the evolving needs of our stakeholders, setting us apart as pioneers in delivering value propositions.				 Our collaboration and advocacy initiatives positively impact our employees, helping them broaden their connect with the society at large.	Our CSR team and employee volunteers make a tangible impact on underserved communities. Through collaborative and advocacy initiatives, we promote sustainability principles in India's capital market, leveraging our influence as a regulator.	Our employees play a crucial role in implementing our sustainability vision and environmental conservation initiatives, helping the organisation reduce its ecological footprint and preserve natural resources.
Social and Relationship	The ecosystem we cultivate helps us understand emerging business opportunities and stakeholder expectations. We translate this understanding into our services and community outreach efforts, supporting financial value creation.	Our partnerships with academic and industry forums have enriched our intellectual capital, resulting in a stronger capital market ecosystem and enabling the launch of innovative service offerings.	We build strong relationships with technology providers and service partners to ensure seamless operations and continuous upkeep of our critical systems.				 We partner with communities to enhance participation in environmental conservation initiatives, creating sustained value for the environment.	
Natural	We champion a culture of environmental preservation among listed companies and other stakeholders by offering tailored sustainability related products and services.	We foster shared value by investing in renewable energy and water-saving initiatives, benefiting our business, environment, and society. Our tailored products promote environmental stewardship among stakeholders.	We apply advanced technologies to streamline operations, minimising resource usage and environmental impact. This strategic integration improves resource efficiency, supports sustainability initiatives, and enhances financial outcomes.			We proactively engage our employees in environmental initiatives, cultivating a culture of stewardship within our organisation and fostering positive change both internally and externally.	We partnered with stakeholders to advocate for sustainable policies, foster innovation, and pave the path towards sustainability through collaborative action.	

# Synergies in Action

Through coordinated initiatives and shared expertise, we continue to create value and support the dynamic growth of India's capital markets.



Celebration of First 5 listings on NSE Social Stock Exchange

## The Social Synergy

The genesis of the Social Stock Exchange (SSE) traces back to the visionary articulation by the Hon'ble Finance Minister Smt. Nirmala Sitharaman, during the budget session of 2019. Her foresight aimed to bring the capital markets closer to the masses and align financial objectives with inclusive growth and financial inclusion. The impact of these funds is seen in wealth creation, job creation, and overall economic growth.

Led by SEBI, the SSE framework addresses the challenges faced by NGOs, offering structured mechanisms for fundraising through innovative instruments like Zero Coupon Zero Principal (ZCZP). Our primary goal is to educate and engage stakeholders, fostering greater collaboration and increasing visibility for this innovative platform.

The long-term success of SSE will depend on adaptability, collaboration, and a shared commitment to social impact. By addressing challenges, embracing innovative approaches, and fostering an inclusive ecosystem, SSE can transform the social sector and contribute to the overarching goal of inclusive and sustainable development.

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## Financial Capital

# Fuelling Growth, Innovation and Value

**Our exceptional financial performance fuels our leadership in innovation and market development, creating value for shareholders. Our consistently strong financial results demonstrate our dedication to improving our customers' financial well-being and enhancing the stability of India's capital markets.**

### Approach to Capital

Our primary objective is to create sustainable financial value while promoting economic growth. We achieve this by actively stimulating growth opportunities and effectively managing risks to ensure value creation for the economy. We manage our finances prudently to expand our product portfolio and invest in cutting-edge technology. We tailor our solutions for diverse clientele and risk appetites.

### FY 23-24 Highlights

<b>29%</b> Growth in Consolidated Revenue	<b>71%</b> Consolidated EBIDTA Margin
<b>51%</b> Consolidated PAT Margin	<b>447</b> Companies Listed on SME Platform
<b>~3x</b> Increase in Investor Base over Last Four Years	<b>5</b> Projects of NPOs Listed on NSE Social Stock Exchange

<b>Committees</b>	Audit Committee, ESG Committee
<b>Values at Play</b>	Integrity, trust
<b>Outlook</b>	Our robust financial position results from strategic initiatives, including diversification of our product and service offerings, infusion of next-generation technologies, and promotion of market inclusion. These initiatives enable us to retain a solid financial standing.
<b>Policies</b>	Dividend Policy, Remuneration Policy

### Financial Performance

In FY 23-24, we delivered standalone revenue of ₹14,959 crores, with ~ 90% of this revenue being operating revenue. Our EBITDA stood at ₹9,160 crores. Operating EBITDA stood at ₹7,711 crores, representing a 57% margin. Our PAT was ₹6,635 crores with a margin of 44%

for the year. We retained our position as the world's largest derivatives exchange and ranked third globally in the cash equities segment by trade volume. Our consistent financial strength over the years highlights our resilience and commitment to prioritising stakeholders.

### Performance Driver 1

#### Creating Responsible and Sustainable Ecosystems that Enable Capital Formation

As a stock exchange, we connect businesses to growth capital and offer investors a platform to build wealth. We support economic advancement and promote responsible and sustainable principles into the financial system.

We continuously invest in expanding our impact by developing products and services that enhance the financial system. We promote good corporate governance practices, facilitate efficient market transactions, and foster market inclusion. By building a diverse investor base, we unlock shared economic and social benefits.

**₹13.8 lakh crores**

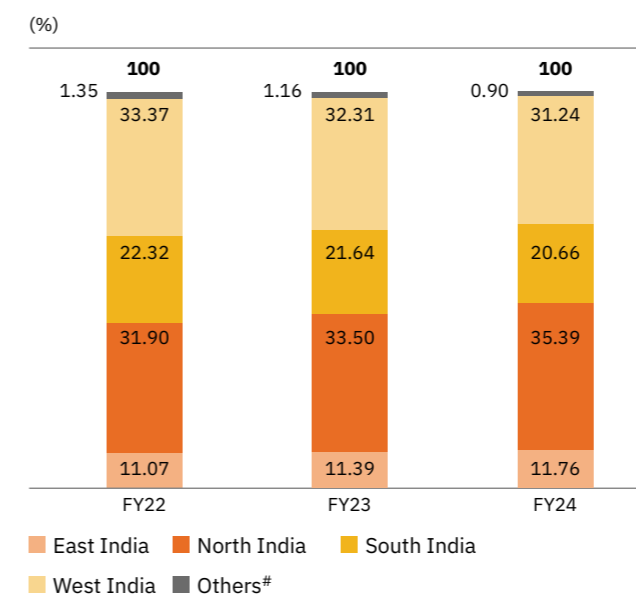
Total Fund Mobilisation in FY 23-24

### Performance Driver 2

#### Enhanced Investor Participation

We aim to build a dynamic, equitable and inclusive financial ecosystem. To achieve this, we facilitate channelling of capital in mainstream services, MSMEs as well as social enterprises through debt as well as equity. This has led to increasing number of investors with different preferences and risk profiles starting their investment journey. A diversified investor base offers compelling advantages for issuers, while increased retail participation provides individual investors access to alternative investment opportunities.

#### Region-wise Distribution of Total Registered Investors at End of Each Fiscal Year



\* Others include Army Personnel Officers and Investors for whom state mapping is unavailable

### NSE IX SGX

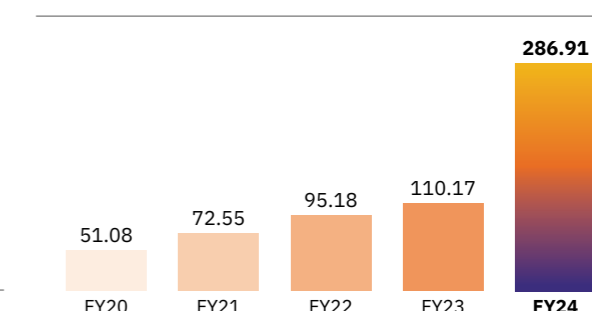
NSE is taking the stage on the world front. NSE IX exchange at GIFT City, partnered with SGX, offers a seamless financial corridor between Singapore and India, enhancing liquidity and access for global investors. Launched in July 2023, it provides access to key Indian derivatives contracts. GIFT City's cutting-edge infrastructure empowers secure and efficient trading.

In July 2023, the full-scale operations of NSE IX – SGX Connect commenced on NSE International Exchange in GIFT City. It offers trading in GIFT Nifty, GIFT Nifty Bank, GIFT Nifty Financial Services, and GIFT Nifty IT Derivatives contracts. The GIFT Nifty is a landmark move reflecting our commitment to enhancing market access and liquidity.

By expanding products, technology, and fostering a progressive regulatory environment, we are well on our way to making GIFT City a global financial hub, propelling NSE to international leadership. This aligns with our mission to drive innovation, transparency, and sustainability, creating long-term value for all stakeholders.

**21**  
Trading Hours in two sessions

#### Average Daily Turnover NSE IX (US\$ in Million)



“NSE is much more than a marketplace; it is the lifeblood of India's financial ecosystem. We bridge the dreams of businesses with the capital needed to realise them, empowering investors to shape India's growth story. By focusing on emerging businesses and social enterprises, we are fostering a shared journey towards prosperity. NSE plays a pivotal role in financing India's progress towards becoming a developed nation.”

Ian Desouza



## Intellectual Capital

# Transformative Innovation: Leading with Technology

We are at the forefront of innovation, committed to harnessing the power of our intellectual capital to drive business growth and ensure the orderly functioning of the market. Our evolution into a digital-first and cutting-edge technology fuelled organisation aids us to create a dynamic and responsive trading environment.

## Approach to Capital

Our technology and innovation strategy prioritise speed, low latency, robustness and security in all our processes and systems. Our objective is to foster a culture of innovation and digitisation to strengthen service quality and security. We have also improved our monitoring framework to enhance the resilience and scalability of critical systems.



### Committees

Standing Committee on Technology, Product Advisory Committee, Regulatory Oversight Committee, Risk Management Committee, Member and Core Settlement Guarantee Fund Committee, Expert Committee for Surveillance, ESG Committee

### Values at Play

Integrity, Passion for excellence, Trust

### Outlook

Forging future-ready computing capacity through the transformation of data centres, instilling agility in technology infrastructure, and making sustained investments in technology to seamlessly integrate next generation digital capabilities into services and supervisory activities.

### Policies

Privacy Policy

## FY 23-24 Highlights

**₹1,095 crores** Spent on Capital and Operational Expenses Pertaining to Technology

**370+** Technology Workforce

**5+ Million**

Messages per Second across Asset Classes Processing Capacity

## Key Focus Areas

### In-house Advancements: Making the Core Strong

NSE remains the world's largest exchange by the number of order messages processed and trades per day, harnessing technology to achieve this milestone. We address new technology opportunities through in-house modernisation and transformation projects.

### Innovation and Technology

NSE has adopted best-in-class tools and platforms to foster collaboration, seamless communication and reduce manual tasks with automation initiatives. This has improved efficiency and optimised the process flows.



NCL's commitment to market safety enhances confidence of all stakeholders in the Indian capital markets. We pride ourselves on being industry leaders in many risk management and operational resiliency practices.

### Vikram Kothari

Managing Director, NSE Clearing Limited

### Training and Development

In today's rapidly evolving technological landscape, the need for continuous learning and development among employees is more critical than ever. Employee's knowledge, skill and capability needs to be developed to facilitate a culture of innovation to support business growth. The key initiatives taken by learning and talent management team includes employee education assistance programme, mentor mentee programme, work integrated learning programme and leadership development initiatives.

Our Learning and Development vertical offers technical training programmes to equip employees with the skills needed to utilise digital tools effectively, enhancing their capabilities and performance. LinkedIn Learning, an online platform also facilitates employee skill enhancement and helps them stay updated with evolving industry trends.



NSE Training & Development Program for Employees



## Intellectual Capital

### Business Continuity

To maintain uninterrupted operations and safeguard the market's integrity, the Exchange has developed a comprehensive Business Continuity Management (BCM) policy supported by a strong governance framework, detailed procedures, and rigorous testing and training programmes. The robust infrastructural measures are designed to effectively handle and recover from disruptions and ensure business continuity at all times.

# 4

BCP/DR Mockdrills

# 2

BCP/DR Live Trading Sessions

# 1

Special Live Session with Intra-day Switchover to DR

# 45 minutes

Switchover time to Disaster Recovery Site

BCM resilient trading platform through regular testing of infrastructure and recovery or response mechanisms. Contingency drills are conducted monthly for equity, equity derivatives, currency derivatives, and commodity derivatives markets.

### Key New Initiatives

Investor Risk Reduction Access (IRRA) Platform	UPI Block Mechanism	Same Day Trade Settlement
<b>Launch Date:</b> October, 2023	<b>Launch Date:</b> January, 2024	<b>Launch Date:</b> March, 2024
The Platform facilitates the resolution of complaints against listed corporates, entities, and registered intermediaries. Accessible to trading members across exchanges.	This mechanism enhances investor confidence to ensure that funds and securities move out of their accounts only on the clearing corporation's instructions.	Popularly called the T+0 settlement cycle, NSE started this on optional basis in addition to the existing T+1 settlement cycle in Equity Cash Markets w.e.f. March 28, 2024. It aims to improve cost and time efficiency, transparency in charges, and strengthened risk management. It simplifies the trading process for retail investors, enhances market efficiency and flexibility, and substantially mitigates transactional risks.

# “

NSE, as a leading global exchange, is committed to pioneering innovative solutions for the market. Our focus is on ensuring continuous platform availability and high performance, enhancing user experience through prioritised uptime, feedback, and engagement. This promise guarantees a smooth and efficient trading environment for all stakeholders.”

**Mayur Sindhwad**

Chief Technology Officer- Operations

### CASE IN POINT: Fixed Income Analytics Platform – A Driver in India's Financial Market growth

With the fixed income market in India poised for exponential growth, NSE FixedIn will support our vision by enabling market participants to make informed investment decisions with rich insights into the fixed income markets. NSE FixedIn will act as a catalyst for the development of India's fixed income market by providing cutting-edge analytics that foster market growth.

NSE has been instrumental in strengthening India's financial markets by leading the digital transformation of the capital market and encouraging diverse market participation. To further advance India's financial market, NSE developed FixedIn, a unique and comprehensive tool for fixed-income investors and asset managers.

NSE's fully integrated business model encompasses exchange listings, trading services, clearing and settlement services, indices, market data feeds, technology solutions, and financial education. FixedIn supports investment and research processes with pre-investment and post-investment tools, pre-loaded data on mutual

funds, insurance, benchmark indices, and security-level valuations. It provides ready-to-use solutions for various fixed-income and fund analyses, helping drive informed investment decisions and market growth.

Users can also upload custom portfolios and perform various analytics seamlessly. With seamless interface and advanced capabilities, FixedIN provides investors with a comprehensive suite of tools like performance attribution and portfolio analyser to gain insights into fixed income portfolios and securities, through a highly interactive and user-friendly web-based interface. NSE FixedIn is available on a subscription basis.

### External Safeguards

Our tech-driven collaborations with partners like Microsoft, Red Hat, and IBM, recognised by Gartner as top-tier companies; provide us access to cutting-edge solutions and expertise. We systematically evaluate and address new technology opportunities through Modernisation and Transformation Projects to deliver exceptional value and service to our stakeholders.

- i. **Unified Information Infrastructure (UII) for Membership-related Queries:** Collaborated with SEBI to set up a cloud-based portal for Members, acting as a single point of interface for all membership-related requirements.
- ii. **Standardisation of Internal Audit Report and Risk-Based Supervision Formats:** Collaborated with other exchanges for standardisation under SEBI's aegis.

### Market Integrity, Stability and Enforcement

As a frontline regulator, NSE prioritises fair and ethical market practices. Our surveillance and regulatory mechanisms are crucial for ensuring and maintaining market integrity and stability. By consistently enhancing the surveillance infrastructure and technology, we reaffirm our commitment to maintaining a fair, transparent, and secure environment for all participants. We also actively promote awareness through advisories and awareness sessions.

# “

NSE remains committed to provide a fair and transparent platform for all stakeholders, and works with regulators and market participants, to ensure a robust regulatory framework for Indian securities market.”

**Piyush Chourasia**

Chief Regulatory Officer – Member Compliance, Surveillance, Member Inspection and Investigation



## Intellectual Capital

### Volatility Control Measures

The Exchange ensure orderly trading, proactive volatility control measures which includes mechanisms to avoid extreme limit prices on Stop-Loss orders, Market Price Protection within Limit Price Protection, Introduction of Anchoring LPP (change in Knock on the Door Flexing Mechanism).

- **Mechanisms to Avoid Extreme Limit Prices on Stop-Loss Orders:** The mechanism ensures that stop-loss orders are traded within the range set by Limit Price Protection by restricting the difference between their trigger and limit prices. The overall objective is to maintain orderly markets.
- **Market Price Protection within Limit Price Protection:** The Limit Price Protection (LPP) mechanism was introduced with the objective of preventing buy orders at excessively high prices and sell orders at excessively low prices within the operational range. Market price protection within this mechanism ensures that market orders are traded within the range set by Limit Price Protection by restricting their limit prices. The overarching goal remains to maintain orderly markets.
- **Introduction of Anchoring LPP (change in Knock on the Door Flexing Mechanism):** Knock on the door mechanism provides the trigger for flexing the LPP range based on the number of order rejections, number of unique client and TMs placing such orders. Anchoring LPP has been introduced to limit the range of flexing pursuant to a trigger by KOD. The overall objective is to ensure orderly markets.



We at NSE take cybersecurity with utmost importance and resolve to build a resilient and trustworthy platform for all our stakeholders. Our proactive approach to cybersecurity not only safeguards our infrastructure but also drives innovation and resilience in our services.”

#### Rajesh Thapar

Chief Information Security Officer



By leveraging technology, we are creating a more inclusive and informed investor community, driving economic growth and prosperity while safeguarding market integrity. Our continuous investment in cutting-edge technologies not only enhances our operational efficiency but also positions us at the forefront of the financial market's technological evolution.”

#### Viral Mody

Chief Technology Officer- Applications & Development

### Collaboration for Better Decision-making

The newly launched Investor Portal [www.iinvest.com](http://www.iinvest.com) (beta version) has been developed in collaboration with Cogencis Information Services Ltd, a 100% subsidiary of NSE. This platform will enable investors to:

- Make better, more informed decisions through the intuitive interface that aggregates reliable, publicly available information
- Access real-time updates with up-to-the-minute data on indices, stock movements, news, and IPOs with a built-in analytics tool for due diligence and market tracking
- Get comprehensive access to financial and non-financial information, including company details, ownership data, KMP information, and legal disputes

### Stable and Secure Trading

The trade security levels for our stakeholders have been significantly elevated with the successful launch of the beta version of trading through block mechanism for secondary markets on January 1, 2024. This innovative tech stack provides enhanced convenience for investors, ensuring that their funds and securities move out of their accounts only under the instructions of the clearing corporation and strictly to the extent of their obligation. Through this unique and secure trading method, we aim to instil greater confidence among investors.

### Expanded System Monitoring Framework

**NSE Surveillance Framework:** The NSE surveillance framework is continuously updated to detect market abuses effectively. Key initiatives this year include:

- Enhancing pattern recognition models
- Forming an Expert Committee for Surveillance to improve alert mechanisms
- Hosting a global conference in October 2023 with worldwide participation. This event facilitated dialogue on trends, challenges, and advancements in market surveillance

### MCSGFC: Enforcer of Market Rules and Regulations

NSE proactively enforces market rules and regulations effectively, which is vital for stakeholder trust. The Member and Core Settlement Guarantee Fund Committee (MCSGFC) is a key enforcement body with disciplinary jurisdiction over Trading Members registered with the Exchange.

The Committee addresses violations through strict disciplinary actions, including prohibiting new client and authorised person onboarding, disabling trading terminals, and suspending or expelling Trading Members. In such cases, NSE issues a show cause notice and offers a personal hearing before the MCSGFC. Following principles of natural justice, the MCSGFC determines penalties on a case-by-case basis according to the defined penalty structure.





## Infrastructure Capital

# The Engine of Innovation

**As India's leading stock trading and value creation platform, NSE is highly valued for its robust technological infrastructure. To list, our infrastructure capital comprises of an extensive network infrastructure, data centres, servers, storage, computer systems, and other supporting assets. This capital needs to be regularly updated, upgraded and securely protected to ensure smooth and seamless operations of the exchange.**

## Approach to Capital

Prioritising strategic investments that foster innovation, enhance service offerings, promote resource conservation, and improve process efficiencies.

## FY 23-24 Highlights

<b>4</b> Data Centres	<b>1,800</b> Racks	<b>6,500+</b> Servers	<b>13.2 PB</b> Storage Capacity
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### Committees

Standing Committee on Technology

### Values at Play

Customer-focussed culture, Passion for excellence

### Outlook

Developing sustainable infrastructural capabilities essential to ensure our operations are resilient, responsive, robust, and future-ready.



Our cutting-edge technology infrastructure, encompassing state-of-the-art data centres, low-latency network, fault-tolerant servers and sophisticated trading systems serves as the foundational digital backbone driving India's economic growth in capital market at NSE. We have engineered an agile, robust and fully automated resilient system with continuous investments in technology upgrades and security enhancements to ensure the seamless operation of our exchange platform. ”

### Shri Sampath Manickam

Chief Technology Officer,  
Technology Infrastructure

## Key Focus Areas

### Tech-Driven Infrastructural Development

NSE leverages cutting-edge technology to proactively address evolving needs. We continuously upgrade our systems to enhance performance, security, and scalability. This ensures a seamless user experience and positions us for future growth. Our resilient trading, clearing, and surveillance systems are constantly monitored and upgraded to meet rigorous performance standards. Additionally, we explore new technologies and collaborate with partners to stay ahead of the curve. All initiatives are rigorously reviewed and approved by senior leadership.

The team explores new technologies, conducts proof of concept (PoC) studies for feasibility and collaborates with technology partners. These initiatives are overseen and approved by the Architecture Review Board, the Standing Committee on Technology (SCoT), and the Board.

## Zero

Instances of Data Breaches

## Zero

Consumers Complaints about Cybersecurity

## Zero

Consumers Complaints about Data Privacy



### SME EMERGE at a Glance

Sr. No.	Performance Indicator	FY 24	FY 23	FY 22
1	Number of companies listed on SME EMERGE (cumulative)	447	309	247
2	Number of SMEs listed in (new listings)	138	62	31
3	Mobilisation of capital through SME IPOs	₹4,622 crores	₹1,330 crores	₹503.68 crores
4	Number of Companies migrated on the Main Board	27	25	33

Keeping the motto of purpose before profits, NSE has formed strategic collaborations with both Central and State governments and engaged with various ministries to promote SME listings on our SME Emerge platform.

### Milestone Infrastructural Developments

We have achieved remarkable infrastructural development through technological innovation, establishing India's largest private nationwide area network.

- Our robust technology infrastructure setup includes 4 state-of-the-art data centres, 1,800+ racks, 6,500+ servers and 13.2 PB storage capacity.
- Our power backup capabilities exceed 20 MW, ensuring seamless operations.
- Our server-class computer systems feature fault-tolerant servers, enabling continuous operation without disruptions and facilitating real-time trading

We have significantly enhanced our trading platform to process approximately 5 Million+ orders per second, demonstrating commitment to operational excellence through the latest infrastructure technologies. Our six strategically located regional offices across the country are interconnected via dedicated corporate network lines, enabling real-time data transmission and voice communication between Mumbai, Delhi, Kolkata, and Chennai. This seamless communication network fosters collaboration, information sharing, and a cohesive operational network, allowing us to efficiently and effectively serve our clients' trading needs.

We have ensured the robustness of our technology infrastructure by securing ISO 27001:2013 for information security management systems and ISO 27017:2015 for information technology security techniques.

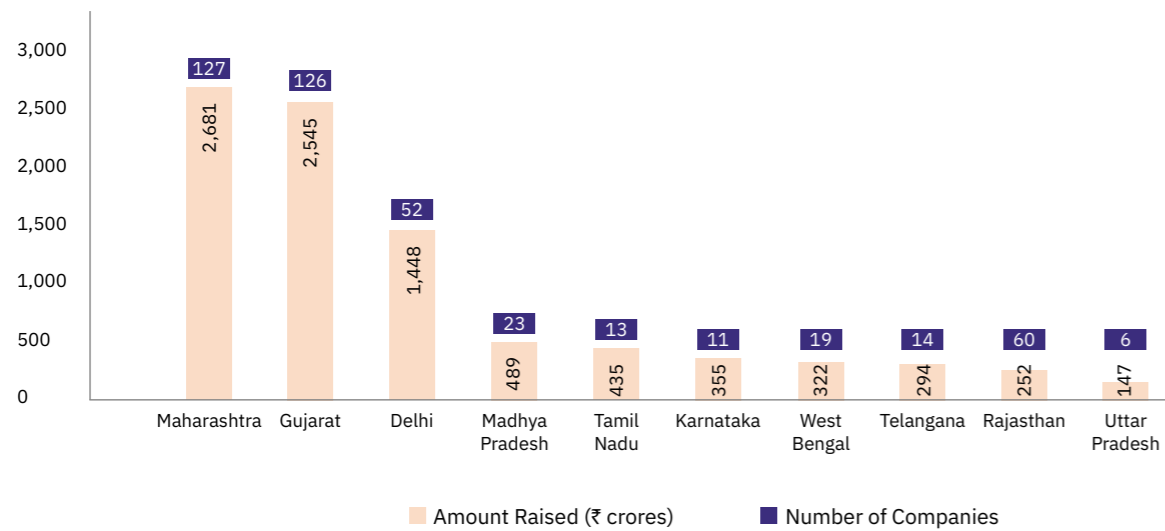
### SME Platform : SME Emerge

NSE EMERGE, launched in 2012, brings together sophisticated investors and emerging corporates in the country. SMEs have limited access to funds and struggle to scale up their businesses. EMERGE addresses this challenge by providing an alternative avenue to raise equity. It facilitates growth and development of SMEs by acting as a catalyst in building a vibrant capital market ecosystem.



## Infrastructure Capital

### Top-10 State-wise Issuances on NSE Emerge Platform



#### Maximise Efficiency with our Advanced Co-location Facility

NSE also provides a facility for its trading members to use their own trading front-end software to trade on the NSE trading system. This is known as the 'Non NEAT Front End' (NNF facility) and is available to all Exchanges members. In line with global trends and our dedication to service excellence, the Exchange is enabling its members to co-locate their NNF infrastructure at NSE premises. This facility, exclusively for NNF trading on NSE, features dual UPS power sources and 100% DG capacity for uninterrupted power, along with multiple precision air conditioning units with N+1 redundancy to maintain optimal temperatures. Available in three variants—Standard 42 U Full Rack with 6 KVA power, Half Rack of 21 U with 3.5 KVA power, and Quarter Rack of 9 U with 1.75 KVA power—the co-location facility provides flexible options to meet diverse needs.



#### Capacity Expansion and Data Centre Development: Gearing for Future Growth

As India's financial markets expand, we are scaling our data centre capacity to handle future growth, with relocation plans in progress. Over the next 1.5 to 2 years, we plan to acquire new data centres for ourselves and our members, involving significant capital expenditure. Investments are also being made to increase the capacity per engine. Currently, NSE operates 18 engines in the derivatives segment and 5 engines in the capital markets.

Speed of trade is at the heart of a modern-day stock exchange. We continuously explore opportunities to enhance operational expertise through cutting-edge infrastructural technologies and solutions.

#### Business Continuity Infrastructure: Minimising Downtimes, Building Confidence

NSE prioritises market stability with a robust Business Continuity Plan (BCP). Our geographically dispersed data centres and dedicated Chennai BCP centre ensure swift crisis response. We continuously invest in BCP upgrades to adapt to evolving threats and maintain exceptional service for our customers.

**Deployed extensive redundancy in tech stack** exemplified by 4:1 ratio for critical telecom links for persistent connectivity.

**Technology infrastructure** has been designed and operated at 1.5X of the peak load to manage the spikes of trading volumes at any given point in time.

Infrastructure capital in the forms of a responsive and innovative trading platform and solutions, backed by a reliable and state of the art technology infrastructure will go a long way in reassuring our stakeholders of our commitment to the safety of their capital and investments. With the objective of creating greater value, we remain dedicated to providing exceptional service, staying ahead of the curve, and consistently meeting the dynamic requirements of our valued customers and evolving markets.



### Key Achievements and Recognitions

#1 Derivate Exchange for the 5<sup>th</sup> consecutive year as per Futures Industry Association (FIA) and statistics from the World Federation of Exchanges (WFE).

#3 in Global Equities segment by number of trades, WFE

Recognised as the Best Infrastructure Platform in Asia in '2024 Best of the Best Awards' by Asia Asset Management

India Risk Management Awards for NCL in 2023: Awarded in two categories for Risk Management and Technology Solutions

A testament to our robust infrastructure and technological progress, these milestone achievements position NSE as one of the leading stock exchanges in the world. Our continually evolving state-of-the-art infrastructure, meticulously planned innovation and rapid deployment ensures seamless, dependable and continuous market operations.





## Human Capital

# Shared Goals and Success- A Workplace for All

To retain the high standards for the 'stock' of this capital, we create a work environment that promotes growth, inclusivity, and innovation, emphasising mutual respect and shared goals. We offer a pool of professional development opportunities, prioritise health and safety and continue to build a diverse and inclusive environment. We support a performance-driven work culture, that aligns with both employees' professional goals and organisational objectives.

### Approach to Capital

The Board regularly monitors the progress of various workforce management initiatives to ensure their effectiveness. The strategic objective is to foster employee cohesiveness, cooperation, and innovation-centricity to achieve a higher business value proposition. The human resources strategy is reviewed annually to align with employee needs and emerging market trends. Our talent retention strategy includes well-being programmes, a commitment to diversity and inclusion, and proactive measures to address employee feedback for enhanced employee engagement.

### FY 23-24 Highlights

**1,330**  
Total Work Force

**34%**  
Women Participation

**80%**  
Return to Work (from  
maternity leave)

**100%**  
Retention Ratio  
after Return from  
Maternity<sup>1</sup>

**99.91 lakhs**  
Investment in Training  
and Development

<sup>1</sup> Employed for at least 12 months after return from maternity

#### Committees

Internal Compliance Committee,  
ESG Committee

#### Values at Play

Integrity, customer-focused culture, passion for  
excellence, trust, respect and care for the individual

#### Outlook

To build a future-ready workforce, boost workforce  
diversity, and provide employees with next-generation  
tools and concepts.

#### Policy and Compliance

Code of Ethics

Remuneration Policy

Employee Health and Wellness

Equal Opportunity Employer

Employee Education Assistance Policy

Grievance Redressal

POSH Policy

### Key Focus Areas



Our philosophy centers around harnessing the power of digitisation and fostering a spirit of innovation. By promoting continuous learning and appropriate growth opportunities, we empower our employees to excel and adapt in a dynamic world. Our commitment to people excellence is supported by an ecosystem that enhances knowledge, skills and upholds NSE values as behavioral anchor. ”

#### Shharad Dhakkate

Chief Human Resource Officer

### Diversity and Inclusion

At NSE, we uphold the belief that diversity in ideas, perspectives and ambitions is the driving force behind innovation and the achievement of organisational success. We take great pride in our diverse and dynamic workforce and celebrate it. By encouraging collaboration, we generate a wider range of innovative solutions, products

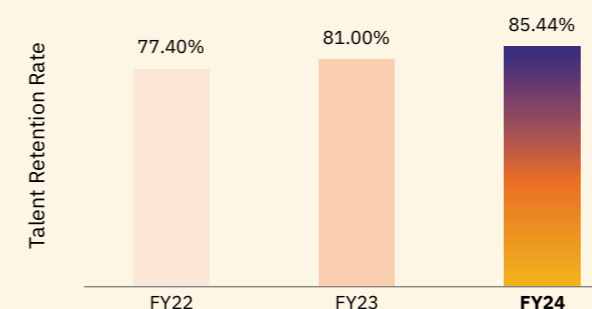
and services that better meet the needs to diverse customer segment and inclusive work environment.

Our aim is to preserve and enhance the diversity within our workforce. Consequently, we are firmly committed to being an equal-opportunity employer, which serves as a testament to this commitment. We strictly adhere to all applicable fair employment practices and equal opportunity laws at all our operational locations. Our values of equal opportunity and non-discrimination are ingrained throughout the entire employee life-cycle, which includes hiring, compensation, training, performance evaluation reward and recognition, employee engagement, wellbeing and other HR processes. We uphold fair employment practices, equal opportunity, and non-discrimination laws across all our sites. 34% of our permanent workforce are women and we make conscious efforts to increase this number. In addition, we had sent nominations of our women leaders to World Federation of Exchanges Programme.

We have maintained a healthy age diversity with an experienced senior employee workforce, coupled with an experimental approach of the younger team members. This keeps our culture stable yet dynamic and constantly evolving.

We believe maximising diversity is not only a matter of strategic imperative but also a social responsibility to achieve sustainable growth in the increasingly diverse and interconnected global marketplace of the future.

### Talent Retention



NSE, with its state-of-the-art trading infrastructure offers employees the chance to actively participate and share the future of this fast-growing trading platform. Industry expansion and our focus on insightful talent retention strategies have played a pivotal role in employee retention. The employee retention rates have increased steadily over the past three years from 77.40% in FY 21-22 to 85.44% in FY 23-24.

## Human Capital

### Learning and Development

Our learning and development offerings aim to reinforce values and behaviours that foster an understanding of compliance requirements and develop the necessary capabilities for excellence and growth. In our endeavour to build and maintain a continuous learning culture within the organisation, a Training Need Identification (TNI) exercise was conducted. This exercise focuses on identifying business-specific needs and developing tailored capability-building strategies that integrate with organisational requirements as well as individual learning aspirations.

FY 23-24 continued to be a year of leveraging digital mediums for learning and development interventions. We promoted an online learning platform by designing customised learning journeys in behavioural, functional, and technical domains.

All new hires are assigned an Induction Learning Journey through the LMS during their first week of joining to orient them to the organisation. Additionally, instructor-led induction programmes were conducted on a quarterly basis for new hires. NSE hired batches of NextGen Management Trainees from leading campuses to actively contribute to its growing business. NextGen batches underwent a week-long orientation programme to get introduced to their job roles, work areas, and NSE culture.

**Aligned with our L&D policy, our team offers a wide array of development programmes, some of which are listed below:**

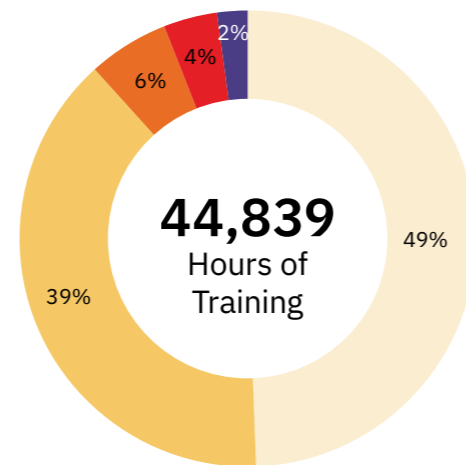
**Employee Education Assistance Program:** A hyper personalised, self-paced learning option for employees to enhance their competencies and skill sets. This programme contributes to the overall expertise of the workforce which also includes company sponsored NISM certifications focusing on financial management and securities markets.

**Mentor Mentee Program, SAARATHI,** was launched for new hires to engage them during the initial months of their joining and create better understanding of organisational values, culture, systems and processes.

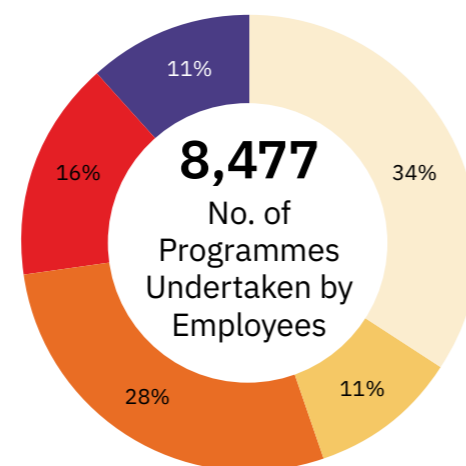
**Work Integrated Learning Program:** An initiative to give employees the opportunity to enhance their academic qualifications while gaining valuable professional experience within the organisation. NSE launched degree and certification programmes- like B.Tech, M.Tech and MBA in collaboration with premier institutes for our employees.

**Vision Mission & Values (VMV):** Workshops were launched for NSE employees to align them with the organisation's vision and values.

**Leadership Development:** Leadership learning interventions focused on building leadership and people management skills of leaders towards achieving organisational growth. Exclusive 4-months leadership learning journey was curated for women leaders giving them the opportunity to examine the real-world problems and enhance their leadership skills. NSE participated in '1000 Women Leadership Program', nominating 25 women leaders and 4 of them were recognised as winners of 'Top 10% Club'. We also collaborated with International Universities to nominate CXO level employees for long term programme.



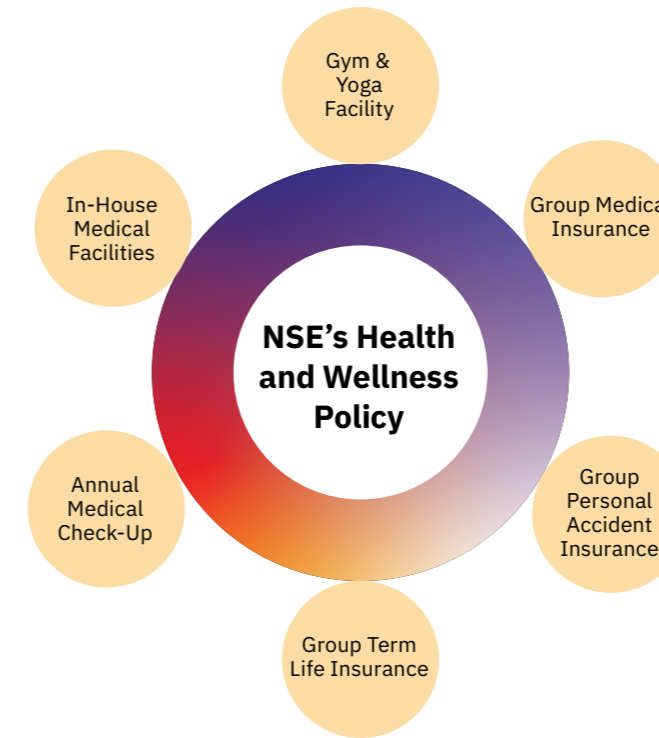
Behavioural & Functional Skills, Communication, Data Security	22,156
Skill Up-gradation	17,440
Policy and Compliance	2,570
Leadership skills	1,706
Health and Safety	967



Behavioural & Functional Skills, Communication, Data Security	2,914
Skill Up-gradation	897
Policy and Compliance	2,368
Leadership skills	1,324
Health and Safety	974

### Health, Safety and Wellbeing

#### Employee Health Benefits



We offer a comprehensive health and safety programmes to our employees and their families, that includes group medical insurance, and group personal accident insurance. Additionally, group term life insurance provides coverage for death under any circumstances. Employees receive annual medical check-ups, with increased frequency for those over 40, and this benefit is also extended to spouse. NSE also provides an in-house medical facility for convenient access to healthcare services, including physician consultations and emergency assistance.

We also offer Employee Assistance Program (EAP) for preventive and remedial mental health and counselling services for employees and family members to ensure their psychological wellbeing. We also promote fitness through on-site yoga and Gym facilities, and regular sports tournaments organised by the Staff Welfare Committee, featuring Cricket, Table Tennis, Badminton, Chess, etc.



International Yoga Day celebrations at NSE

NSE also organises various activities like family gatherings, celebrations, team parties, learning lunches, sports events, and workshops. To help employees balance work and personal life, NSE has introduced Marriage Leave and Sabbatical Leave. This is all part of its effort to improve the work environment and support the well-being of its employees.

#### Ensuring Safety Standards

To maintain highest safety standards, NSE performs periodic air quality analyses and maintains clean, sanitised workspaces. These initiatives collectively contribute to a safe, healthy, and supportive workplace environment for all our employees and their families.

**467**

New Hires Received Hands-on Training in Fire Safety

**100%**

Employees Covered under Group Mediciam Insurance, Group Personal Accident Insurance, Group Term Life Insurance, Maternity Benefits, Paternity Benefits, and Dental Cover

**ISO 45001**

Implemented for Occupational Health and Safety across our Facilities





## Social and Relationship Capital

# Transforming India Beyond the Exchange

The Exchange conducts various capacity-building and awareness programmes to protect the interests of all stakeholders. The team covers essential topics such as financial planning, investments, security market structure, regulations, and the services.

## Approach to Capital

Social and Relationship Capital represents the value embedded in our interactions and engagements with clients, partners, communities, and regulatory bodies. We have built and nurture meaningful and sustainable relationships to enable transformational growth and shared prosperity.

## FY 23-24 Highlight

# 5,889

Investor Awareness Programmes (IAP) covering over 3.64 lakhs participants

### Committees

CSR and Stakeholder Relationship Committee

### Values at Play

Customer-focused culture, Respect and Care for the Individual

### Outlook

Promote collaborative and multi-stakeholder participatory approach to creating a market culture rooted in sustainability.

### Policy

CSR Vision and Framework Policy

Customer Relationship Policy

ESG Policy



Investor protection, disclosures and transparency are the foundation stones of a healthy and thriving securities market. ”

### Ankit Sharma

Chief Regulatory Officer –  
Listing and Investor Compliance

## Key Focus Areas

### Commitment to our Customers

#### Investor Awareness

The Investor Awareness Programmes (IAP) are tailored to foster understanding of capital markets and offer practical insights for informed investing. With 100+ trainers nationwide, NSE ensures participants are equipped with essential knowledge for responsible investment decisions.

Our IAP sessions includes an Investor Pledge, outlining key do's and don'ts. We integrate various resources like NSE feedback forms, awareness videos, and the SEBI Investor website across all presentations.

Investor awareness is the cornerstone of our commitment to empowering investors and protecting their interests. NSE strategically uses a multipronged approach to educate and equip individuals with the knowledge and tools to navigate the securities market. One of our key objectives is to help people make informed and prudent investment decisions that can help improve their financial well-being. Our awareness initiatives not only help them better understand and manage risks while investing but also help build a more resilient investor in the financial ecosystem.



Inauguration of World Investor Week 2023



## Social and Relationship Capital

### Investor Engagement Initiatives

We engage in investor awareness activities to align with its mission of providing transparent, equitable, and reliable markets, and its vision of a safe and trusted platform to our investors. In FY 23-24, over 23,000 TV ads and 3 quizzes for 29,000+ participants were conducted to educate and protect investors through effective communication and interactive learning.



Investor Awareness Programme

### Podcast for Investor Awareness

NSE launched 'Shashakt Niveshak,' a podcast series dedicated to investor awareness and aimed at fostering a well-informed investor community in India. The series features conversations with capital market thought leaders covering topics such as financial literacy, investment products, safeguarding investments, sustainable finance, and impact investing. This initiative aims to empower investors to navigate the complexities of the capital markets confidently and prudently, contributing to the goal of a developed economy.

These centres serve as hubs for learning and interaction, offering information on investment products such as Mutual Funds, ETFs, Sovereign Gold Bonds, REITs, and InvITs. Open to all investors, the ISC centres provide facilities for grievance redressal, query resolution, and complaint filing. Visitors of ISC centres can read financial newspapers, borrow books from the library, listen to NSE's podcast 'Shashakt Niveshak,' and access investor awareness videos, radio jingles, and essential market guidelines.



### World Investor Week (WIW 2023)

During World Investor Week in October 2023, NSE intensified its investor awareness initiatives and conducted the following additional activities:

- **Nukkad Natak:** Traditional storytelling performed at 12 public locations in Mumbai and Delhi. This engaging format captures attention and brings financial concepts to life in an entertaining manner, depicting real-life investment scenarios and illustrating potential risks and benefits. Performed by local artists, it fosters community engagement and promotes discussions on financial literacy and investor protection.
- **Selfie Booth:** To make investor education enjoyable, NSE set up selfie booths at three locations. After spreading awareness and interacting with the audience, participants took selfies with plaque cards, uploaded photos with relevant hashtags, and followed NSE on social media. Prizes, including T-shirts, pens, and badges, were distributed.
- **Management Bytes:** A series of short videos where top management shares messages on investor awareness across NSE's social media platforms.

### Trade Fairs, Bookfairs and Beyond

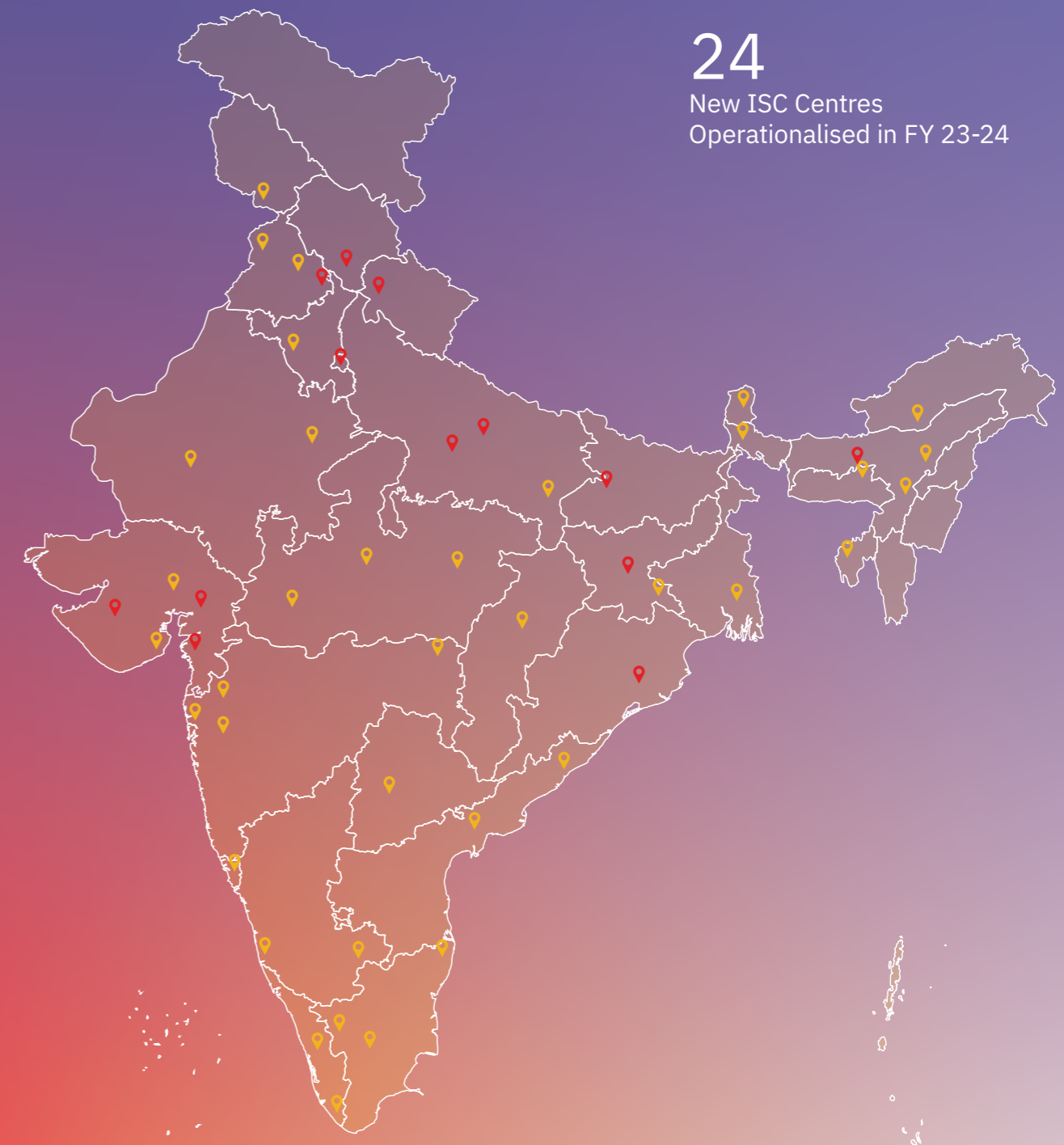
To foster informed investment decisions, NSE engaged in over 15 trade fairs, book fairs, and festivals nationwide, raising securities market awareness and inspiring investment. Over 60,000 participants benefited. Activities included quizzes, podcasts, pamphlets, awareness videos, and interactions with NSE and SEBI officials. Vision boards were also introduced and well-received.



NSE at India International Trade Fair 2023

## Overview of Investor Services Centre

The exchange provides various services to investors both electronically through its online platform and physically through dedicated Investor Service Centres (ISCs) established for this purpose.



# 24

New ISC Centres  
Operationalised in FY 23-24

- 📍 Common Investor Service Centre Managed by NSE
- 📍 Other Common Investor Service Centre

Map not to scale



## Social and Relationship Capital

### Digital and Print Initiatives

We empower small retail investors through education and awareness, enabling them to make informed investment decisions. The Exchange strives to ensure that investors learn the concepts of finance and the securities market, as well as obtain and use the information required for investing. To create awareness about the financial and securities market, NSE leverages social media platforms such as LinkedIn, Instagram, Facebook, YouTube, and Twitter.

In today's digital world, print advertisements remain relevant due to their tangible nature, which makes them memorable, and their ability to target specific demographics effectively. They also benefit from higher credibility and less clutter compared to digital ads.

# 606

Advertisements Regarding Investor Awareness Published in Different Magazines and Various English and Regional Newspapers

### Addressing Grievances

The National Stock Exchange (NSE) offers a comprehensive grievance redressal system for resolving disputes between investors, listed companies, and trading members. The Investor Services Cell and the Grievance Redressal Committee (GRC) handle complaints impartially. Arbitration is an alternate mechanism by which unresolved claims are resolved and NSE manages successful claims resulting in compensation from trading members. For grievances against listed companies, NSE monitors responses and enforces penalties for non-compliance, including monetary fines and freezing of promoters' Demat accounts. The system is designed to ensure fair dispute resolution as per SEBI guidelines.

#### SMARTODR: Adopting Modern Tool to Address Investor Grievances

NSE has adopted SMARTODR resolution platform, an online tool which enables it to further bridge the gap between investors or clients and various market intermediaries, trading members, and listed companies. The dispute resolution process within SMARTODR is designed with two levels: online conciliation and arbitration. There is also an option for further appeal under section 34 of the Arbitration and Conciliation Act, 1996, ensuring a comprehensive and fair resolution process.

### Building a Platform for All

#### Connecting Social Enterprises with Donors

In FY 22-23, NSE launched Social Stock Exchange (SSE) as a separate segment. As a regulated platform that brings together social enterprises and donors, we facilitate funding and growth of social enterprises. This would enable to ensure robust standards of social impact and financial reporting.

[Read more at Pg. 29](#)

#### NSE EMERGE

SMEs have limited access to funds and struggle to scale up their businesses. EMERGE is a credible and efficient marketplace that facilitates the convergence of sophisticated investors and emerging corporates in the country. It offers opportunities for informed investors to invest in emerging businesses with exciting growth plans, innovative business models, and a commitment to good governance and investor interests.

[Read more at Pg. 71](#)

#### Advocacy and Capacity building

NSE maintains structured communication with listed companies, intermediaries, investors, regulators, policymakers, and the public via regular forums and dialogues to promote collaboration and address concerns. NSE actively engages with financial sector governing bodies and participates in policy discussions through panels, roundtables, and seminars.

Globally, the Exchange contributes to sustainability and equitable growth dialogues as part of initiatives like the Sustainable Stock Exchanges Initiative, the World Federation of Exchanges, and IOSCO.

[Read more at Pg. 46](#)



Tree Plantation Drive by NSE Employees

## Corporate Social Responsibility

### Previous Achievements

Over the years, NSE Group's Corporate Social Responsibility (CSR) initiatives have implemented a variety of projects in remote areas, addressing context-specific challenges. These efforts have been spread across 13 states in India, ensuring that the diverse needs of each region are met and to the overall development and well-being of these communities. We have also aligned with the Aspirational District Programme of Niti Aayog and worked in 5 selected aspirational districts of Karauli (Rajasthan), Nandurbar (Maharashtra), Ramanathapuram (Tamil Nadu), Kiphire (Nagaland) and Birbhum (West Bengal).

### Measuring the Impact

In FY 23-24, NSE Group's CSR undertook a rigorous exercise to review its strategy and future direction. Moving away from the approach of being present in various zones across the nation, it was decided that a few niche, large-scale projects should be undertaken. These projects are intended to have a measurable and sustained impact on a large number of beneficiaries.

The COVID pandemic highlighted the gaps in the nation's health infrastructure, prompting NSE Group to recognise the need for its augmentation. Additionally, there has been an exponential increase in the number of cancer patients across the country, while facilities for low-cost cancer treatment remain limited.

### Extending Care for Cancer Patients

NSE Group has collaborated with the Advanced Centre for Treatment, Research and Education in Cancer (ACTREC), Kharghar, Navi Mumbai, which is a wing of the Tata Memorial Centre under Department of Atomic Energy, involved in the treatment of and research into cancer and is currently the largest (and only) dedicated tertiary cancer centre in Navi Mumbai. Through this partnership, a multispecialty OPD block will be constructed on the ACTREC campus in Kharghar, which will include general as well as super-specialty services for the treatment of co-morbidities in cancer patients. The block will also house a 60-bed centre dedicated to bone marrow transplants, which will become one of the largest in the country for bone marrow transplants.



## Natural Capital

# Sustainable Excellence

**NSE takes a careful approach to environmental stewardship by implementing programmes that reduce energy and water usage, minimise waste and lower carbon emissions. In line with our philosophy of global citizenship, our climate initiatives have been focused on both climate change mitigation and adaptation.**

## Approach to Capital

NSE considers climate change as an opportunity. The intent of embedding sustainable practices into all aspects of our strategy and business operations has reflected in the progress of NSE's climate action efforts. Our position as a responsible exchange puts natural capital as a priority and brings forward an appeal to environmentally-conscious investors. To foster collective action on climate issues, we also promote environmental awareness among all stakeholders in our role as a stock exchange.

## FY 23-24 Highlights

**39,085** GJ  
Energy Consumed from  
Renewable Sources

**21,801** kL  
Water Recycled

**100%**  
E-Waste Recycled

## ISO 14001:2015

**Environmental Management Systems, USGBC Platinum, and IGBC Gold certification** Regional Office Buildings in Mumbai and Chennai, Respectively

### Committees

ESG Committee

### Values at Play

Respect and Care for the individual, Trust, Integrity

### Outlook

To continuously endeavour to decarbonise operations and encourage sustainable practices among our partners and customers.

### Policy

**E-Waste Management Policy**

**NSE Environmental Policy**

**ESG Policy**

## Key Focus Areas

### Green Power Generation

NSE has made significant investments in renewable energy sources, namely wind and solar power. It operates a 5 MW wind power plant at Satara and 20 KW solar power installations at its Mumbai and Chennai premises. These investments have enabled NSE to reduce reliance on non-renewable sources, effectively lower carbon emissions, contribute to global climate action, and reduce electricity costs. Coupled with its energy conservation initiatives, these investments help NSE achieve its sustainability goals and inspire its stakeholders to adopt similar practices.

In our pursuit of a sustainable future, we recognise that maintaining green operations is fundamental to our mission of fostering low-carbon development. As custodians of capital markets, we are uniquely positioned to drive the transition towards a low-carbon economy, creating a systemic change that integrates sustainability into the core of economic and financial systems.



NSE Windmills at Satara, Maharashtra



## Natural Capital

### Energy Conservation

NSE's energy efficiency measures include installation of LED lights, occupancy sensors, and a Building Management System to optimise power usage.

LED lights have been introduced across the entire office area, saving approximately 34,917 units. AC chillers are operated during night hours to form the 'chill' (i.e., glycol water at a temperature below zero degrees Celsius) which is stored in a thermal storage tank. The next day, the stored chill is utilised through heat exchangers for air-conditioning the entire office area. This has aided in the distribution and reduction of extra power, which was previously operating during the day and consuming more than 30% of the total peak demand load, thereby saving 14,366 demand KVA.

Other initiatives like motion/occupancy sensors to operate lights based on occupancy, a Building Management System (BMS) to operate Air Handling Units (AHU) of the air conditioning system according to an exact timetable, and Automatic Power Factor Control Units, etc., were implemented to conserve energy on the premises.

**34,917 kWh**  
Energy Units Saved with EMS



### Water Management

Effective water management is crucial to NSE's sustainability strategy due to the large volumes of water used within its ecosystem. NSE's water conservation efforts include extensive water recycling, rainwater harvesting, and implementing water-efficient practices across its facilities. This comprehensive strategy ensures sustainable water use and mitigates risks associated with water scarcity. In total, a volume of 28,599 kL was harvested from rain. An approximate total of 21,801 kL of water recycled underscores our commitment to efficient water use. Post recycling from NSE's Sewage Treatment Plants (STPs), the water is reused for Heating, Ventilation, and Air Conditioning (HVAC) purposes.

## Waste Management

### Managing Battery and Electronic Waste

Management of e-waste and diverting it away from landfills is one of our key objectives. Our e-waste broadly includes computers, mainframes, scanners, PCs, related peripherals, air conditioners, and similar electronic equipment that is being disposed of through registered e-waste vendors. While e-waste generation is inevitable in our line of business, we have developed systems and centralised processes for collection and transportation of the e-waste to recycling centres. Through these initiatives, we have recycled 100% of our e-waste in this year.



### Managing Plastic Waste

All facilities use compostible garbage bags to collect and dispose of dry and wet waste. At Exchange Plaza, a vendor partner composts and recycles the waste in an eco-friendly manner.

### Managing Organic Waste

Waste composting units are installed at Exchange Plaza, and food waste is managed through an on-site vermiculture system. The resulting vermicompost is used for gardening, and the manure obtained from the composting process supports the local plant life.

[Read more at Pg. 189](#)

# Corporate Information

## Core Management Team

### Shri. Ashishkumar Chauhan

Managing Director & CEO

### Shri. Piyush Chourasia

Chief Regulatory Officer – Member Compliance, Surveillance, Member Inspection and Investigation

### Shri. Ankit Sharma

Chief Regulatory Officer – Listing and Investor Compliance

### Shri. Somasundaram K S

Chief Enterprise Risk Officer

### Shri. Sriram Krishnan

Chief Business Development Officer

### Shri. Yatrik Vin

Group CFO & Head Corporate Affairs (upto July 01, 2024)

### Shri. Ian Desouza

Interim Chief Financial Officer (w.e.f. July 01, 2024)

### Shri. Shharad Dhakkate

Chief Human Resources Officer

### Shri. Mayur Sindhwad

Chief Technology Officer – Technology Operations

### Shri. Viral Mody

Chief Technology Officer – Technology Application and Development

### Shri. Sampath Manickam

Chief Technology Officer – Technology Infrastructure

### Shri. Seshadri Meda

Chief Information Security Officer (upto June 06, 2024)

### Shri. Rajesh Thapar

Chief Information Security Officer (w.e.f. June 06, 2024)

## Management of Key Subsidiaries\*

### Shri. Vikram Kothari

Managing Director – NSE Clearing Limited

### Shri. Mukesh Agarwal

Managing Director – NSE Data & Analytics Limited and NSE Indices Limited

## Company Secretary:

### Shri. Rohit Gupte

Company Secretary (upto June 12, 2024)

### Smt. Prajakta Powle

Interim Company Secretary (w.e.f. June 13, 2024)

## Other Information

### Registered Office

Exchange Plaza, C-1, Block-G, Bandra Kurla Complex Bandra, East, Mumbai – 400 051, Maharashtra, India

### Statutory Auditors

Price Waterhouse & Co Chartered Accountants LLP, Veer Savarkar Marg, Shivaji Park, Dadar (West) Mumbai - 400028

### Registrar & Transfer Agents

Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400083

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\* Subsidiaries regulated by SEBI



# Management Discussion and Analysis

The Indian economy and markets demonstrated resilience last year despite facing global headwinds such as geopolitical tensions, escalating conflicts and elevated interest rates. Domestic capital markets were a testament of India's strong economic fundamentals, with the optimism reflected in primary and secondary market activity. NSE embodies India's economic strength, showcasing the resilience and robustness of capital markets. It has played a pivotal role in facilitating capital formation, channelising investments and fostering a favourable economic and financial climate in the country. It is a symbol of robustness, primarily led by meticulously drafted regulations and proactive investment in cutting-edge technology. The fiscal year FY 23-24 witnessed an addition of around 1.9 Crore investors at NSE, taking the overall unique registered investors to 9.2 Crores by March 2024, tripling in the last four years. The increase in the number of investors from 8 crores to 9 crores was achieved in mere five months. This recent surge reflects the trust which investors have placed in NSE, emanating from the inherent reliability and integrity embedded in our services. NSE's commitment extends to protecting investors' interests and fostering trust and transparency in our operations. Ensuring investor protection is a priority, supported by strong regulatory measures such as efficient grievance redressal mechanisms, enhanced cybersecurity and seamless access to market information.

NSE serves as a frontline regulator, crucial for maintaining market integrity and ensuring fairness and transparency in all market interactions. The following section delves into the regulatory function of the Exchange, emphasising its role in safeguarding the interests of our key stakeholders (three "I's") – Investors, Issuers (Corporations), and Intermediaries. NSE's regulatory activities are designed to uphold a transparent, fair, continuous and orderly market environment, fostering investor confidence and market efficiency. As NSE does not operate in isolation, we analyse the global and Indian economic environment extensively for understanding the contours of the economy and the capital market scenario, as these factors influence the regulatory frameworks that guide our operations. We move on to assess NSE's financial results, within the broader economic landscape and the regulatory actions taken during the year, demonstrating our commitment to market stability and resilience. Lastly, we also highlight NSE's rankings in comparison to global stock exchanges, underscoring our strong performance on the international stage.

## Regulatory Function

Regulation and regulatory enforcement are the bedrock for the smooth functioning of the market. NSE lays down comprehensive rules and regulations related to investors, issuers, and intermediaries, which have been covered extensively in the sections below. This regulatory framework is developed under the guidance of SEBI and market participants, ensuring alignment with broader regulatory standards and objectives. NSE's regulatory function is crucial for fostering a fair, transparent, continuous, orderly, and efficient trading environment, thereby safeguarding market participants' interests and promoting confidence in the financial system.

## Investors

NSE places the utmost importance on safeguarding and advancing the interests of investors, recognising them as crucial stakeholders in the financial ecosystem. In collaboration with SEBI, the exchange has proactively instituted comprehensive measures aimed at bolstering investor confidence, fostering a robust and transparent environment and ensuring a high level of investor protection and trust.

## Investor Service Cell

The role of the Investor Service Cell of the Exchange involves assisting investors, enhancing investor confidence, promoting transparency, ensuring speedy redressal of Investor grievances and fostering a healthy investment ecosystem. To ensure the above, the Exchange has 50 Common Investor Service Centers (ISC) covering the length and breadth of the country. Of the above, 37 ISCs are managed by NSE. The Exchange has also conducted 5,889 investor awareness programmes covering 3.64 lakhs participants in FY 23-24 alone.

The recent surge in unique registered investors on NSE (9.2 crores as on March 31, 2024 and total number of client codes at 16.9 crores) can be attributed to factors like digitisation, rising investor awareness, financial inclusion, and positive market performance. To safeguard investors and facilitate a prompt resolution of their complaints, several regulatory and government directives have been issued.

## Introduction of Online Dispute Resolution

SEBI streamlined the existing dispute resolution mechanism in the securities market under the aegis of stock exchanges

and depositories by establishing a common Online Dispute Resolution (ODR) portal ('SMART ODR Portal'; Link: <https://smartodr.in/>). ODR is a public facing digital space in which parties can convene to resolve their dispute or case. This new system harnesses online conciliation and arbitration for resolution of disputes arising in the securities market. ODR offers several benefits which include efficiency, accessibility, equity and an interim relief to the investors, prior to arbitration. Another benefit is that until conciliation, there is no cost to the investor for grievance redressal litigation, while there is graded cost to both the investors and market participants at the arbitration stage.

## PAN-Aadhaar Linking

Linking of PAN with Aadhaar has been made mandatory by the Government of India. Accordingly, the Exchange has implemented the system to capture the PAN-Aadhaar linking status w.e.f. July 01, 2023.

## Trading Supported by Blocked Amount (TSBA)

TSBA, in secondary market is a SEBI initiative to provide enhanced protection of cash collaterals for investors where retail HUF (Hindu Undivided Family) clients can trade in the secondary market by blocking funds in their respective bank accounts. To facilitate trading members in accessing this facility, specific enhancements were made to the Unique Client Code (UCC) of investors in collaboration with sponsored banks, HDFC bank, Depositories (NSDL and CDSL), clearing corporations (NCL and ICCL). Records of clients that opt for TSBA are sent to respective clearing corporations after validation of bank and demat accounts.

## Allotment of UCC to Non-validated Clients by KYC Registration Agency (KRA) and Dealing in the Exchange by Such Clients

As per SEBI Circular, wherein the KRAs were unable to verify the PAN/ Client Name/ Address/ Email id/ Mobile Number, such clients shall not be allowed to transact further in securities market until the said attributes are verified by the KRAs. On a monthly basis, the KRAs share a list of PANs whose KYC could not be validated. Based on this list, the Exchange has blocked all such PANs and their respective UCCs from trading till further intimation from KRA.

## Surveillance and Investigation

The Surveillance and Investigation department's role is to strive for detection of potential market abuse to protect the integrity of the securities markets and its participant, thus ensuring orderly markets and maintaining market integrity and stability. Based on various types of alerts configured in the Exchange's surveillance system including sophisticated pattern recognition models, the stock exchange strives to gauge anomalies or market abuses in the market. Unusual patterns are detected from sifting through billions of orders, trades and client information and such alerts are analysed and concluded with appropriate actions as per existing process. By continuously improving the

surveillance infrastructure and technology, the Exchange remains committed to maintaining a fair, transparent, and secure market environment for all participants.

Based on the standard framework across Exchanges, as discussed with regulators, the Exchange deploys various surveillance measures for pre-emptive surveillance viz. additional surveillance measure, graded surveillance measure, enhanced surveillance measure, periodic call auction session, periodic review of movement of securities to /from trade for trade, daily review of price bands, rumour verification, surveillance measure for scrips with low non-promoter holding etc. This acts as a preventive step guiding investors including pop up messages at the time of order placement and protecting their interest.

The Exchange has a Data Warehouse (DWH) system which hosts historical data and has the capability to handle voluminous data and is used extensively by Surveillance and Investigation teams. NSE has recently upgraded its data warehouse platform, transitioning from T+1 batch processing to real-time data ingestion using the Cloudera Data Platform (CDP). This advancement streams over half a million orders per second, capturing every transaction in real time. This shift from batch data loads to a real-time data lake facilitates immediate insights and enhances decision-making for analytics, regulatory reporting, and surveillance. Security configurations are aligned with regulatory guidelines to protect sensitive data, featuring strong access controls, encryption, network security, authentication, and audit logging. The transition to software-based data replication to remote sites improves efficiency over previous hardware-based methods, ensuring RTO (Recovery Time Objective) and RPO (Recovery Point Objective) targets are met, thus enhancing data availability and business continuity. This modernisation establishes a foundation for integrating advanced data science capabilities like machine learning, deep learning, and AI. It also supports data democratisation, making data more accessible to NSE investors, members, and researchers, driving innovation and transparency. Further, a focused dashboard viz. Member Surveillance Dashboard (MSD) has been developed by the Surveillance and Investigation team for communicating with the trading members on surveillance-related matters. As a part of the Surveillance Obligation framework, trading members have been provided a facility on the Member Surveillance Dashboard to submit any instances of market abuse, detected at their end. The Case Management System (CMS) stores the repository of alert analysis. It provides an audit trail of various alerts generated, cases analysed and similar details.

During FY 23-24, various volatility control mechanisms for pre-emptive Surveillance were introduced to ensure orderly markets viz., Introduced mechanism for avoiding extreme limit price of stop loss orders and market price protection within limit price protection to limit price movement because of market orders. An extension of surveillance actions was prosed in the SME segment for specific



## Management Discussion and Analysis

frameworks like Trade-for-Trade, Short-Term Additional Surveillance Measure (ST-ASM) and Graded Surveillance Measure (GSM). A new framework called enhanced surveillance measure was proposed, for micro- small companies (on Main Board with market capitalisation less than ₹500 Crores) and introduced. Additionally, a global

A summary of enforcement actions undertaken, disciplinary proceedings initiated, and other steps taken by Surveillance and Investigation is given below:

Sr. No.	Particulars	Count
1	Additional Surveillance Measure (ASM) – IBC	16
2	Additional Surveillance Measure (ASM) - long term	514
3	Additional Surveillance Measure (ASM) - short term	581
4	High encumbrance (Promoter Pledge)	43
5	Graded Surveillance Measure (GSM)	47
6	Enhanced Surveillance Measure	458
7	Enforcement action on trading members (on the charges of unfair trade practice related to price/volume market abuse) by penalising them and restricting them to register new clients for a period of time	Nil
8	Disciplinary action proceedings initiated	21 trading members
9	Issuance of Advisory/ Observation/ Caution Letters	991
10	Intimation made to trading members pursuant to analysis - Calls/ Member Surveillance Dashboard	583
11	Show Cause Notices (SCNs) issued	366

### Issuers

NSE has established a robust framework to address the requirements of issuers in connection with the listing process, disclosures and regulatory compliances of issuers (i.e. corporations), who raise capital and eventually drive capital formation in the economy. Issuers play a critical role in mobilising financial resources, and the regulations governing these entities are crucial for ensuring a smooth listing process and managing post-listing compliance. This regulatory oversight is facilitated through NSE's Listing Function – having four broad departments namely Listing Approval, Listing Compliance Listing Investigation and Listing Operations. By providing a structured approach to listing approvals, ongoing compliances, and operations, these departments ensure a smooth capital- raising process while closely monitoring listed entities for possibly mitigating the misappropriation of resources and in turn protect investors' interests.

### Listing Approval, Compliance and Investigation

The Listing Approvals department provides approvals under relevant regulations to entities who wish to list their various securities on the Exchange through primary issuances or otherwise. These include approvals required to be obtained by the companies at various stages for initial public offering, rights issue, follow on public offering, preferential issue, qualified institutional placement, employee stock option, scheme of arrangement etc.

conference on surveillance was hosted by NSE, with top global regulators and Exchanges participating in the event. The purpose of the conference was knowledge sharing and exchange of best practices among surveillance officials of Securities and Futures Exchanges from around the world.

Securities such as equity shares, convertible securities, debentures etc. are primarily listed on the Main Board or NSE Emerge Platform (SME Platform) or Debt Platform of the Exchange. These entities are required to satisfy the requirements prescribed under the respective SEBI regulations as well as fulfil the eligibility requirements of the Exchange, prescribed from time to time.

During FY 23-24, the Exchange introduced the Social Stock Exchange segment on NSE which provides Non-Profit Organisations (NPOs) and For-profit enterprises (FPEs) engaged in eligible activities a unique opportunity to register itself and raise funds on the exchange platform. Since introduction, 59 NPOs have registered themselves with NSE SSE, of which projects of 5 NPOs have successfully raised funds through issue of Zero Coupon Zero Principal instruments.

The Listing Compliance function handles the post listing compliance like corporate governance, corporate announcements, related party transactions, Business Responsibility and Sustainability Report, Secretarial Compliance Report, Statement of Deviation and Reclassification and delisting. It conducts adequacy and accuracy checks on the filings submitted by the listed companies on quarterly/ half yearly/ yearly basis/ event basis for financial results, annual report, shareholding pattern, debt compliance.

New developments during FY 23-24 include NEAPS portal access to the debenture holders for filing the compliances, availability of information on debt listed companies on the

website and release of Prohibition of Insider Trading (PIT) modules for mutual funds.

The Listing Investigation department was established as the regulator intended and demonstrated monitoring of iListed entities as a priority area. This department holistically looks at the financial and compliance data of a listed entity to identify financial frauds, diversion and siphoning or misappropriation of funds; material mis-statement in financial statements; probe complex transactions involving resources of the listed entity undertaken for the ultimate benefit of promoter/promoter group; investigate fraudulent related party transactions wherein financial and governance issues are inter-linked and a holistic examination is required; take up complaints and cases where a forensic audit has been initiated by lenders, management, other regulators; and look into allegations made against auditors. The Listing Investigation department analyses various alert types, including Financial/Non-financial parameters, Complaints forwarded by SEBI, and SEBI early warning alerts. Non-financial parameters encompass corporate governance changes, shareholding changes, material announcements etc.

During FY 23-24, the Exchange submitted 29 reports to SEBI wherein concerns were observed in related party transactions, layering of funds, transactions with foreign subsidiaries and potentially connected entities. The listing investigation department also initiated discussions with SEBI, the IT department and few fintech companies regarding the implementation of Artificial Intelligence for the development and analysis of alerts along with automated report generation.

### Intermediaries

The Intermediaries, comprising brokers, custodians, and other market participants, represent the third pivotal group of stakeholders for NSE, apart from investors and issuers. These entities act as a vital conduit between investors, issuers, and the exchange itself. The regulatory framework governing intermediaries ensure that their operations adhere to the highest standards of transparency, fairness, and efficiency. This regulatory oversight fosters trust among participants and safeguards the overall integrity of the financial markets.

### Membership Compliance

One of the functions of the regulatory team is Membership Compliance which is responsible for overseeing the entire compliance process for trading members and authorised persons. The compliance process includes four critical activities like onboarding of new members, granting key approvals for significant changes, continuous monitoring of compliance and managing the offboarding process for a seamless exit.

As of March 31, 2024, there were 1,297 registered trading members, of which 1,029 were active trading members.

The segment-wise count of trading members as of March 31, 2024, is as follows:

- Cash Market Segment – 1,212
- Futures & Options Segment – 1,138
- Currency Derivatives Segment – 754
- Debt Segment – 271
- Commodity Segment – 352

A few regulatory initiatives under regulatory function specific to Membership compliance are summarised below:

#### 1. Logging and Monitoring Mechanism Framework (LAMA)

Trading disruptions caused by technical glitches pose a significant risk to investors. To address this, NSE deployed the LAMA-API-based Logging and Monitoring Mechanism – which allows to monitor the health of trading systems of specified brokers. The system tracks key metrics like memory usage, bandwidth, network latency, response times and generating alerts when thresholds are breached to provide advance warnings of potential technical issues. Additionally, NSE uses web crawlers to monitor social media and investor grievances to identify any un-reported technical glitches.

#### 2. Investor Risk Reduction Access

To reduce potential losses to investors due to technical glitches at brokerages, a platform called IRRA (Investor Risk Reduction Access) has been introduced. This platform allows investors to close their positions directly with the Exchange, minimising financial losses during such events.

#### 3. Empanelment of Back-office Vendors

To standardise the formats for maintaining books, accounts, and data submissions, back-office (BO) vendors were empanelled. The Exchange issued procedures and operating guidelines for the empanelment of BO vendors for trading members, including inhouse developed software or services from BO software vendors.

#### 4. Maintenance of a Website by Members

Trading members dealing in clientele business are required to maintain a designated website, display mandatory information and report it to the Exchange, with an objective to ensure investors are well informed of the activities of trading members.

#### 5. Verification of Social Media Accounts to Prevent Misuse of Names

In response to reports that certain individuals and entities were falsely claiming affiliations with trading





## Management Discussion and Analysis

members to solicit funds from the public and investors for fraudulent schemes, the Exchange issued an advisory. Members are instructed to regularly monitor social media platforms to verify that their names are not being misappropriated and to take immediate action if any misuse is detected.

### 6. Usage of NSE Data Only for Trading Purpose

Upon noticing that some market participants were using Exchange data for gaming and virtual trading, which is against the principles of fair and transparent trading, the Exchange issued a caution. Members were instructed to restrict the use of NSE data only to legitimate trading purposes by their clients, and not for the purpose of gaming and virtual trading.

### 7. Performance/Return Claimed by Unregulated Platforms Offering Algorithmic Strategies for Trading

To safeguard the interest of investors, the Exchange issued various circulars advising members against making performance or return claims by unregulated platforms offering algorithmic strategies. This includes any references to past performance or expected returns various form such as:

- Public platforms such as social media, websites, digital & print media, etc.
- Presentations, account opening forms, pamphlets, banners, forums and gatherings for onboarding new clients or pitching new segment or products to existing clients
- Any other private platforms

### Supervision Framework of Brokers

The Supervision Framework for stockbrokers encompass a comprehensive approach aimed at monitoring compliance of stockbrokers and authorised persons registered with the Exchange to protect interest of investors and to ensure safe and orderly market. Efforts are consistently made to enhance the compliance standards among the stockbrokers and authorised persons coupled with measures such as initiating timely disciplinary actions for observed non-compliances.

With these efforts, supervision of stockbrokers has evolved significantly over time, with a greater emphasis on a risk-based approach. Various policy measures/initiatives have been taken in the recent past to prevent the misuse of investor assets resulting in systemic correction and plugging of loopholes, which were prone to risk. The Exchange has accelerated these efforts while working alongside SEBI for effective implementation and monitoring of the same.

Inspections of stockbrokers are carried out regularly to review compliance with applicable laws and regulations by

them. During FY 23-24, 646 inspections of stockbrokers were conducted which includes 312 comprehensive inspections, 64 Focus Area inspections, 159 Limited Purpose inspections and 111 SEBI Joint Inspections.

The focus of Exchange has been more on offsite supervision of brokers to ensure continuous and enhanced monitoring thereby mitigating the risk of misutilisation of investor assets. Exchange has leveraged the advancement of technology over time and as a result, Exchange has built large-scale online systems using market wide data across all stock exchanges, clearing corporations and depositories of more than 8 Crores investors with more than 1,100 brokers for continuous monitoring of client assets lying with brokers.

Besides these online systems, Exchange also monitors the brokers through various alerts generated on daily/ weekly/ monthly basis under continuous offsite supervision. During FY 23-24, more than 10,500 offsite alerts were processed.

Certain stockbrokers, due to various factors like their size, trading volumes and amount of client assets handled by them occupy a significant position in Indian Securities Market and the failure of such brokers has the potential to cause disruption in services they provide to large number of investors causing widespread impact in securities market. Therefore, a more focused and continuous approach for offsite monitoring of such Qualified Stock brokers is put in place.

Exchange based on the leads received from various sources such as market intelligence, social media posts, client complaints etc., also conducts mystery shopping audit through Exchange appointed vendors/auditors. Exchange issued more than 200 press releases to caution investors to be away from various unregulated schemes/ products, unregistered entities.

Additionally, brokers are mandated to do the audit of their books of accounts on a half-yearly basis by an independent Internal Auditor as per applicable acts, rules, regulations, byelaws and circulars prescribed by SEBI and Stock Exchanges from time to time.

With an objective to strengthen the internal audit process/ mechanism, a framework for empanelment of auditors with the Exchange has been put in place and internal audit reports certified only by empanelled auditors are accepted by the Exchange.

The strengthened oversight and closer monitoring of brokers has led to a notable reduction in defaults, as stockbrokers are held more accountable for their actions. Number of stockbroker defaults have consequently declined from 12 in FY 20-21 to 1 in FY 23-24.

In the recent past, following measures have been taken for Protecting Clients' Securities:

- Pledging of clients' securities by stockbrokers with Banks/NBFCs has been prohibited
- Holding of unpaid shares of client in 'Client Unpaid Securities Account' (CUSA) has been discontinued and such unpaid securities of clients are transferred to client demat account under auto pledge in favour of member for 5 days from the payout, post which the securities are unpledged and free in the client demat account
- Title transfer of securities to the demat account of the broker has been discontinued and a new mechanism of margin pledge/re-pledge has been introduced under which securities provided towards margin are accepted by brokers by way of pledge/re-pledge mechanism only
- 'Block mechanism in demat account of clients undertaking sale transactions' has been introduced, which facilitates clients' to avail Early Pay-In (EPI) benefit by blocking shares from their respective demat accounts in favour of clearing corporation. This has done away with movement of shares from client's demat account for availing EPI benefit
- Power of Attorneys (PoAs) executed by clients in favour of stockbrokers has been discontinued and 'Demat Debit and Pledge Instruction' (DDPI) has been introduced. Under DDPI the clients explicitly agree to authorise stockbrokers to access their client Beneficial Owner (BO) account for the limited purposes of meeting pay-in obligations and for initiating pledging/ re-pledging of securities in favour of stock broker for meeting margin requirements

Further, the following initiatives have been taken for protecting clients' funds:

- A reporting mechanism for segregation and monitoring of collateral at client level, covering both cash and non-cash collateral, has been specified to provide visibility of client-wise collateral at all levels, viz., trading member, clearing member and clearing corporation (CC)
- Revised guidelines for quarterly and monthly settlement of running accounts of funds of all clients on first Friday/Saturday of the month/quarter have been introduced to safeguard client funds against any possibility of misuse of one client's funds to settle another clients' running account.
- A framework for upstreaming of all client funds received by trading members/clearing members to clearing corporation has been introduced
- Trading members/clearing members were using client's funds for transferring to banks which in turn issued Bank Guarantees to clearing corporations. The practice of creating Bank Guarantees out of clients' funds has been discontinued

Additionally, with a view to bring transparency to investors, the following mandatory disclosures to clients are required to be made by the stockbrokers:

- Details of brokerage/charges being levied for each order are required to be prominently displayed on the 'Order placement window/screen' on the Internet Based Trading (IBT)/Wireless Trading (WT) applications prior to placement of order
- Details of all active upstreaming client bank accounts are required to be displayed by the stockbrokers on their website. The details of these Client Bank accounts reported by brokers are also displayed by Exchange on its website under 'Know/ Locate your Stock Broker'
- Weekly message for funds and securities/commodities balances based on submission received from brokers are also disseminated to clients by exchange. Stock brokers are required to send weekly statement of accounts to clients, to facilitate clients to compare the funds, securities, and commodities balances (as uploaded by brokers) received from the exchange. Investors are advised to file complaints with the Exchange in case any discrepancy is observed
- A web portal facility is also provided to investors by clearing corporations to view their disaggregated collateral placed with member as reported by their member

### Ease of Doing Business Initiatives

With an objective to ease out the compliances of members and to facilitate ease of doing business, the Exchange, as advised by SEBI, constituted Broker Industry Standard Forum (Broker ISF), comprising of representatives from Market Infrastructure Institutions (MIIs), Members associations, Qualified Stockbrokers (QSBs), Back Office/ Front office Vendors, Custodians, Foreign Brokers, Investor Associations and other relevant stakeholders.

Post constitution of Broker ISF in the month of September 2023, the Exchange has convened 21 meetings of Broker ISF during September 2023 to March 2024 and discussed more than 90 agendas. As a result of these meetings, various circulars defining the operational guidelines for smooth implementation of regulatory requirements and relaxing compliances of members have been issued.

### Enforcement

The Enforcement Department of a stock exchange plays a critical role in maintaining market integrity, investor protection, and overall regulatory compliance in the securities market. This department operates under the rules, byelaws, and regulations established by the exchange and circulars issued by the Exchange and SEBI from time to time. The core function of the Enforcement Department is to ensure that all market participants adhere to these regulatory provisions, fostering a fair, transparent



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and orderly trading environment. By enforcing regulations and addressing non-compliance, the department helps maintain the integrity of the stock market. Effective enforcement protects investors from fraudulent activities and unfair practices, thereby enhancing investor confidence in the market and promotes the stability and reliability of the financial system.

The Member and Core Settlement Guarantee Fund Committee (MCSGFC) of the exchange has disciplinary jurisdiction over its registered trading members and SEBI prescribes the terms of reference for this committee. This committee supervises the actions taken on account of violations with respect to non-compliance, breaches and market abuse observed during inspections, surveillance, investigations, etc. The Enforcement department of the Exchange is responsible for execution and administration of actions against trading members under the guidance of the MCSGFC. In the year 2022, based on the recommendations of the MCSGFC, the Exchange has revised the enforcement process to ensure timely resolutions of large number of cases.

There is a well-established mechanism, where both oral and written submission are taken into consideration and trading members are given sufficient opportunity to represent their case before MCSGFC.

During FY 23-24, the Enforcement Department has issued 6,031 action letters, 56 show-cause notices to trading members and placed 865 cases before the MCSGFC. The MCSGFC imposed a monetary penalty of around ₹20 Crores on trading members, which is credited to the Investor Protection Fund (IPF) account and does not form part of NSE's revenue. It also disabled the trading terminals of two trading members, imposed embargo on registering new clients and new authorised persons on eight and three trading members respectively, declared one trading member as defaulter and expelled three trading members.

### Penalty Dashboard

During the year, the exchange has launched a new functionality viz. 'Penalty Dashboard', which provides information regarding penalties imposed, along with specific violations associated with each penal action on an online basis. It is a centralised platform where the data is consolidated from various regulatory functions and the information is made available at one place. All members having access to Member Portal will have access to Penalty Dashboard functionality which is available in the Inspection tab of the Member Portal. Process manual has also been given to members for detailed instructions on how to access and use the dashboard.

The Exchange is in the process of incorporating more features in the Penalty Dashboard in subsequent releases

to provide additional information to members. The same will be intimated to all members upon implementation.

NSE as a front-line regulator ensures the smooth functioning of the market and builds the confidence of its stakeholders. Beyond regulatory frameworks, the financials of NSE are intrinsically linked to the performance of the financial markets and thereby the broader economic environment. Therefore, while regulatory measures ensure operational compliance and stability, the ultimate financial performance of the stock exchange remains heavily contingent upon the favourable health of the economy and the robustness of the market activities.

### Economic Backdrop

#### Global Economy Overview

The global economy exhibited resilience in 2023 despite several adverse geopolitical and financial shocks in the last couple of years such as the Russia-Ukraine war, Israel-Hamas conflict, persistent supply-side bottlenecks and an unprecedented and synchronised tightening by global central banks the previous year. Global inflation eased at a faster-than-anticipated pace and has descended from its mid-2022 peak, even as major central banks of developed economies kept policy rates unchanged during the year to ensure alignment of headline inflation to target levels in a sustainable manner. However, regional disparities continue to persist among major economies, with the US experiencing strong growth, the Euro area grappling with weak consumer sentiments and effectiveness of monetary policy, and China facing economic challenges including a downturn in the property sector along with concerns about public debt dynamics.

The International Monetary Fund (IMF), in the World Economic Outlook (WEO) report released in April 2024, has estimated global growth at 3.2% in 2023, up from 3.0% estimated in the October 2023 WEO, but lower than the 3.5% seen in 2022. The pace is expected to sustain at 3.2% in 2024 as well as 2025, supported by persistence of strong growth momentum in the US, a moderate recovery in the euro area, and resilient economic expansion in India. Key near-term downside risks to the global growth outlook include increasing public debt in developed countries, mainly US, renewed price spikes owing to geopolitical tensions, heightened financial market volatility, a deeper-than-expected slowdown in China and intensifying geopolitical fragmentation.

With inflation levels globally and particularly in the US marching towards central banks' targets at a faster-than-expected pace, expectations of an early reversal of the monetary policy cycle gained strength towards the end of 2023. This, in turn, resulted in a decline in long-term borrowing costs, rising equity markets and easing global

financial conditions. Amid expectations of further decline in inflation, the IMF expects policy rates in major advanced economies to start declining in the second half of 2024.

#### Indian Economy Overview

The Indian economy outshined in an otherwise uncertain global environment and remained the fastest growing large economy in the world in FY 23-24. This was supported by resilient urban consumption demand and a recovery in the investment cycle, bolstered by the Government's strong thrust on capital expenditure, improving capacity utilisation, and resilience in the services sector. Moreover, healthier balance sheets of corporates and banks provided a conducive environment for a recovery in the private sector investment cycle, as reflected in robust credit growth.

The Central Statistics Office's (CSO) provisional estimates peg India's GDP growth at a robust 8.2% in FY 23-24, on top of 7.0% growth in the previous year. With this, the last fiscal year marked the third year in a row to report a 7%+ GDP growth, translating into an average growth of 8.1% during this period. Investment (Gross Fixed Capital Formation), with a 9% growth, rose the highest in FY 23-24. Private urban consumption also remained steady as reflected from strong passenger vehicle sales, domestic air passenger traffic and household credit, while recovery in rural demand remained muted. On the supply side, growth of 7.2% in the Gross Value Added (GVA) was fuelled by Industry and Services.

Domestic economic activity is expected to remain strong and is projected to grow by 6.5-7% in FY 24-25 by the Economic Survey. Strong public and private capex, recovery in rural activity in the light of an expected normal monsoon and steady urban demand are likely to continue to drive the Indian economy this year. That said, persistence of high and positive real interest rates, and slower than expected recovery in rural demand pose downside risks to the outlook. On the global front, growth uncertainties, persistent geopolitical conflicts, financial market volatility, supply disruptions on the Red Sea, and intensifying geopolitical fragmentation may weigh on domestic growth trajectory.

Headline inflation exhibited volatility during the year, breaching the upper tolerance band of 6% in July-August due to supply-side shocks in food articles owing to heavy rainfall as well as the waning base effect. Core inflation (headline inflation excluding food and fuel) exhibited a steady moderation, thanks to easing input cost pressures. Headline inflation averaged at 5.4% in FY 23-24 as compared to 6.7% in the previous year, thanks to a significant drop in core inflation from 6.3% to 4.4%. Notwithstanding the decline, persistence of headline inflation above the RBI's 4% target led to the Monetary Policy Committee keeping the policy repo rate unchanged at 6.5% throughout the year. Liquidity management took centre stage last year as the RBI employed tools at its disposal to ensure financial stability.

Even after interest rates staying high for long, the outstanding bank credit expanded by a 13-year high of 20.2% in FY 23-24, a reflection of consumer and investor confidence in the economy and strong asset quality and capital position of banks.

The withdrawal of monetary policy support during the year was partly made up by sustained fiscal impetus. The Government's spending on capital expenditure remained strong in FY 23-24 while continuing the path of fiscal consolidation, aided by robust direct tax and GST collections. The Union Budget 2024 was an all-round budget, with a strong focus on employment generation, agriculture and targeted support to MSMEs in the manufacturing and services sectors, while adhering to fiscal prudence, targeting a deficit of 4.9% in FY 24-25. At the same time, the budget aligns with the goals of Viksit Bharat 2047. Capital expenditure at 3.4% of GDP in the budget estimate for this year is the highest in 26 years, implying a strong 27% CAGR in the last five years, with a strong focus on housing, roads, railways, defence and solar.

Notwithstanding slowing global demand and persisting geopolitical tensions, India's external position remained comfortable. Further, strengthened global risk-on environment triggered by rate cut expectations, coupled with India's strong growth fundamentals and announcement of the inclusion of Indian sovereign bonds in J. P. Morgan's benchmark emerging market index, led to a sharp surge in foreign capital inflows in both debt and equity markets. Along with active RBI intervention, this kept rupee volatility low against a strong USD and an uncertain global environment. The INR depreciated only 1.3% in FY 23-24 as against 7.8% in FY 22-23.

#### Key Government Initiatives

- **Capital Market and Financial Sector Reforms:** The Government and SEBI played a critical role in the launch of NSE IX – SGX Connect, operationalised in July 2023. SEBI also announced a transition in the settlement cycle from 'T+2' to 'T+1' and limited transition to 'T+0' settlement cycle. The capital markets regulator also introduced stress testing for mutual funds and mandated disclosure requirements every fortnight. The RBI, after having launched the wholesale and retail pilot of CBDC in 2022, further announced the programmability, offline functionality of CBDCs and allowed NBFCs to offer CBDC wallets in FY 23-24.
- **Digitisation and Financial Inclusion Measures:** The Government's dedicated efforts to promote UPI adoption resulted in a milestone year in FY 23-24, with over 100 billion transactions and UPI usage expanding to seven countries. Initiatives like 'Credit Line on UPI', 'Conversational Payments', and 'UPI LITE X' were launched in September 2023 to enhance financial inclusion. Additionally, an AI chatbot with PM-Kisan was launched in September 2023 to extend financial



## Management Discussion and Analysis

help to farmers. A plethora of initiatives under Digital India has empowered multiple users and has facilitated multi-fold increase in transactions, reflective of a testament of digital transformation of financial inclusion and landscape.

- **Investment Measures:** The Government remained committed to providing fiscal impulse via higher capital expenditure, pegged at ₹11.1 lakh Crores in the Union Budget for FY 24-25 (3x of FY 19-20), with continued focus on Roads, Transport and Railways. The PM Gati Shakti initiative aims to establish three major economic corridors to enhance logistics efficiency. State-level reforms under the 'Viksit Bharat' mission include providing a 50-year interest-free loan for capital expenditure with budgetary provision enhanced to ₹1.5 Lakh Crores in the Union Budget. The Government also plans to facilitate investment-ready industrial parks in near 100 cities by involving states and private sector. Additionally, to boost the housing sector, the Government plans to allocate ₹2.2 Lakh Crores in the next five years to build three Crores additional houses under the PM Awas Yojana. These measures, along with prior structural reforms, are expected to strengthen supply chains and support the Indian economy amid global volatility.
- **Support to the Manufacturing Sector:** The Government's flagship PLI (Production-linked Incentive) scheme, expanded to 14 sectors thus far, has propped up production, sales, exports and strengthened inclusion of MSMEs and employment numbers. The approval of India's first commercial semiconductor fabrication facility in Gujarat, coupled with a few more fabrication and R&D facilities in the pipeline, will go a long way in cementing India's position in the global semiconductor industry. India and the European Union signed an MoU in November 2023 concerning semiconductors, aimed at fostering a resilient supply chain and promote innovation. Effective execution of PLI holds the ability to drive private investments and cushion the domestic economy from rising global headwinds. The Union Budget provides a special mention to MSMEs and labour-intensive manufacturing by extending credit guarantee scheme for MSMEs in the manufacturing sector, credit support during stress period and enhanced limit of Mudra loans.
- **Climate-related Measures:** With an aim to meet the 'Net Zero' target by 2070, the Budget announced a slew of proposals including the viability gap funding for offshore wind energy potential, coal gasification and liquification capacity to be set up by 2030, and expansion of e-vehicle ecosystem. India's national statement

at the COP-28 event in December 2023 emphasised strong commitment in achieving the targets set under NDC (Nationally Determined Contributions) for 2030. The Government also issued Sovereign Green Bonds worth ₹20,000 Crores in FY 23-24, with plans for further issuances. These initiatives would provide an impetus to the development of private green ecosystems, paving the way for a smooth transition towards a carbon-neutral economy.

- **Employment-boosting and Social Welfare Measures:** In its endeavour to strengthen accessibility, affordability, and availability of food grains for the poor and vulnerable, the Government announced free food grains to over 80 Crores beneficiaries under the Pradhan Mantri Garib Kalyan Yojana (PMGKAY) for a period of five years effective January 01, 2024. In the interim Union Budget 2024, the Government emphasised the need to focus on four castes – Poor, Women, Youth and the Farmer, with the highest priority attributed to their welfare and empowerment, citing its criticality in the overall well-being of the country and its long-term economic growth. The Union Budget has focused on employment generation by involving the private sector via the launch of three 'employment linked incentive scheme'. The Government has also announced a scheme to skill more than 20 lakhs youth, while another comprehensive scheme focuses on providing internship opportunities to one crore youth in next five years.

### Outlook

Notwithstanding an uncertain global landscape in the light of continued geopolitical tensions, Indian economy is expected to remain resilient, benefiting from robust domestic growth drivers. A full recovery from pandemic-induced shocks across sectors, healthy banking and financial system and strong capex push by the Government have all contributed to reducing India's vulnerability to global shocks. While steady urban consumption and recovery in rural demand amid expectations of a normal monsoon bodes well for the overall private consumption growth, momentum in investment recovery is likely to sustain, thanks to robust public capex and reviving private investment demand, as reflected in optimistic business outlooks of firms across manufacturing, services and infrastructure sectors. In the medium-term, continued focus on digitisation, formalisation and financial inclusion is likely to remain an important driver of India's economic growth.

Similarly, while extant product and asset classes would continue to evince interest, enhanced retail participation in Indian capital markets over the last few years indicate

appetite for new products and services and signal a permanent shift in the portfolio allocation of household investments. Technological innovations, robust risk management systems and a strong regulatory framework would continue to be the key drivers for the securities market.

### Risks and Concerns

Notwithstanding India's strong economic growth drivers and robust long-term fundamentals, the domestic capital market and especially foreign capital inflows remain susceptible to developments in the global economy and financial markets. Deteriorating global growth landscape, adverse geopolitical developments and heightened financial market volatility may weigh on global risk appetite, which in turn may keep foreign portfolio investors wary from investing in emerging markets. Additionally, hardening of crude oil and commodity prices, sustained supply-side disruptions, and erratic weather conditions pose downside risks to the domestic growth outlook. Trading in derivatives comprises the single largest revenue source for the Exchange. It should be noted that the derivatives and other trading volume may be adversely affected after the second half of 2024-25 onwards due to expected regulatory and tax measures undertaken by the Government and the Regulator.

The economic backdrop, shaped by global and domestic developments, sets the stage for the performance and evolution of capital markets. In this context, the capital market scenario becomes a critical reflection of these broader economic trends, influencing NSE's operations and performance. It is imperative to understand the interplay between the economy and markets and its implications for NSE's various market segments.

### Capital Market Scenario and its Impact on NSE

Global equity markets ended FY 23-24 on a strong note, buoyed by a resilient US economy, strong corporate earnings, rate cut expectations and optimism around Artificial Intelligence. The MSCI World Index (Developed Market Index) rose by a strong 23.1% in FY 23-24 on top of an 8.6% decline in the previous year. Barring the pandemic year (FY 20-21), the fiscal year gone exhibited the highest annual return in the MSCI World Index in the last 14 years. The MSCI Emerging Market Index, however, remained on the sidelines and generated a modest 5.3% in US dollar terms, following a 13.3% decline in each of the previous two years. The underperformance of emerging equities was primarily led by a sell-off in Chinese markets, weighed down by concerns over China's post-pandemic recovery and ongoing problems with the real estate sector. Notwithstanding a volatile trajectory, Indian equities followed global suit and ended FY 23-24 with strong gains, outperforming its emerging market peers by a wide margin. Strong economic resilience, easing inflation, robust domestic participation and renewed foreign capital inflows buoyed

market performance, partly offset by adverse geopolitical events and China slowdown. The benchmark Nifty 50 Index registered a return of 28.6% in FY 23-24. Mid- and small-caps outperformed, with the Nifty Mid-cap 50 and Nifty Small-cap 50 Index generating gains of 60% and 72% respectively. Globally, India with a market capitalisation of US\$4.6 trillion as of March 31, 2024 remained the fourth largest market in the world after the US, China (including Hong Kong) and Japan.

Domestic institutional investors (DIIs) remained net buyers of Indian equities for the third consecutive year, with net inflows of ₹2.07 lakh Crores during FY 23-24. In fact, this was the third year in a row that net DII inflows surpassed the ₹2 lakh Crores mark. This was aided by steady increase in indirect participation of individual investors through the SIP (Systematic Investment Plan) route. Average monthly SIP inflows have more than doubled in the last four years from ₹8,000 Crores in FY 20-21 to ₹16,600 Crores in FY 23-24.

Direct participation of individuals in terms of net investments, however, remained on the sidelines in the first nine months of the fiscal, only to pick up meaningfully in the last quarter. This translated into net individuals' inflows of nearly ₹47,000 Crores in NSE's secondary markets in the whole of last fiscal year. That said, the number of investors participating in the capital markets via NSE surpassed the 9 Crores mark during the year, nearly tripling in the last five years.

The strengthened domestic participation was accompanied with continued efforts towards enhancing the safety, security and transparency of capital markets. During the year, a lot of regulations/initiatives were undertaken towards investor protection and market development including upstreaming and down streaming of client funds, pre-trade risk control measures, price protection measures, shortening of settlement cycles (from T+2 to T+2 to T+0 for selected securities), accelerated listing and introduction of Social Stock Exchange.

On the capital raising front, an amount of ₹13.8 lakh Crores was raised through debt (including public and private placement) as well as equity during FY 23-24. In the equity market, the total amount raised was ₹2.4 lakh Crores whereas the amount raised in debt market was ₹11.4 lakh Crores.

### Total and Average Turnover

#### Cash Market (CM) Segment

The total turnover of CM segment in the FY 23-24 was ₹2,01,03,439 Crores compared to ₹1,33,05,073 Crores in the FY 22-23, registering a growth of 51% YoY. The average daily traded value in FY 23-24 was ₹81,721 Crores as compared to ₹53,434 Crores in FY 22-23. As on March



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31, 2024, the number of listed companies available for trading was 2,365 compared to 2,138 at the end of March 31, 2023. The total number of trading members enabled in the Capital Market segment has declined to 951 for the FY 23-24 as compared to 960 for the FY 22-23.

### Futures and Options Segment

In the equity futures and options segment, billable turnover and number of contracts traded increased by 19% and 128% in FY 23-24 respectively vis-à-vis FY 22-23. The increase in daily average open interest (in terms of notional turnover) was 52% over the previous year. The average share of proprietary category increased to 40% in FY 23-24 as compared to 38% in FY 22-23. The total number of members enabled in the equity derivatives segment has declined to 915 for FY 23-24 as compared to 919 for FY 22-23.

### Currency Derivatives Segment

The year FY 23-24 witnessed a decline in currency derivatives (currency futures and options) turnover. The average daily turnover in currency derivatives decreased by 28% and stood at ₹30,009 Crores in FY 23-24 as compared to ₹41,482 Crores in FY 22-23. The total number of contracts traded decreased by 10% to 4,22,22,21,228 contracts in FY 23-24 as compared to 4,69,75,47,879 contracts traded in FY 22-23. The total number of trading members enabled in the currency derivatives segment has increased to 514 for FY 23-24 as compared to 506 for FY 22-23.

**Currency Futures:** Average daily turnover in currency futures for FY 23-24 decreased by 28% to ₹29,883 Crores as compared to ₹41,288 Crores in FY 22-23. Futures trading constituted 99.6% of the total turnover in the segment based on premium traded values. USD-INR currency pair was the most traded futures contracts. The market share of NSE in currency futures in terms of total turnover improved to 75.3% in FY 23-24 from 68.3% in FY 22-23.

**Currency Options:** Average daily premium turnover in currency options decreased by 35% to ₹126 Crores in the FY 23-24 as compared to ₹194 Crores in FY 22-23. The market share of NSE in currency options based on premium turnover increased to 99.2% in FY 23-24 from 96.7% in FY 22-23.

**Interest Rate Futures:** Average daily turnover in interest rate futures increased by 14% to ₹123 Crores in the FY 23-24 as compared to ₹107 Crores in FY 22-23.

### Debt Market

The first dedicated debt platform was launched on May 13, 2013. In an endeavour to centralise trading in all debt instruments on a single platform, the same was subsequently merged under the New Debt segment on July 3, 2015. The total number of securities listed on the debt segment as on March 31, 2024, were 7,784 of which 3,297 new securities were listed during the FY 23-24.

Corporate Bond Reporting and Integrated Clearing System (CBRICS) platform of NSE enables participants to report and settle their transactions in corporate debt. In February 2020, the Request for Quote (RFQ) platform was hosted on the existing NSE CBRICS platform. RFQ platform enables participants to execute their deals on the platform. Deals done on RFQ are auto reported to CBRICS Platform and settled by NCL.

The average daily traded value reported and settled through CBRICS (OTC+RFQ) for FY 23-24 was ₹4,640 Crores as compared to ₹4,102 Crores for FY 22-23 with an average of around 347 trades being reported daily as compared to 287 trades for FY 22-23.

Negotiated Trade Reporting Platform (NTRP) was set up under debt segment on July 1, 2015, for reporting of all the deals by trading members. The NTRP provides reporting facility for a variety of debt instruments including G-sec, SDL, T-bill, CP, CD and Corporate Bonds. Deals reported on NTRP do not participate in settlement. The total turnover stood at ₹4.3 lakh Crores in FY 23-24, 22.4% higher than the previous fiscal year. The average daily trade value reported through NTRP was ₹1,798 Crores in FY 23-24 as compared to ₹1,445 Crores for FY 22-23 with an average of around 24 trades being reported daily as compared to 21 trades for FY 22-23.

As we transition from the capital market scenario and its impact on NSE, we now focus on the financial performance of the company, which is a culmination of several critical factors discussed in the sections above, eventually shaping the financial outcome of NSE. Understanding this interplay provides a comprehensive view of how external and internal factors contribute to NSE's financial health, performance and strategic direction.

### Financial Performance

In FY 23-24, total revenue increased by around 18% from ₹12,692.19 Crores for FY 22-23 to ₹14,959.49 Crores for FY 23-24. The total expenditure (including Contribution to Core Settlement Guarantee Fund) for FY 23-24 was ₹6,138.85 Crores, compared to ₹3,239.76 Crores for FY 22-23, an increase of 89%. The total profit before tax for FY 23-24 was ₹8,820.64 Crores as against ₹9,452.43 Crores for FY 22-23, a near 7% decline over the previous year. The total provision for tax (including deferred tax) for FY 23-24 was ₹2,185.33 Crores as against ₹2,219.53 Crores for FY 22-23. The total profit after tax for FY 23-24 was ₹6,635.31 Crores as against ₹7,232.90 Crores for FY 22-23, about 8% reduction over the previous year.

### Operating Revenues

**Transaction charges:** During the year, an upward trend continued with around 18% increase in the income from transaction charges, from ₹10,172.73 Crores for FY 22-23 to ₹12,048.60 Crores for FY 23-24. The average daily turnover (billable) on the Exchange during FY 23-24 was ₹82,198 Crores in the cash market (CM segment) as against ₹53,694 Crores for FY 22-23, indicating an increase of around 53%. In the Equity F&O segment, the average daily turnover (billable) for FY 23-24 was ₹1,96,311 Crores as against ₹1,62,811 Crores for FY 22-23, indicating an increase of around 21%. In the currency derivatives segment, the average daily turnover (billable) for FY 23-24 was ₹30,009 Crores as against ₹41,653 Crores for FY 22-23, around 28% lower.

**Listing Fees:** During the year, there was an increase of around 11% in the income from listing fees, from ₹108.27 Crores for FY 22-23 to ₹119.64 Crores for FY 23-24. The Exchange, as of March 31, 2024, had 2,439 listed companies. The total market capitalisation of these companies, as of March 31, 2024, stood at around ₹384.22 lakh Crores.

**Book Building Fees:** During the year, the total book building fees increased to ₹54.52 Crores for FY 23-24 from ₹35.68 Crores for FY 22-23.

**Processing Fees:** During the year, the total processing fees increased to ₹48.35 Crores for FY 23-24 from ₹35.71 Crores for FY 22-23.

**Data Centre and Connectivity Charges:** During the year, the total data centre and connectivity charges increased from ₹613.42 Crores for FY 22-23 to ₹884.15 Crores for FY 23-24 due to increase in rack occupancy and connectivity subscriptions.

**Other Operating Income:** During the year, other operating income increased from ₹156.29 Crores for FY 22-23 to ₹272.45 Crores for FY 23-24.

**Interest and Other Investment Income:** During the year, the total investment income decreased from ₹1,547.04 Crores for FY 22-23 to ₹1,516.24 Crores for FY 23-24, primarily due to a reduction in dividends received from subsidiary companies.

**Other Income:** Other income decreased from ₹23.05 Crores for FY 22-23 to ₹15.54 Crores for FY 23-24.

### Expenditure

**IT and Telecom Expenses:** During FY 23-24, total IT and telecom expenses (includes Repair & maintenance – trading & computer system, IT Management & Consultancy charges, Software expenses, Leased line charges web site hosting charges, cloud hosting charges and Network infrastructure management charges) amounted to ₹739.06 Crores as compared to ₹614.31 Crores for FY 22-23.

**Clearing and Settlement Charges:** NSE Clearing Limited (NCL), a completely owned subsidiary of the Exchange, carried out the clearing and settlement of the trades executed in the CM, F&O and CD segments. During FY 19-20, as prescribed by SEBI, interoperability framework among Clearing corporations was implemented which allows market participants to consolidate their clearing and settlement functions at a single clearing corporation, irrespective of the stock exchanges on which the trades are executed. Consequent to an increase in income from transaction charges, the clearing and settlement charges increased from ₹679.69 Crores for FY 22-23 to ₹1,240.90 Crores for FY 23-24.

**Employee Cost:** The Exchange values its human capital. To continue to provide best-in-class services to its members and other market participants, it is essential for NSE to attract and retain the best talent available. In this direction, NSE continues to take various initiatives to follow best Human Resource practices and keeps benchmarking with other forward-looking organisations. During FY 23-24, employee related expenses stood at ₹332.66 Crores, which was ₹280.60 Crores for FY 22-23. The total number of employees as on March 31, 2024, stood at 1,330.

**Depreciation:** Depreciation increased by around 12% from ₹302.16 Crores for FY 22-23 to ₹338.99 Crores for FY 23-24.

**SEBI Regulatory Fees:** SEBI regulatory fees increased by around 105% from ₹476.61 Crores for FY 22-23 to ₹978.85 Crores for FY 23-24 due to increase in volumes.

**Other Expenses:** During the year, other expenses increased by around 16% from ₹1,297.20 Crores for FY 22-23 to ₹1,506.48 Crores for FY 23-24.



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**Contribution to Core SGF:** During the year, contribution to core SGF increased from ₹203.45 Crores for FY 22-23 to ₹1,740.97 Crores for FY 23-24

### Financial Statement as on March 31, 2024

**Share Capital:** The total paid-up capital of NSE, as on March 31, 2023, was ₹49.50 Crores, divided into 49,50,00,000 equity shares of ₹1 each.

**Reserves and Surplus:** The total reserves and surplus, as on March 31, 2024, stood at ₹19,312.28 Crores, comprising a securities premium of ₹35.50 Crores, investor compensation reserve of ₹10 Crores, staff welfare reserve of ₹1.50 Crores, other reserves of ₹40.84 Crores, retained earnings of ₹10,691.44 Crores and risk reserve of ₹8,533 Crores. The total net worth of NSE, as on March 31, 2024, was ₹19,361.78 Crores and the book value stood at ₹391.15 per share.

**Deposits:** The total deposits from members, security deposits as per listing agreement and others deposits as on March 31, 2024, stood at ₹1,234.07 Crores as against ₹1,083.44 Crores as on March 31, 2023.

**Fixed Assets:** The total gross block (including capital WIP), as on March 31, 2024, was ₹2,922.22 Crores. Total accumulated depreciation up to March 31, 2024, was ₹1,909.82 Crores. Net fixed assets (including capital WIP) were ₹1,082.40 Crores. During FY 23-24, as part of the total investments in technology, the total additions to fixed assets were ₹356.34 Crores, primarily pertaining to the trading systems, computer systems, telecom equipment and computer software.

**Investments:** The prudential policy of NSE permits it to invest long-term and short-term surplus funds into deposits of highly rated banks/corporates, bonds issued by the Central/State governments, institutions and various highly rated corporates, debt-oriented schemes of high-

performing mutual funds, ETFs and balanced funds. As on March 31, 2024, the total non-current investments were ₹6,955.79 Crores as against ₹4,135.32 Crores as on March 31, 2023. Current investments were ₹7,639.20 Crores as on March 31, 2024, as against ₹6,054.39 Crores as on March 31, 2023.

**Other Non-current and Current Assets:** Total other assets (non-current and current) as on March 31, 2024, stood at ₹8,720.90 Crores, comprising of trade receivables amounted to ₹1,664.65 Crores and cash and bank balances, fixed deposits and certificates of deposits amounted to ₹5,158.85 Crores. Other financial assets amounted to ₹152.19 Crores, Income tax asset of ₹505.47 Crores while Other current assets amounted to ₹544.47 Crores and non-current assets amounted to ₹695.02 Crores.

**Other Non-current and Current Liabilities:** Total other liabilities (noncurrent and current), as on March 31, 2024, stood at ₹6,625.11 Crores, primarily comprising of securities transaction tax of ₹3,219.31 Crores, other current liabilities of ₹3,064.46 Crores and other non-current liabilities of ₹341.34 Crores.

**Taxation:** The total provision for tax (including deferred tax) for the year FY 23-24 was ₹2,185.33 Crores, as against ₹2,219.53 Crores for the year FY 22-23. The effective tax rate for FY 23-24 was 23.35%.

As we conclude the analysis of NSE's financial performance, we shift our focus to NSE's ranking across various global exchanges. This perspective provides valuable insights into how the company's strategic initiatives, robust regulatory frameworks, operational efficiency, and market performance have not only driven financial success but also positioned NSE competitively in the global marketplace. This comprehensive view helps us appreciate NSE's stature and influence in the international financial landscape

## Global Rankings

NSE is the world's largest exchange across all asset classes by activity, as measured by number of trades<sup>1</sup>. It is the world's third largest equity exchange by trades and the world's largest derivatives exchange by contracts traded across products for the last five years in a row.

### NSE's Ranking across Various Segments for the CY 2023

Product	NSE's Rank	Number of Trades (million)	YoY%	Share in Global (%)
Equity Cash	3	5,587	11.7%	11.9%

Product	NSE's Rank	Number of Contracts Traded (million)	YoY%	Share in Global (%)
All Derivatives Products	1	84,784	122%	60.8%
Single Stock Futures	4	293	1.40%	5.80%
Single Stock Options	7	1,014	25.30%	7.10%
Stock Index Futures	9	84	-23.70%	1.20%
Stock Index Options	1	78,816	142.00%	96.40%
Currency Futures	2	949	-24.10%	26.40%
Currency Options	1	3,625	17.70%	97.80%

Source: WFE, FIA.

## Way Forward

NSE's success and continuous growth are a testament to the unwavering trust and support of all our stakeholders. As we look ahead, we are confident in our continued collaboration with our stakeholders and are committed to enhancing the vibrancy of the capital markets. Our focus remains on providing a safe, fair and efficient trading environment for our investors. NSE will work closely with regulators to broaden market access, enhance capital allocation, and serve as a catalyst for capital formation in the nation. This commitment to excellence and innovation will guide us as we navigate future challenges and opportunities, ensuring sustained growth and value creation for all our stakeholders.

<sup>1</sup> Activity at derivatives exchanges is generally provided in the number of contracts traded, while the total number of trades is an important metric for activity in equities. Comparing activity across spot and derivatives exchanges therefore is dependent on understanding and combining both the metrics in a reasonable manner. A typical derivatives trade is the product of the price, lot size and the no. of contracts. While many contracts can be included in a trade, the lower bound of the number of contracts in any trade is unity. Considering only one contract per trade implies an upper bound of the number of trades in a derivatives exchange, based on its reported number of traded contracts, but allows comparison of equity and derivatives exchanges. NSE remains the highest traded exchange worldwide even when using this conservative approach.



# BOARD'S REPORT

Your Board of Directors ("Board") is pleased to present the Integrated Annual Report of National Stock Exchange of India Limited ("NSE"/"Company"/"Exchange") along with the audited financial statements for the financial year ended March 31, 2024.

## 1. Financial Results

### a. Financial Summary and Highlights

Your Company's financial performance for the financial year ended March 31, 2024 is summarised below:

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
(₹ in Crores)				
<b>Continuing Operations</b>				
Income	14,959.49	12,692.19	16,433.61	12,765.36
Expenditure	4,397.88	3,036.31	3,608.90	2,608.83
Profit before share of net profits of investments accounted for using equity method, contribution to Core Settlement Guarantee Fund and tax	10,561.61	9,655.88	12,824.71	10,156.53
<b>Add:</b> Share of net profit of associates and joint ventures accounted by using equity method	-	-	100.54	88.50
Profit before contribution to Core Settlement Guarantee Fund and tax	10,561.61	9,655.88	12,925.25	10,245.03
<b>Less:</b> Contribution to Core Settlement Guarantee Fund (Core SGF)	(1,740.97)	(203.45)	(1,740.97)	(203.45)
Profit before tax from continuing operations	8,820.64	9,452.43	11,184.28	10,041.58
Tax expenses (including deferred tax)	2,185.33	2,219.53	2,777.80	2,539.70
Profit after tax from continuing operations	6,635.31	7,232.90	8,406.48	7,501.88
<b>Discontinued Operations</b>				
(Loss) from discontinued operations before tax	-	-	(79.58)	(127.97)
Tax expense of discontinued operations	-	-	(21.16)	(17.92)
(Loss) from discontinued operations	-	-	(100.74)	(145.89)
Net profit after tax	6,635.31	7,232.90	8,305.74	7,355.99
Surplus brought forward from previous year	16,626.91	11,498.30	20,430.89	15,368.78
<b>Add/(Less):</b> Other comprehensive income	10.06	(25.29)	5.63	(18.05)
<b>Less:</b> Dividend Paid (Including Dividend Distribution Tax)	(3,960.00)	(2,079.00)	(3,960.00)	(2,079.00)
<b>Less:</b> Change in non-controlling interest of a subsidiary	-	-	(5.36)	(2.54)
<b>Less:</b> Redemption liability	-	-	2.49	4.80
<b>Add/(Less):</b> Share based payment	-	-	(1.65)	1.38
<b>Less:</b> Contribution to Core SGF (net of tax)	-	-	(1,103.36)	(200.47)
<b>Add:</b> Contribution to Commodity Settlement Guarantee Fund	-	-	250.00	-
Balance carried to Balance Sheet	19,312.28	16,626.91	23,924.38	20,430.89
Earnings Per Share (EPS) Basic and Diluted (Continuing operations) (in ₹)	134.05	146.12	169.83	151.55
Earnings Per Share (EPS) Basic and Diluted (Discontinuing operations) (in ₹)	-	-	(2.04)	(2.97)
Earnings Per Share (EPS) Basic and Diluted (Continuing & Discontinuing operations) (in ₹)	134.05	146.12	167.79	148.58

### b. State of Company's Affairs

On a standalone basis, during FY 2023-24, the total income of the Company has increased to ₹14,959.49 Crores from ₹12,692.19 Crores in the previous FY and the Profit After Tax (PAT) stood at ₹6,635.31 Crores as against ₹7,232.90 Crores of the previous FY. The decrease in PAT is majorly attributable to Contribution to core SGF amounting to ₹1,740.97 Crores as against ₹203.45 Crores in previous FY.

On a consolidated basis, during FY 2023-24, the total income of the Company increased to ₹16,433.61 Crores from ₹12,765.36 Crores in the previous FY and the profit after tax stood at ₹8,305.74 Crores as against ₹7,355.99 Crores of the previous FY.

### c. Transfer to Reserves

During the financial year under review, the Company has transferred a sum of ₹1,950 Crores to the Risk Reserve. Except the aforesaid, no amount was transferred to any of the reserves by the Company.

### d. Dividend

The Board at its meeting held on May 03, 2024 has recommended a final dividend of ₹90/- per equity share of ₹1/- each fully paid up for the financial year ended March 31, 2024, subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company.

The Dividend, if approved, would involve a total outflow of ₹4,455 Crores and shall be paid within 30 days from the conclusion of AGM, to the shareholders whose name appear in the register of members and such beneficial

### e. Investor Education and Protection Fund

During the financial year under review, there is no amount which is required to be transferred to the Investors Education and Protection Fund as per the provisions of Section 125(2) of the Companies Act, 2013 ("Companies Act").

Further, pursuant to Section 124 (5) of the Companies Act, the unpaid dividends that will be due for transfer to the Investor Education and Protection Fund (IEPF) are as follows:

Year for which Final dividend declared	Date of declaration	Unclaimed/unpaid amount as on March 31, 2024 (Amount in ₹ Lakhs)	Due for transfer to IEPF
2020-21	August 25, 2021	4.46	September 27, 2028
2021-22	July 12, 2022	22.26	August 11, 2029
2022-23	August 23, 2023	137.94	September 24, 2030

The details of the unclaimed/ unpaid dividend as required under the Companies Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") for all the unclaimed/ unpaid dividend accounts outstanding (drawn up to the Thirty First Annual General Meeting held on August 23, 2023) have been uploaded on Company's website and accessible at weblink [www.nseindia.com/investor-relations/other-disclosures](http://www.nseindia.com/investor-relations/other-disclosures). The members of the Company, who have not claimed their dividend amounts, may write to the Company's Registrar and Share Transfer Agent i.e. Link Intime India Private Limited at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

### f. Share Capital

The Issued, Subscribed and Paid-up equity share capital of the Company as on March 31, 2024 was ₹49,50,00,000/- (Rupees Forty Nine Crores Fifty Lakhs only) divided into 49,50,00,000 (Forty Nine Crores Fifty Lakhs) equity shares of ₹1/- (Rupee One Only) each. During the financial year, the Company has not issued any shares or convertible securities.

The Board at its meeting held on May 03, 2024 had inter alia approved the increase in the Authorised Share Capital of the Company from existing ₹50,00,00,000 (Rupees Fifty Crores only) divided into 50,00,00,000 Equity Shares of ₹1/- each to ₹500,00,00,000/- (Rupees Five Hundred Crores Only) divided into 500,00,00,000 Equity Shares of ₹1/- each and thereby consequent alteration to the Memorandum of Association of the Company, subject to approval of shareholders and Securities and Exchange Board of India (SEBI).

**Board's Report (Contd.)****g. Bonus Issue**

The Board at its meeting held on May 03, 2024 had inter alia approved the issue of Bonus Shares by way of capitalisation of reserves, to the equity shareholders of the Company in the ratio of 4:1 i.e., 4 (four) new fully paid-up Equity Shares of ₹1/- (Rupee One only) each for every 1 (one) existing fully paid-up Equity Share of ₹1/- (Rupee One only) each held by the eligible shareholders as on the Record Date (to be determined by the Board) subject to the approval of the shareholders of the Company. The aforesaid decision of the Board in respect of Bonus issue shall come into force only upon approval of shareholders and SEBI for the alteration in Memorandum of Association in respect of the increase in Authorised Share Capital.

**h. Deposits**

Your Company has not invited, accepted or renewed any deposits in terms of Section 73 of the Companies Act. Accordingly, the requirement to furnish details relating to deposits covered under Chapter V of the Companies Act is not applicable.

**i. Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act**

The Company has not given any loan to any person during the financial year. The guarantee provided or investments made by the Company during the financial year are in accordance with the provisions of the Companies Act and the particulars of such guarantee/ investments have been set out in the Notes to financial statements which form part of this Annual Report.

**j. Particulars of Contracts or Arrangements with Related Parties**

All transactions entered by the Company with its related parties during the financial year ended March 31, 2024 were in the ordinary course of business and on arm's length basis. All such transactions were in compliance with the applicable provisions of the Companies Act and the Listing Regulations except as provided under point no. 14(b)(3) of this Report. As required under Section 134(3)(h) of the Companies Act, details of material transactions entered with related parties are given in Form AOC-2, which is appended as Annexure-1 to this Report.

In line with the requirements of the Companies Act and the Listing Regulations, the Company has formulated a Policy on Materiality and Dealing with Related Party Transactions which is made available on the Company's website and can be accessed through a weblink: [Policy on Materiality and Dealing with Related Party Transactions \(.pdf\)](#)

Prior omnibus approval is obtained from the Audit Committee for RPT on an annual basis for transactions which are of repetitive nature and/or entered in the ordinary course of business and are at arm's length.

**k. Details in Respect of Adequacy of Internal Financial Controls with reference to the Financial Statements**

Currently, there is significant automation in most of the key areas of operations and processes of the Company. Such processes are well documented with comprehensive and well defined Standard Operating Procedures (SOPs) which inter- alia include financial controls in the form of maker-checker, strict adherence to a financial delegation made by the Board at various levels, systemic controls, information security controls as well as role-based access controls, etc. Such controls are periodically reviewed for change management in the eventualities of the introduction of new processes/ change in processes, change in systems, change in personnel handling the activities, etc. Such controls are independently reviewed by the internal auditors of your Company. Internal Auditors and independent practising company secretary also review the compliances by your Company of applicable laws on a quarterly basis.

The observations, if any, of the internal and the compliance report issued by an independent practicing company secretary are also presented to the Audit Committee every quarter.

The Statutory Auditors have reviewed the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India and have issued their audit report thereon.

**2. Subsidiaries & Associates**

NSE has 18 (direct and indirect) subsidiaries (16 in India and 2 abroad) as on March 31, 2024. In line with the recommendation of Mahalingam Committee, NSE has initiated the process of divesting its stake in a few group businesses which are non-core to the Exchange's business. NSEIT Limited has signed a definitive agreement to exit its investments in select technology businesses namely CXIO Technologies Limited, Aujas Cybersecurity Limited, NSEIT (US) Inc and the digital business of NSEIT Limited. The announcement pertaining to the divestment is updated on our website (<https://www.nseindia.com/investor-relations/announcements>). The process to divest other non-core businesses in the ed-tech segment is underway.

Currently, these non-core business areas contribute around 6% to the total NSE Group revenues and around 1% to its profits. NSE has adopted a policy for determining Material Subsidiaries which is made available on the website and can be accessed through weblink: [Policy for determining Material Subsidiaries](#)

**a. NSE Clearing Limited (NCL)**

NSE Clearing is responsible for clearing and settlement, collateral management and risk management of trades executed on stock exchange platforms. NSE Clearing was the first clearing corporation to be established in India and we introduced settlement guarantee before it became a regulatory requirement. NSE Clearing has maintained a Credit rating of "AAA" from CRISIL since 2008.

During the financial year, NCL earned a profit before tax of ₹1,764.04 Crores as compared to ₹731.37 Crores in financial year 2022-23 and net profit after tax of ₹1,314.30 Crores as compared to ₹545.26 Crores in financial year 2022-23. The Board of NCL has recommended a dividend of ₹0.20 per equity share of ₹10 each for the financial year 2023-24. The payment of dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of NCL.

**New initiatives & Development:**

NSE Clearing has implemented an optional mechanism that provides greater safety for client assets in secondary markets using the single block multiple debit mandates facility provided by unified payments interface (UPI). The facility was made operational from January 1, 2024.

In addition to the existing T+1 settlement cycle in Equity Cash Markets, NSE Clearing has introduced the Beta version of T+0 rolling settlement cycle on optional

basis. The T+0 market was made operational from March 28, 2024.

NSE Clearing successfully implemented upstreaming of client collateral to the CC. Upstreaming of client funds enhances the protection the interest of investors in securities market.

Introduced Unified Distilled File Formats (UDiFF) in accordance with international standards to harmonise and standardise the reports/files provided by CC to market participants.

To strengthen the Business Continuity framework, contingency measure has been put in place under Software as a Service (SaaS) model. The framework is operational for existing interoperable segments of CCs. Under this model, each Clearing corporation has designed a system to run its RMS related operations, to risk manage trades for its clearing members, using the RMS related software components of another CC.

**Settlement Statistics for FY 2023-24:**

**CM Segment:** NCL successfully continued its track record of completing all settlements in a timely manner. During the financial year under review, 246 rolling settlements were handled in de-materialised mode. The average value of securities handled per settlement was ₹22,374.13 Crores in FY 2023-24. The average funds pay-in per settlement was ₹5,297.39 Crores in FY 2023-24. The average number of shares processed per settlement was about 9,530 Lakhs in FY 2023-24. Short deliveries per settlement averaged around 0.12% in FY 2023-24. The Core Settlement Guarantee Fund stood at ₹780.40 Crores as on March 31, 2024.

**F&O Segment:** The total value of settlement was ₹3,79,821.94 Crores in FY 2023-24. The highest monthly settlement was ₹49,972.30 Crores in the month of January 2024. The Core Settlement Guarantee Fund for F&O Segment stood at ₹4,334.09 Crores as on March 31, 2024

**Currency Derivatives segment:** The total value of settlement was ₹9,669.47 Crores in FY 2023-24. The highest monthly settlement value was ₹1,203.90 Crores in the month of July 2023. March 22, 2024 witnessed the highest cleared volume during the year in this segment, with 1.34 crore contracts traded for Currency Futures and 3.59 crore contracts for Currency Options.

The total value of settlement in Interest Rate derivatives was ₹393.75 Crores in FY 2023-24. The highest cleared volume in Interest Rate derivatives during this period was ₹1,348.52 Crores witnessed on November 30, 2023, with total of 68,006 contracts being traded.



## Board's Report (Contd.)

The Core Settlement Guarantee Fund for Currency Derivatives Segment stood at ₹349.25 Crores as on March 31, 2024.

**Commodity Segment:** The total value of settlement was ₹6.11 Crores in 2023-24. The highest monthly settlement was ₹6.57 Crores in the month of June 2023. March 2024 witnessed the highest monthly cleared volumes of ₹71,856.76 Crores. The Core Settlement Guarantee Fund for Commodity Segment stood at ₹13.45 Crores as on March 31, 2024.

**Securities Lending and Borrowing segment:** NSE Clearing is an Approved Intermediary (AI) for SLBS with SEBI. In FY 2023-24, the volumes in SLBS increased by 29.71% from ₹29,314.43 Crores in 2022-23 to ₹38,023.30 Crores. As compared to previous FY, during 2023-24, securities traded in SLBS decreased from 552 to 502. As on March 31, 2024, there are 381 participants, 5 custodian-cum-participants and 8 custodians registered in SLBS.

**Mutual Fund Service System (MFSS):** As on March 31, 2024, 46 mutual fund houses with 19,574 schemes were enabled under the revised MFSS scheme. The average daily value of funds settled for Subscription of mutual fund units for financial year 2023-24 was ₹39.65 Crores. The average daily value of funds settled for redemption of mutual fund units for financial year 2023-24 was ₹89.07 Crores.

**Corporate Debt Instruments:** NSE Clearing Limited (NCL) provides DVP-1 based settlement for OTC trades in Corporate Bonds, Repo in Corporate Bonds, Commercial Papers (CP) and Certificate of Deposits (CD). The average daily settlement value at NSE Clearing for OTC trades in Corporate Bonds, Commercial Papers (CP) and Certificate of Deposits (CD) during the Financial Year 2023-24 stands at ₹4,888.14 Crores, ₹2,831 Crores and ₹3,918 Crores respectively. The highest settlement value, during this period, of ₹29,337.54 Crores (across all corporate debt instruments) was recorded on March 14, 2024. During the financial year 2023-24, NSE Clearing settled 770 repo trades on corporate bonds valued at ₹69,422.5 Crores.

### b. NSE Indices Limited

NSE Indices Limited (NSE Indices), a step-down 100% subsidiary of NSE, provides indices (under the brand "Nifty") and index related services to various stock exchanges, asset management companies, insurance companies, investment banks and other financial institutions across the globe. Apart from being used for the launch of index linked funds/Exchange Traded Funds (ETFs) and trading of index based derivative contracts, the Nifty indices are also being used by the asset management companies for benchmarking the performance of their active fund schemes.

The paid-up share capital of NSE Indices as on March 31, 2024, was ₹1.30 Crores comprising 13 Lakhs equity shares of ₹10 each. NSE Indices Limited continued to be the primary provider of indices and related products and services to various participants in the Indian Capital Market.

The NIFTY 50 Futures traded on NSE recorded a turnover of ₹38,72,546 Crores in the financial year 2023-24 as compared to a turnover of ₹51,24,001 Crores in the financial year 2022-23, thus registering a drop of 24.4% y-o-y. Premium Turnover of NIFTY 50 Options traded on NSE increases to ₹45,51,601 Crores in the financial year 2023-24 from ₹37,39,196 Crores in the financial year 2022-23, registering a growth of 21.7% y-o-y.

The NIFTY Bank Futures traded on NSE recorded a turnover of ₹34,04,974 Crores in the financial year 2023-24 as compared to a turnover of ₹43,86,674 Crores in the financial year 2022-23, thus registering a drop of 22.4% y-o-y. Premium Turnover of NIFTY Bank Options traded on NSE increased to ₹74,15,752 Crores in the financial year 2023-24 from ₹68,51,516 Crores in the financial year 2022-23, registering an Increase of 8.2% y-o-y.

The total Assets under Management (AUM) of the equity and debt passive funds (ETFs and Index Funds) linked to Nifty Indices in India was ₹6,30,235 Crores as on March 31, 2024, as compared to ₹4,66,383 Crores as on March 31, 2023. Total Passive funds AUM in India has grown by 35% to ₹9,08,881 Crores as on March 31, 2024, from ₹6,74,783 Crores as on March 31, 2023. In the financial year 2023-24, 63 equity/debt passive products (28 ETFs and 35 Index Funds) were launched in India of which 52 are linked to Nifty Indices.

As on March 31, 2024, 22 ETFs/Index Funds linked to Nifty indices have been issued by international ETF issuers (15 on Nifty 50, 3 on Nifty50 2x Leverage, 1 on Nifty50 1x Inverse, 1 on Nifty 50 Equal Weight, 1 on Nifty Financial Services 25/50 and 1 on Nifty India Select 7 Government Bond Index) in international markets. The total AUM of International ETFs/Index Funds linked to Nifty Indices was USD 3,513 Million as on March 31, 2024, as compared to USD 1,167 Million as on March 31, 2023.

### Other Key Developments:

- NSE Indices and SGX terminated the index licensing agreement w.e.f. July 03, 2023, with the NSE IX -SGX connect going live.
- NSE and NSE Indices have agreed to discontinue the revenue sharing being done by NSE with NSE Indices on the revenues earned by NSE from trading of index derivatives on Nifty Indices with effect from

April 1, 2024. It will impact the overall revenues of NSE Indices.

- On December 28, 2023, RBI came out with directions for financial benchmark administrators (index providers) incorporated in India. These directions are applicable to Financial Benchmark Administrators (FBAs or Index Providers) administering benchmark(s) based wholly or partially on financial instruments referred to or specified under Section 45W of the RBI Act. The company has filed an application seeking authorisation from RBI for its compliances to RBI prescribed directions.
- On March 8, 2024, SEBI released the Securities and Exchange Board of India (Index Providers) Regulation, 2024 which provides for regulatory framework for Index Providers in the securities market with the objective of fostering transparency and accountability in governance and administration of Indices. The Regulations shall be applicable only to Index Providers that administer 'Significant Indices' consisting of securities listed in the Indian securities market. The "Significant Indices" shall be specified by the Board from time to time based on AUM of domestic mutual fund schemes. NSE Indices has initiated the process to file application for the grant of certificate of registration with SEBI.
- NSE Sustainability Ratings & Analytics Limited ("NSE Sustainability") was incorporated as 100% subsidiary of NSE Indices on March 30, 2024, for undertaking ESG Ratings business. NSE Sustainability is in the process of applying for registration as an ESG Ratings Provider to commence and to carry on the business of Environment Social Governance ratings.

During financial year 2023-24, NSE Indices earned a net profit after tax of ₹218.72 Crores as compared to net profit after tax of ₹232.32 Crores in financial year 2022-23. The Board of NSE Indices recommended a dividend of ₹1,500/- per equity share for financial year 2023-24. The payment of the dividend is subject to the approval of the members which is being sought at the Annual General Meeting of NSE Indices.

### c. NSE IFSC Limited (NSE IX)

NSE IFSC Limited (NSE IX), a wholly owned subsidiary of NSE, commenced operations as a Stock Exchange in GIFT City International Financial Services Centre (IFSC), Gandhinagar, Gujarat on June 5, 2017. The International Financial Services Centres Authority (IFSCA) has been notified as the regulator for the Stock Exchanges (including for NSE IX) and clearing corporations in the IFSC with effect from October 1, 2020, with the notification by the Government of India of the commencement of section 13 and section 33 of

the International Financial Services Centres Authority Act, 2019 (IFSCA Act) with effect from October 01, 2020. IFSCA has granted renewal of recognition to NSE IX until May 28, 2024.

Paid-up capital of NSE IX as on March 31, 2024, stood at ₹500 Crores comprising of 50 Crores equity shares of ₹10 each.

NSE IX offers a diversified portfolio of products for both inbound and outbound investments and hedging needs including Indian single stock derivatives, index derivatives, currency derivatives, depository receipts, and Global Stocks. The exchange provides a comprehensive range of primary market products including listing of equity shares, SPAC, REITs, InVITs, depository receipts, debt securities and ESG debt securities under the regulatory framework of IFSCA (Issuance and Listing of Securities) Regulations, 2021.

As on March 31, 2024, NSE IX had 70 registered members out of which 50 are trading members, 11 are Trading cum Clearing members, 7 are Trading cum Self Clearing members.

The aggregate turnover for financial year 2023-24 was USD 681 Bn. As on March 31, 2024, NSE IX Debt Securities Market (DSM), has established total cumulative Medium-Term Notes (MTNs) worth USD 48.8 Bn and listed over USD 24.34 Bn from 13 issuers.

The full-scale transition of SGX Nifty to Gift Nifty happened on July 3, 2023 as a part of NSE IX – SGX Connect. Since then, total trading volume in Gift Nifty contracts is 15 Mn and total turnover is USD 612 Bn as on March 31, 2024.

Gift Nifty, which stands as a new benchmark to the growth story of Indian Equity Market, has reached multiple, back-to-back single day record peak notional volume of US \$22.88 Bn on January 23, 2024, and achieved highest open interest of US \$14.68 Bn as on March 26, 2024.

NSE IX won the Most Innovative Contract of the Year award for "GIFT NIFTY" by FOW International Awards with the Jury comments, "Fantastic initiative and partnership to drag foreign investors in a high growth market. Reducing the complexity to trade India is a major step in the development of global markets". Winners are selected by an international panel of judges with extensive experience in the industry.

NSE IX organised series of events during world investor week, with an objective to raise awareness on sustainable finance. As a part of this initiative, NSE IX also participated in several education activities like panel discussions, focused awareness session on sustainable finance etc.





## Board's Report (Contd.)

As on March 31, 2024, debt issuers on NSE IX's Debt Securities Market (DSM) platform, had established total aggregated Medium-Term Notes (MTNs) worth USD 48.8 billion. Out of the established MTN's, issuers listed over USD 24.34 billion of foreign currency bonds, ESG compliant bonds and masala bonds. In FY 2023-24, total value of bonds listed on DSM platform was USD 1,462 million of which USD 1,162 million are sustainability linked bonds.

As India's first IFSC, GIFT City holds immense potential to reshape India's financial landscape, foster economic growth, and contribute to India's journey towards becoming a global financial powerhouse. NSE IX is well-positioned to act as a gateway to integrate financial ecosystem of India with the rest of the world.

During the course of year, NSE IX had established its full operations and had turned around the EBIDTA positive compared to negative till previous Financial Years.

Key Highlights:-

- The NSE IX – SGX Connect was formally launched by Hon'ble Prime Minister of India, Shri. Narendra Modi, in the esteemed presence of Smt. Nirmala Sitharaman, Hon'ble Union Minister of Finance and Corporate Affairs, Shri. Bhupendra Patel, Hon'ble Chief Minister of Gujarat and other distinguished delegates from Central and State Government on July 29, 2022. On July 3, 2023, the much-anticipated full-scale operations of NSE IX-SGX Connect commenced with liquidity transition of US \$9.09 Bn open interest in GIFT Nifty contracts at the NSE International Exchange platform, successfully bringing together international and domestic participants, resulting in a more extensive Nifty product range and a deeper liquidity pool for investors. The celebration of this momentous milestone took place with a grand "Ring the Bell" ceremony by NSE IX, marking the end of the first session with the Full Liquidity Switch of Gift Nifty. Since then, total trading volume in Gift Nifty contracts is 15 Mn and total turnover is USD 612 Bn as on March 31, 2024.
- Gift Nifty, which stands as a new benchmark to the growth story of Indian Equity Market, has reached multiple, back-to-back single day record peak notional volume of 5,32,783 contracts and turnover of USD 22.88 Bn on January 23, 2024, and it achieved highest open interest of 330,623 in terms of number of contracts with its value of US \$14.68 Bn as on March 26, 2024.
- Total Notional Turnover for FY 2023-24 was USD 734.5 billion this includes turnover for Index Futures, Index Options (Notional), Currency Futures and UDRs on US Stocks.

- NSE IX has actively participated in various committees constituted by IFSCA to develop the capital market ecosystem at GIFT IFSC including Standing Committee on Primary Markets, Advisory Committee on Exchange Traded Currency Derivatives, Expert Committee on REITs and InvITs in IFSC, Expert Committee on Climate Finance, Committee of Experts on Sustainable Finance and Committee of Experts on positioning IFSC as a hub for offshore trading in INR.

- On July 28, 2023, the Hon'ble Union Minister of Finance and Corporate Affairs announced the Government of India's decision to permit direct listing of equity shares of public Indian companies on international exchanges in the IFSC. Subsequently Govt of India notified relevant rules in January 2024, enabling direct listing of equity shares by public Indian companies on the international exchanges in the IFSC. The IFSCA established a Standing Committee on Primary Markets (SCOP) to recommend policies for developing a vibrant primary market ecosystem in GIFT IFSC. Based on SCOP's input, several amendments to the listing framework have been proposed, and IFSCA is expected to notify the new IFSCA (Listing) Regulations, 2024.

For the financial year 2023-24, NSE IX incurred a loss of ₹30.33 Crores as compared to loss of ₹95.51 Crores for the financial year 2022-23.

### d. NSE Investments Limited (NSEI)

NSEI, a wholly owned subsidiary of your Company has its main objective to make or hold strategic investments in equity shares and/or other securities of various group Companies.

As on March 31, 2024, the paid-up share capital of NSEI stood at ₹8,25,99,34,060/- comprising 82,59,93,406 equity shares of ₹10/- each.

During the year, NSEI infused the following amounts in its wholly owned subsidiaries:

- ₹28.40 Crores in its wholly owned subsidiary- NSE Academy Limited, in the form of 7% Cumulative Optionally Convertible Redeemable Preference Shares (COCRPS) of ₹10 each on right basis for funding the of its committed inorganic initiatives.
- ₹35 Crores in NSEIT Limited, its wholly owned subsidiary, in the form of 7% Cumulative Optionally Convertible Redeemable Preference shares (COCRPS) of ₹10 each on right basis towards the funding of its committed inorganic initiatives.
- NSEI further invested ₹30 Crores in ONDC (Open Network for Digital Commerce). With this infusion of

₹30 Crores, the total investment in ONDC stands at ₹40 Crores. NSEI has 5.35% stake in ONDC.

While NSE Investments had entered into a share purchase agreement to sell its entire stake in Market Simplified Limited, the same has still not been completed. NSE Investments, under the guidance of the Board, has initiated legal action in the said matter against Market Simplified and its directors & key management personnel.

During the financial year under review, one of the Associates of NSE Investments, Protean eGov Technologies Limited (erstwhile NSDL e-Governance Infrastructure Limited) got listed on BSE. NSE Investments had offered ~4.4% stake in the Offer For Sale (OFS). The gross total proceeds from sale of 4.4% stake in Protean e-Gov is ₹141.14 Crores, post Securities Transaction Tax (STT) and acquisition cost the Company earned net gain of ₹117.93 Crores and the same is shown as Exceptional Item in Profit and Loss account for the year ended March 31, 2024. Post divestment of the 4.4% stake through OFS, NSEI owns 20.34% in Protean eGov Technologies Limited.

For the financial year 2023-24, NSEI earned revenues of ₹469.12 Crores as compared to revenues of ₹293.91 Crores for the previous year. Similarly, in the financial year 2023-24, NSEI earned a profit of ₹504.12 Crores as compared to ₹279.66 Crores for the previous year.

The Board of NSEI has recommended Final dividend of ₹10 per equity share for the financial year 2023-24. The payment of the final dividend on equity shares is subject to the approval of the members which was approved at the AGM of NSEI.

With an aim to reduce the number of entities within the group, your Board in August 2022 decided to exit the non-core businesses within the group, further it was decided to merge the businesses which were strategically aligned. Given the strategic alignment between the businesses of NSE Data and NSE Indices, the Board in its meeting in November 2023 had approved merger of NSE Data into NSE Indices. With this merger, the existing subsidiary of NSE Data i.e. Cogencis Information Services Limited shall be transferred to NSE Indices Limited. Post Board approval, the application for proposed merger has been submitted to SEBI and post which the scheme shall be filed with NCLT. The details on the merger and other relevant details are available on our website at the link: <https://www.nseindia.com/investor-relations/announcements>

### e. NSE Data & Analytics Limited (NSE DATA)

NSE Data, a 100% step-down subsidiary of NSE, carries on the following businesses:

- Infofeed – Dissemination of trading data of NSE and NSE IX.
- Know Your Customer (KYC) Registration Agency (KRA).
- Managed Service Provider for Central KYC Records Registry (CKYCRR) to Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI).
- Security level valuations for fixed income instruments.

The paid-up share capital of NSE Data as on March 31, 2024, was ₹9 Crores comprising of 90 Lakhs equity shares of ₹10 each.

During Financial Year 2023-24, NSE Data on-boarded a number of new infofeed clients in India as well as international markets. The implementation of a non-display policy for the infofeed business was again a focus area for the year and a number of new clients signed up under the non-display policy during the year. The company has been focusing on moving up the value chain by launching analytical products on trading data feed which will help the investors in their investment decisions.

Till March 31, 2024, NSE IX data products were offered to clients without any fees. The company has implemented pricing for NSE IX data products effective April 1, 2024, which should result in incremental revenues from financial year 2025 onwards.

NSE Data also provides fixed income valuation services catering to Mark to Market (MTM) requirement of asset managers/enterprises including mutual funds, insurance companies, banks, PMS, Corporates, FPIs and other market participants. Valuation is available for corporate bonds/NCDs, Commercial Paper (CP) and Certificate of Deposits (CD), Dated Government securities, T-bills and State Development Loans (SDLs). The company covers the valuation of 10,000+ instruments and maintains a Database for 6,000+ terms and conditions of debt instruments and Credit rating for 2,500+ issuers. The NSE FixedIn platform in March 2024 won the prestigious 'Aegis Graham Bell Award' supported by Ministry of Electronics and Information Technology for 'Innovation in Finance'.

NSE Data is a SEBI registered KYC Registration Agency (KRA) and commenced its operations on March 06, 2012. As on March 31, 2024, 1,692 SEBI intermediaries are registered with NSE Data KRA and there are about 13 Lakhs KYC records with NSE Data KRA.

NSE Data was appointed as Managed Service Provider for Central KYC Records Registry (CKYCRR) initiated by Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI). CKYCRR is a

**Board's Report (Contd.)**

centralised platform for uniform KYC norms facilitating inter-usability of the KYC records across the entire financial sector. A Committee of Regulators headed by RBI, formulated and designed a common KYC template which is valid across the financial institutions. RBI, IRDA, PFRDA and SEBI have issued circulars directing their regulated entities to integrate with CKYCRR as per the PMLA rules.

CKYCRR went live for individuals on July 15, 2016. KYC template for legal entities was operationalised on CKYCRR on April 02, 2021. As on March 31, 2024, 7,285 entities have gone live on CKYCRR, with more than 86 Crores KYC records being uploaded on CKYCRR. Since inception more than 100 Crores KYC records have been fetched by the entities registered on CKYCRR of customers with whom they have an account-based engagement.

During financial year 2023-24, NSE Data earned a net profit after tax of ₹110.58 Crores as compared to net profit after tax of ₹102.42 Crores in financial year 2022-23. The Board of NSE Data recommended a dividend of ₹110/- per equity share for Financial Year 2023-24. The payment of the dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of NSE Data.

**f. NSE Academy Ltd. (NAL)**

NSE Academy Limited (NAL) is a wholly owned subsidiary of the NSE Investments. NSE Academy Limited enables the next generation of BFSI and FinTech professionals with industry-aligned skills – through capacity building programmes and certification courses, powered by an online examination and certification system. The courses are well-researched and carefully Crafted with inputs from the industry professional. NSE Academy Limited works closely with reputed universities and institutions across India in building a competent workforce for the future of BFSI and FinTech. NSE Academy Limited also promotes financial literacy as an essential life skill among youngsters – a contribution towards financial inclusion and wellbeing.

The paid-up capital of NAL as on March 31, 2024, stood at ₹209,20,00,000 comprising of 1,00,00,000 equity shares of ₹10 each and 19,92,00,000 preference shares of ₹10 each.

During the financial year 2023-24, NAL incurred a loss of ₹12.11 Crores as compared to loss of ₹8.97 Crores for the financial year 2022-23. NSE has identified education business as a non-core activity and accordingly, the Board has granted an in-principle approval to divest the business.

Key Initiatives / Collaborations / Accolades during the financial year 2023-2024

**Collaborations:**

- The Institute of Cost Accountants of India, for Certification Courses to its Members and Non-Members
- IIM Sirmaur for Executive Education Programs
- Tally Education for Online Self-paced Courses
- AICPA & CIMA for offering joint certificate courses
- Macquarie Business School to nurture talent for financial sector
- RV University for Post Graduate Certification Program in Global Financial Markets and NSMART Finance Lab
- IIM Kashipur for Executive Education Programs
- XLRI Delhi-NCR for Executive Education Programs
- IIM Sambalpur for PG Program in Fintech for Working Professionals

**Initiatives:**

- Capacity Building Training Program on 'Suitable investment option, Asset allocation and Investment policy for EPS Scheme' for Employee Provident Fund Organisation (EPFO).
- ONDC and NSE Academy launch 'ONDC Academy' to foster operational excellence.
- Placement drive under the Naan Mudhalvan Scheme, in association with the Tamil Nadu Skill Development Corporation.

**Accolades:**

- NSE Academy won the 16<sup>th</sup> International Education Leadership & Skill Development Award 2023 under the 'Excellence in Skill Development through Higher Education category.

**g. NSE IFSC Clearing Corporation Ltd. (NICCL)**

NSE IFSC Clearing Corporation Ltd. (NICCL), a wholly owned subsidiary of NSE Clearing Limited, began operations in GIFT City, Gujarat, on June 5, 2017. Recognised by the IFSCA on May 24, 2021, with a renewed recognition valid until May 28, 2024, NICCL's paid-up capital as of March 31, 2024, is ₹250 crores. NICCL clears and settles trades executed on NSE IFSC, following global best practices including client-level asset segregation and real-time risk management. The corporation offers Professional Clearing Member, Trading cum Clearing Member, and Trading cum Self Clearing Member memberships.

NICCL clears derivative contracts on 4 Indices, 7 currency pairs, 182 single stocks, 1 DR Receipt, and 50 NSEIFSC Receipts. The total settlement value was

USD 40.40 million, with the highest monthly settlement of USD 6.50 million in February 2024. NICCL incurred a loss of ₹8.40 crore, an improvement from the previous year's ₹15.75 crore loss. Key initiatives included the full-scale operation of the NSE IX-SGX GIFT Connect, which saw significant trading volumes, implementation of a revised risk management framework, and a 'CARE AAA' credit rating. Furthermore, NICCL extended its Negotiated Large Trades functionality to all the members, w.e.f. August 16, 2023.

**h. NSE Foundation**

NSE Foundation, a Section 8 Company under the Companies Act, was established on March 5, 2018, to manage and coordinate the Corporate Social Responsibility (CSR) activities of NSE and its subsidiaries. It took over CSR projects previously handled by NSE and has since expanded its initiatives. As of March 31, 2024, its paid-up share capital was ₹5 lakh. In FY 2023-24, the foundation reported an excess expenditure over income of ₹13.26 crores, up from ₹4.57 crores the previous year, reflecting contributions received and expenditures for charitable purposes and its administration.

**i. NSE Infotech**

NSE Infotech, a step-down subsidiary of NSE is 100% owned by NSEI. The paid-up share capital of NSE Infotech as on March 31, 2024, stood at ₹5 Lakhs.

During financial year 2023-24, the Company has a net loss of ₹1.27 Lakhs as compared to net loss of ₹0.42 Lakhs during financial year 2022-23. NSE Infotech is currently not running any operations. Basis the Board decision, winding down process of this company has been initiated.

**j. NSEIT Limited (NSEIT)**

NSEIT Limited (NSEIT), a step-down subsidiary of NSE, is wholly owned by NSE Investments Limited and engages in software and hardware services. As of March 31, 2024, NSEIT's paid-up share capital was ₹223 crores, comprising equity shares and various preference shares. In FY 2022-23, NSE decided to exit non-core businesses, leading to the divestment of NSEIT's Technology business to Investcorp for ₹1,000 crores. For FY 2023-24, on a standalone basis, NSEIT earned a total income of ₹208.08 crores, with a profit after tax of ₹30.9 crores, compared to a net loss of ₹7.64 crores in the previous year. On a consolidated basis, the total income was ₹207.93 crores, and the profit after tax stood at ₹61.16 crores, compared to ₹10.20 crores in the previous year.

NSEIT's Digital Examination Services (DEX) secured a ₹75 +crore contract from ICAI and expanded its

operations to 231 test centers across India. It closed its FY 2023-24 with a revenue of ₹199 Crores. DEX being an examination business has been identified as a non-core activity for NSE, the Board has granted an in-principle approval to divest the business. The Digital Business unit saw a 22% YoY revenue growth to ₹301 crores, expanded its client base in the US and India, and partnered with Microsoft & Snowflake to deploy solutions globally. NSEIT received various awards and recognitions, including government recognition for NSEIT DEX, multiple awards for Aujas Cybersecurity, and accolades for CXID and NSEIT's internal communications.

**k. NSEIT (US) Inc. ("NSEIT US")**

NSEIT (US) Inc. is a wholly owned subsidiary of NSEIT Limited. It is involved in the business of, inter alia, providing information technology and information technology-enabled services.

During the financial year 2023-24, the total income of NSEIT (US) Inc. was US \$ 27,74,193 (₹22.96 Crores). The Net Profit for the year was US\$ 2,90,175 (₹2.40 Crores.)

**l. Cogencis Information Services Limited**

NSE Cogencis, India's leading market data terminal company, serves a wide range of financial institutions. Its Cogencis Terminal is widely used for accessing data, news, and analytics for critical trade decisions across various markets. In FY 2024, the company expanded its customer base, partnered with NSE to develop a financial information portal for retail investors, and enhanced its Fixed Income product with advanced analytics. It introduced Quantum ML for predictive analytics and an OTC Derivative Pricer for pricing FX. Looking ahead, Cogencis aims to consolidate its leadership in Fixed Income and expand in Forex and Derivatives, focusing on sustainable solutions for Equity investors. The company reported a net profit of ₹17.46 crores in FY 2023-24, up from ₹15.77 crores in FY 2022-23.

**m. Aujas Cybersecurity Limite (Aujas) (Formerly known as Aujas Networks Limited) (Formerly known as Aujas Networks Private Limited)**

Aujas Cybersecurity Limited (Aujas) is a wholly owned subsidiary of NSEIT Limited. It is involved in the business of, inter alia, providing cybersecurity services with operations in India, the Middle East, and North America. The service portfolio includes cyber risk advisory, identity management, security verification, security engineering, cloud security & managed detection & response.

During the financial year 2023-24, Aujas demonstrated strong revenue growth, with its annual revenue scaling by almost 27% to ₹368.94 Crores from ₹292.94 Crores.



## Board's Report (Contd.)

The North American region saw a 48% year-on-year growth with significant new client acquisitions. Sales outreach efforts in India resulted in the acquisition of new marquee large clients. Aujas was successful in expanding the market and acquiring 52 new clients in financial year 2023-24.

As a prominent player in cybersecurity in North America and the Middle East, Aujas is invested in sustained growth. The company is committed to improving its margin profiles through various strategic initiatives.

### n. TalentSprint Private Limited

NSE Academy Ltd. holds a majority stake in TalentSprint Private Limited, an education technology firm that offers skill-oriented and career-enhancing learning in deep tech, artificial intelligence, automation, and other rapidly evolving fields. It partners with top academic institutions and global corporations, including IIIT Hyderabad, IIM Calcutta, IIT Kanpur, IIT Hyderabad, IISc Bangalore, Carnegie Mellon University, Google, and Pegasystems, to provide high-end, deep-tech learning programs. TalentSprint offers 50+ programs in areas such as Computational Data Science, Digital Health, Deep Learning, Digital Manufacturing, and VLSI Chip Design, maintaining high engagement and customer satisfaction rates. In the fiscal year under review, TalentSprint reported a total income of ₹129.41 crores and a total expenditure of ₹132.96 crores, resulting in a loss before tax of ₹3.56 crores. The Board has given in-principle approval to divest the business, identifying it as a non-core activity for NSE.

### o. TalentSprint Inc.

TalentSprint Inc., a fully owned subsidiary of TalentSprint Private Limited, focuses on education and training. It has partnerships with Google, Carnegie Mellon University, University of Michigan, and Pegasystems, launching 5 programs. The first program, Techwise with Google, aims to deliver coding bootcamps to community colleges and minority institutions in the USA. In its second year, it recorded revenue of ₹1,515.80 Lakhs and a net profit of ₹67.78 Lakhs, setting the stage for future global alliances.

### p. CXIO Technologies Private Limited (CXIO)

NSEIT acquired a 100% stake in CXIO during the FY 2023-24. CXIO is involved in the business of, inter alia, providing multi-cloud service and support services to national and international organisations. CXIO achieved revenue from operation of ₹243.43 crores and added approximately 30 new clients in FY 2023-24.

CXIO has deployed automation solutions for AWS and Azure, including a Hashicorp Terraform deployment for a large private sector bank and migrated a trading application for a mutual fund. The company is building

capabilities in DevOps, cloud security, and cloud container backup. Next year, it plans to expand its managed services portfolio, improve margins, and grow its global presence.

### q. NSE Administration and Supervision Limited

During the financial year under review, NSE has incorporated NSE Administration and Supervision Limited (NASL). NASL has planned activities of administration and supervision of SEBI registered intermediaries, viz. Investment Advisors and Research Analysts. Furthermore, in view of the Consultation Paper issued by SEBI on August 31, 2023, NASL is working with stakeholders on development of a framework for Performance Validation Agency to validate claims/performance related to investment advice, 'buy/sell/hold' recommendation, mutual fund scheme, algorithm trading etc. by SEBI registered intermediaries. This will facilitate these intermediaries to showcase their validated performance to the investors and establish/enhance their credibility in the eyes of the investors, while at the same time have checks and balances to protect the interest of the investors against unverified performance claims.

### r. NSE Sustainability Ratings & Analytics Limited

NSRAL is the wholly owned subsidiary of the NSE Indices, and it is solely formed for ESG rating business. NSE Indices subscribed to 50,000 equity shares of NSRAL, formed for ESG rating business. NSRAL is in the process of applying to SEBI for registration as an ESG Rating Provider under Category I as defined under section 28(D) of SEBI's Credit Rating Agencies (Amendment) Regulations, 2023.

#### Associates and Joint Ventures:

National Securities Depository Limited (NSDL): NSE holds 24% equity in NSDL. To meet regulatory requirements, NSE plans to reduce its stake to below 15% by participating in NSDL's OFS, foregoing corporate rights and dividends on excess holdings until compliant.

Other Investments: NSE holds equity in BFSI Sector Skill Council of India. Moreover, Protean eGov Technologies Limited, Power Exchange India Limited, Receivables Exchange of India Limited, Capital Quant Solutions Private Limited, Market Simplified India Limited and Indian Gas Exchange Limited are associates of NSEI, a wholly owned subsidiary of NSE.

International Bullion Exchange (IBX): NSE owns 20% in International Bullion Holding Company, which established India International Bullion Exchange (IIBX), India International Clearing Corporation (IICC), and India International Depository IFSC Limited (IIDL) in Gujarat.

### s. Consolidated Financial Statements

The consolidated financial statements of the Company for FY 2023-24 are prepared in compliance with the applicable provisions of the Companies Act, and as stipulated under Regulation 33 of the Listing Regulations as well as in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. The audited consolidated financial statements together with the Independent Auditor's Report there on form part of this Annual Report.

Pursuant to Section 129(3) of the Companies Act, a statement containing the salient features of the financial statements of the subsidiary companies and associate companies in Form AOC-1 is attached to the financial statements of the Company which forms part of the Annual Report.

Pursuant to the provisions of Section 136 of the Companies Act, the standalone and consolidated financial statements of your Company, along with relevant documents and separate audited financial statements in respect of subsidiaries and associates, made available on the website of the Company and can be accessed through a weblink: <https://www.nseindia.com/investor-relations/financials>.

The Company shall make available a copy of separate audited or unaudited financial statements, as the case may be, as prepared in respect of each of its subsidiary upon the request by any member of Company.

## 3. Directors and KMPs

As on March 31, 2024, the Board of the Company consisted of 4 (four) Directors, i.e. Prof. S Sudarshan (DIN: 08636735) and Shri. S Ravindran (DIN: 09778966), Public Interest Directors, Shri. Tablesh Pandey (DIN: 10119561), Non-Independent Director and Shri. Ashishkumar Chauhan (DIN: 00898469), Managing Director & Chief Executive Officer (CEO) of the Company.

### a. Changes During The Year

Shri. Bishnu Charan Patnaik (DIN: 08384583), Non-Independent Director resigned from the position as Director on the Board of the Company on April 29, 2023, due to his appointment as a Whole-Time Member (Life) of Insurance Regulatory and Development Authority of India (IRDAI).

Shri. Veneet Nayar (DIN: 02007846), who retired by rotation at the 31<sup>st</sup> Annual General Meeting held on August 23, 2023, was re-appointed by the shareholders at that meeting subject to approval of SEBI. An application has been submitted to SEBI for re-

appointment of Shri. Veneet Nayar as Non-Independent Director, approval of which is awaited as on the date of this Report.

Life Insurance Corporation of India (LIC) had nominated the appointment of Shri. Tablesh Pandey (DIN: 10119561) on the Board of the Company in place of erstwhile Non-Independent Director i.e. Shri. Bishnu Charan Patnaik (DIN: 08384583). Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors by a resolution passed through circulation on June 20, 2023 had approved the appointment of Shri. Tablesh Pandey as a Non-Independent Director. The said appointment was thereafter approved by the Shareholders vide a resolution passed through Postal Ballot on July 23, 2023 subject to approval of SEBI. Upon receipt of SEBI's approval on August 31, 2023, Shri. Tablesh Pandey was appointed as Non-Independent Director w.e.f. August 31, 2023.

In terms of Section 152 of the Companies Act, Shri. Tablesh Pandey is liable to retire by rotation at the ensuing AGM and being eligible has offered himself for re-appointment.

Pursuant to the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2023 ("SECC Amendment Regulations"), the term of Shri. Girish Chandra Chaturvedi (DIN: 00110996), Shri. K Narasimha Murthy (DIN: 00023046) and Smt. Mona Bhide (DIN: 05203026), Public Interest Directors (PIDs) concluded on November 27, 2023, upon completion of period of 3 (three) months from the date of coming into force of the SECC Amendment Regulations and accordingly they cease to be the Directors of the Company effective from the said date.

Subsequent to the financial year end, SEBI vide its letters dated April 23, 2024, approved the appointments of Shri Rajesh Gopinathan (DIN: 06365813) and Justice (Retd.) Smt. Abhilasha Kumari (DIN: 10599710) as Public Interest Directors on the Board of the Company for a period of 3 (three) years effective from the even date.

A statement of details of the appointment/re-appointment of Directors pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 on General Meetings is provided in the Notice of AGM.

Pursuant to Section 203 of the Companies Act, the Key Managerial Personnel of the Company are Shri. Ashishkumar Chauhan, Managing Director & CEO, Shri. Yatrik Vin, Group Chief Financial Officer & Head Corporate Affairs and Shri. Rohit Gupte, Company Secretary.

**Board's Report (Contd.)**

Pursuant to the SECC Regulations, the Key Management Personnel of the Company as on March 31, 2024 are:

S. N.	NAME	DESIGNATION
1	Shri. Ashishkumar Chauhan	Managing Director and Chief Executive Officer
2	Shri. Yatrik Vin	Group Chief Financial Officer and Head Corporate Affairs
3	Shri. Sriram Krishnan	Chief Business Development Officer
4	Shri. Somasundaram K S	Chief Enterprise Risk Officer and Head Business Excellence
5	Shri. Shharad Dhakkate	Chief Human Resource Officer
6	Shri. Piyush Chourasia	Chief Regulatory Officer – Member Compliance, Surveillance, Member Inspection and Investigation
7	Shri. Ankit Sharma	Chief Regulatory Officer – Listing and Investor Compliance
8	Shri. Mayur Sindhwad	Chief Technology Officer – Operations
9	Shri. Viral Mody	Chief Technology Officer – Applications and Development
10	Shri. Seshadri Meda	Chief Information and Security Officer
11	Shri. Sampath Manickam	Chief Technology Officer – Technology Infrastructure
12	Shri. Arvind Goyal	Head – Trade Operations
13	Shri. Rohit Gupte	Company Secretary
14	Shri. Krishnan N Iyer	Senior Vice President – Regulatory
15	Smt. Renu Bhandari	Vice President – Inspection
16	Shri. Bireshwar Chatterjee	Vice President – Surveillance and Investigation
17	Smt. Sonali Rajiv Karnik	Vice President – Enforcement and Exchange Compliance
18	Shri. Vitthal More	Senior Vice President – Product Strategy and Services
19	Shri. Amit Bhohe	Senior Vice President – Application IT Operations
20	Shri. Sanjay Kumar Sinha	Senior Vice President – Business Excellence
21	Dr. Tirthankar Patnaik	Chief Economist
22	Shri. Arijit Sengupta	Head Marketing & Corp Communication
23	Dr. Harish Kumar Ahuja	Senior Vice President – Issuer Relationships
24	Shri. Rakesh Tripathi	Financial Controller – Finance and Accounts
25	Shri. Avishkar Naik	Head – Listing Compliance, Listing Investigation, Listing approval and Delisting

**Important Subsidiaries**

S. N.	NAME	DESIGNATION
1	Shri. Mukesh Agarwal	Managing Director - NSE Data & Analytics Limited Managing Director - NSE Indices Limited
2	Shri. Ashish Krishna	Managing Director – NSE Investments Limited

**b. Declaration by Independent Directors/Public Interest Directors**

The Company has, inter alia, received the following declarations from all the Public Interest Directors whereby they have confirmed that:

- they meet the criteria of independence as prescribed under the provisions of the Companies Act, read with the rules made thereunder, and as stipulated under the Listing Regulations. There have also confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence;
- they satisfy the “fit and proper” criteria as stipulated under Regulation 20 of the SECC Regulations;
- they have complied with the Code for Independent Directors prescribed under Schedule IV to the Companies Act;

- they have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs; and
- they have also given their annual affirmation on compliance with the Code of Conduct for the Board of Directors and Senior Management of the Company.

In the opinion of the Board, all the Independent Directors/Public Interest Directors of the Company possess the requisite expertise and experience (including the proficiency) and are persons with integrity. Further, they all fulfil the conditions specified under the Companies Act, Listing Regulations and SECC Regulations and are independent of the management.

**c. Familiarisation Programme for The Independent Directors/Public Interest Directors**

The details of familiarisation programme conducted for Independent Directors/Public Interest Directors

are disclosed in the Report on Corporate Governance, which forms part of this Report.

**d. Directors' Responsibility Statement**

Pursuant to Section 134(3)(c) read with 134(5) of the Companies Act, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of NSE at the end of the financial year i.e., March 31, 2024, and of the profits of NSE for that financial year;

- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of NSE and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts on a going concern basis;
- the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and were operating effectively.

**4. Board and Committees****a. Meetings of the Board**

Seven meetings of the Board were held during the financial year 2023-24. Details of the meetings of the Board, are provided in the Report on Corporate Governance forming part of this Report.

**b. Committees of the Board**

In accordance with the provisions of the Companies Act, Listing Regulations, SECC Regulations and other applicable laws, the Board has constituted the following Committees:

S. N.	Committees	Constituted under
1	Audit Committee	Companies Act and Listing Regulations
2	Stakeholders Relationship Committee	Companies Act and Listing Regulations
3	Nomination and Remuneration Committee	Companies Act, Listing Regulations, and SECC Regulations
4	Corporate Social Responsibility Committee	Companies Act
5	Member and Core Settlement Guarantee Fund Committee (MCSGFC)	SECC Regulations
6	Standing Committee on Technology (SCOT)	SECC Regulations
7	Regulatory Oversight Committee (ROC)	SECC Regulations
8	Risk Management Committee (RMC)	SECC Regulations and Listing Regulations
9	Public Interest Directors Committee	In terms of SEBI Circular dated January 10, 2019
10	Investor Protection Fund Trust (IPFT)	In terms of the SEBI circular dated February 23, 2017
11	Product Advisory Committee	In terms of the SEBI circular dated August 7, 2019
12	Committee of PID for second review of claims lodged by the claimants of the defaulter / expelled members	In terms of the SEBI circular dated November 13, 2020
13	Committee to decide on compulsory Delisting	In terms of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021

Further, there were no instances during the financial year 2023-24, wherein the Board had not accepted recommendations made by Audit Committee.

Details of the meetings of the Committees, are provided in the Corporate Governance Report forming part of this Report.

**Board's Report (Contd.)****5. Company's Policy on Directors' Appointment and Remuneration including criteria for determining Qualifications, Positive Attributes, Independence of Directors**

Pursuant to the provision of the Companies Act and the Listing Regulations, the Nomination and Remuneration Committee shall formulate a criterion for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees. Further, the SECC Regulations provides to frame a Compensation Policy which shall be in accordance with the norms provided under the said Regulations.

In view of the above provisions, the Company has laid down (i) Policy for Nomination and Appointment of Directors, KMPs and Senior Management; and (ii) Remuneration Policy.

The salient features of the said policies are as under:

<b>Policy for Nomination and Appointment of Directors, KMPs and Senior Management</b>	
Salient Features	<p>The objective of the policy inter alia includes:</p> <ol style="list-style-type: none"> <li>to achieve balance of merit, experience and skills among the Directors and Senior Management including Key Managerial Personnel;</li> <li>to formulate the criteria and institute processes for identification of individuals who are qualified to become Directors and who may be appointed as Key Managerial Personnel and/or in senior management;</li> <li>to determine of the composition of the Board of Directors;</li> <li>to determine the qualifications, positive attributes and independence of a director; and</li> <li>to ensure Board diversity and implementation of succession planning.</li> </ol> <p>To attain the above objectives, the Policy inter alia provides:</p> <ol style="list-style-type: none"> <li>Parameters for recommending a candidate for appointment of Director;</li> <li>Guiding factors to be considered while appointing PID's;</li> <li>Composition of the Board;</li> <li>Term/Tenure of Directors;</li> <li>Familiarisation Programme for Directors;</li> <li>Criteria for appointment of KMP's and Senior management; and</li> <li>Succession Planning.</li> </ol>
Weblink:	<a href="#">Policy for Nomination and Appointment of Directors, KMPs and Senior Management</a>
<b>Remuneration Policy</b>	
Salient Features	<p>The objective of the policy inter alia includes:</p> <ol style="list-style-type: none"> <li>to lay down a policy for payment of remuneration to the Directors, Key Managerial Personnel, Senior Management and other employees of NSE;</li> <li>to assist the Board on the determination of remuneration payable to the Directors, Key Managerial Personnel, Senior Management and other employees of NSE;</li> <li>to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;</li> <li>to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and</li> <li>to ensure that the remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.</li> </ol> <p>To attain the above objectives, the Policy inter alia provides</p> <ol style="list-style-type: none"> <li>Remuneration of Directors, KMP and Senior Management shall be in line with applicable laws;</li> <li>Remuneration criteria for Managing Director &amp; CEO;</li> <li>Remuneration criteria for Independent Directors/Public Interest Directors/Non-Executive Directors; and</li> <li>Factors to be considered while fixing compensation package for the KMPs.</li> </ol>
Weblink:	<a href="#">Remuneration Policy</a>

**6. Performance Evaluation of the Board, its Committees and Individual Directors Including Public Interest Directors (Independent Directors)**

Pursuant to the provisions of the Companies Act, Listing Regulations, SECC Regulations read with SEBI Guidance Note on Board evaluation issued on January 5, 2017, and SEBI circular of February 5, 2019 on performance review of Public Interest Directors, the Company has adopted a Board Evaluation Policy to carry out an annual evaluation of the performance of the Board and its Committees, Individual Directors and Independent External Persons (IEPs).

The Performance Evaluation Criteria of the Board, its Committees, Individual Directors including Public Interest Directors and IEPs is appended herewith as Annexure-2 and is made available on the website of the Company and can be accessed through the weblink: [https://nsearchives.nseindia.com/global/content/about\\_us/performance\\_evaluation\\_criteria.pdf](https://nsearchives.nseindia.com/global/content/about_us/performance_evaluation_criteria.pdf).

In terms of Schedule IV of the Companies Act, Listing Regulations and SECC Regulations, the evaluation exercise was carried out in a separate meeting of Independent Directors (merged with PID committee) held on May 02, 2024. The performance of all the Directors was evaluated by the entire Board except the person being evaluated. The performance of the Committees was evaluated by the Board. The performance of the IEPs was evaluated by the respective committee of which such IEP is a member, without the presence of that IEP. The Board also carried out the evaluation of their own performance apart from its committees and individual Directors at its meeting held on May 03, 2024.

**7. Risk Management Framework**

Your Company has in place a Board approved Enterprise Risk Management Framework that is well supported by Risk Governance structures, Risk Policies and a detailed Risk Measurement and Monitoring Framework. Your Company has established an enterprise-wide risk assessment and review mechanism which inter-alia consists of risk identification, assessment and categorisation of risks taking into account the impact and likelihood of risks and the controls and mitigation plans that are in place to reduce the overall risk exposure for your Company and the residual impact thereof. Your Company has a Risk Management Committee, a committee of the Board and management level risk committees that meet periodically to review the efficacy and adequacy of your Company's Enterprise Risk

Management Framework on an ongoing basis and also to review the controls and mitigation plans that are put in place to reduce the overall impact of the various risks.

With respect to Cyber and Information Security Risk, your Company has implemented state-of-the-art cyber security architecture, controls and solutions. Your Company has adopted the SEBI mandated cyber security framework for the design and operation of controls that defend us from advanced cyber-attacks. During the financial year under review, no major cyber security incidents or breaches were observed.

**8. Corporate Social Responsibility Policy**

NSE along with its subsidiaries has formed NSE Foundation to initiate, supervise and co-ordinate activities to implement CSR vision as outlined in the CSR Policy at a group level. The Company has constituted a Committee in accordance with Section 135 of the Companies Act. The Annual Report on CSR activities as per the Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been annexed to this Report as Annexure-3.

The CSR policy is available on your Company's website and can be accessed through the weblink: [https://nsearchives.nseindia.com/global/content/about\\_us/NSE\\_CSR\\_Policy.pdf](https://nsearchives.nseindia.com/global/content/about_us/NSE_CSR_Policy.pdf)

**9. Vigil Mechanism/Whistle Blower Policy**

NSE has a Vigil Mechanism/Whistle Blower Policy in place as per the provisions of the Section 177(10) of the Companies Act and Regulation 22 of the Listing Regulations. The Vigil Mechanism/Whistle Blower Policy deals with complaints ("Protected Disclosures") such as conflict of interest of employees, Insider trading violations, preferential treatment by Company to individual or specific group of trading members, violation of legal and/or regulatory provisions, employee misconduct such as bribery and corruption, instances of unethical behaviour, actual or suspected, fraud, financial or operational mismanagement/irregularities, abuse of Authority, manipulation of Company data/records, pilferage of confidential/proprietary information, Wastage/misappropriation of Company funds/assets, deficiencies in the internal controls of the Company, any other unethical event or any instances of leak of unpublished price sensitive information (UPSI).

The complaints could be against employees or other stakeholders including trading members, listed companies, vendors, consultants, service providers, business partners, and clients of trading members or any other third party associated with the Company.



## Board's Report (Contd.)

Protected Disclosures can be physically sent or mailed at a dedicated e-mail id "[whistleblower@nse.co.in](mailto:whistleblower@nse.co.in)". In exceptional cases (such as potential victimisation or threat to the Whistle Blower), the Whistle Blower can directly make Protected Disclosures to the Chairman of the Audit Committee of NSE at [ChairmanAC@nse.co.in](mailto:ChairmanAC@nse.co.in).

All Protected Disclosures are dealt with in accordance with the internal procedures and the implementation of the Policy and procedures are monitored by the Audit Committee.

No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosures. Complete protection will be given to whistle blowers against any unfair practice. If an investigation leads to the conclusion that an improper or unethical act has been committed, the Whistle Blower Panel/ MD & CEO shall recommend to the Audit Committee to take such disciplinary or corrective action as they may deem fit.

The details of Vigil Mechanism/Whistle Blower Policy is made available on our Company's website and can be accessed through the weblink: [https://nsearchives.nseindia.com/global/content/about\\_us/NSE\\_dtls\\_VM.pdf](https://nsearchives.nseindia.com/global/content/about_us/NSE_dtls_VM.pdf).

### 10. Technology

Information Technology has been the backbone of the success of NSE. NSE is a pioneer in adopting state of the art technology platform and it ensures reliability and performance of its systems through a culture of innovation and investment in new technology. NSE has regularly upgraded its information technology systems and infrastructure, with the over-arching goal of continually augmenting computing capacity, improving robustness, availability, resiliency, enhancing user experience and providing flexibility for future business growth and market needs. The various application systems that NSE uses for its trading as well clearing and settlement, surveillance and other operations form the backbone of the Exchange framework and there is an overarching focus on ensuring the safety and integrity of the markets. There is a continuous endeavour to strengthen the areas of business continuity and disaster recovery (we have successfully conducted live trading from our DR site including a special session with intra-day failover from primary site to DR site), pre-trade risk control measures, real time risk management, efficient client collateral management and short settlement cycles (recently we have implemented T+0). There is a continuous collaboration with the Regulator and other MII's in these areas. Our systems are built for resiliency, constantly monitored and required to meet specific performance criteria such as predictable

response times for critical business transactions, latency, capacity and expected current, future and peak load. Technology vision and strategy drives technology initiatives and constant upgradation; apart from this, new business needs, regulatory requirements, advisories and information security reviews/audits, and recommendations from OEMs drive the technology upgrades. NSE Technology leadership team keeps reviewing the technology trends in the market, state of technology in the organisation, and prepares the roadmap of technology for the short term and long term in consultation with all stakeholders and as per the vision of NSE. Exploring new technologies and conducting POC for feasibility is carried out by the technology team with their technology partners. Technology team's initiatives are taken up with oversight and approval by Architecture Review Board, Standing Committee on Technology (SCOT) and the Board.

### 11. Change in the Nature of Business

During the financial year 2023-24, there has been no change in the nature of business of the Company.

### 12. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of financial year and the date of the Report

There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial period to which the Financial Statements relate and the date of this Report.

### 13. Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the Going Concern Status and Company's Operations in Future

During the financial year under review, no significant or material orders have been passed by the Regulators or Courts or Tribunal which would impact the going concern status of your Company and its future operations.

However, the following orders have been passed by various Regulators/Courts/Tribunals.

#### Colocation and Other Matters

Pursuant to the anonymous complaint, the SEBI directed NSE to carry out an investigation including forensic examination by independent external agencies in respect of certain aspects of NSE's Colocation facility and further directed that pending completion

of the investigations, all revenues emanating from the colocation facility be transferred to a separate bank account with effect from September, 2016.

#### SEBI Proceedings – Colocation, Dark Fibre and Governance

Three separate show cause notices (SCN) from the Whole Time Member of SEBI ("WTM") on May 22, 2017, July 03, 2018 and July 31, 2018, were issued by SEBI to NSE and to some of its then present and former employees, in respect of NSE's Colocation facility, Dark Fibre and Governance and conflict of interest related matters. NSE filed its detailed reply in all the three SCNs and also filed a Consent Application 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 the following orders in respect of all the three SCNs.

#### WTM Order

In the Colocation order, it passed a direction on NSE inter alia to disgorge an amount of ₹624.89 crores along with interest at the rate of 12% per annum from April 01, 2014, till the actual date of payment and certain non-monetary and restrictive directions prohibiting NSE from accessing securities market, for a period of six months from the date of the order. In the Dark Fibre order, it passed a direction to deposit a sum of ₹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 Governance and Conflict of Interest matter it passed certain non-monetary and remedial directions on NSE.

#### AO Order

Additionally, NSE also received three separate notices from Adjudicating Officer of SEBI ("AO") covering the above three issues pertaining to NSE's Colocation facility, Dark Fibre and Governance and conflict of interest matters and subsequent orders levying monetary penalty of ₹1 crore, ₹7 crore and ₹1 crore, respectively.

#### SAT Proceedings

NSE filed appeals with the Hon'ble Securities Appellate Tribunal (SAT) against the three WTM and AO orders. In the Colocation and Dark Fibre matters, SAT vide its interim order dated May 22, 2019 stayed the disgorgement of the amount, however it directed NSE to transfer the amount of ₹624.89 crore in the Colocation matter and ₹62.58 crore in the Dark Fibre matter totalling to ₹687.47 crore to SEBI. Further, NSE was also directed to continue to transfer all revenues emanating from its co-location facility to a separate bank account.

The Hon'ble SAT, vide its another interim order dated May 17, 2021 in colocation matter, allowed NSE's application for withdrawal of amounts transferred to separate account and to discontinue the transfer of all revenues emanating from its-colocation facility to such separate account. Additionally, the Hon'ble SAT directed NSE to transfer an amount of ₹420 Crores into an interest-bearing account with SEBI. Thus, NSE had, as on December 31, 2022 deposited an amount of ₹1,107.47 Crores with SEBI.

Hon'ble SAT vide its final order dated January 23, 2023, in the colocation matter, while upheld the non-monetary directives of SEBI, set aside the SEBI's direction for disgorgement. The Hon'ble SAT exercising its power imposed a penalty of ₹100 crores on NSE as a deterrent for the lack of due diligence.

Further, on July 12, 2023, SAT vide its final order in Colocation AO Appeal set aside SEBI's order levying a penalty of ₹1 Crore.

In the Dark Fibre WTM matter, SAT vide its final order dated August 9, 2023, partly allowed the appeal to the extent that the WTM order for disgorgement has been reversed and the amount deposited by NSE with SEBI to be refunded by SEBI within a period of 4 weeks from the date of the order.

On December 14, 2023, SAT vide its final order in Dark Fibre AO Appeal set aside SEBI's order levying a penalty of ₹7 Crores.

In the Governance and Conflict of interest matters before Hon'ble SAT challenging SEBI WTM and AO orders, stay was granted by SAT on July 9, 2019 and August 11, 2022, respectively. The matter is pending before the Hon'ble SAT for final hearing and disposal.

#### Supreme Court Proceedings

SEBI appealed against the SAT Colocation WTM Order dated January 23, 2023, before the Hon'ble Supreme Court and vide an interim order dated March 20, 2023, the Hon'ble Supreme Court rejected the application for stay and directed SEBI to refund an amount of ₹300 Crores. The amount of ₹300 Crores was received by NSE on April 21, 2023.

SEBI appealed against the SAT Colocation AO Order dated July 12, 2023, before the Hon'ble Supreme Court and vide an interim order dated October 10, 2023 the Hon'ble Supreme Court directed the parties to complete the pleadings and tagged the AO appeal with the Colocation WTM Appeal. Both the Appeals are pending final hearing and disposal.

SEBI, appealed against the SAT Dark Fibre WTM order dated August 9, 2023 before the Hon'ble Supreme



## Board's Report (Contd.)

Court and vide an interim order dated October 17, 2023, the Hon'ble Supreme Court rejected the application for stay and directed SEBI to refund an amount of ₹31 Crores. The amount of ₹31 Crores was received by NSE on November 17, 2023.

SEBI appealed against the SAT Dark Fibre AO Order dated December 14, 2023 before the Hon'ble Supreme Court and vide its interim order dated April 10, 2024 the Hon'ble Supreme Court tagged the Dark Fibre AO Appeal along with the Dark Fibre WTM Appeal, which is adjourned to September 9, 2024 for final hearing and disposal.

### 14. Auditors

#### a. Statutory Auditors

In terms of provisions of Section 139 of the Companies Act, M/s. Price Waterhouse & Co, Chartered Accountants, LLP, (ICAI Registration No.304026E/E300009) were appointed as the Statutory Auditors of the Company for a period of 5 (five) consecutive years from the conclusion of 29<sup>th</sup> Annual General Meeting held on August 25, 2021, till the conclusion of 34<sup>th</sup> Annual General Meeting to be held in the year 2026.

The Auditor's Report for the financial year ended March 31, 2024, issued by the Statutory Auditors forms an Integral part of this Integrated Annual Report and the said report does not contain any qualification, reservation or adverse remark or disclaimer.

Further, during the financial year under review, the Statutory Auditors has not reported any instances of fraud to the Audit Committee in terms of Section 143 (12) of the Companies Act.

#### b. Secretarial Audit

In terms of provisions of Section 204 of the Companies Act, M/s. Makarand M. Joshi & Co., Company Secretaries, were appointed as the Secretarial Auditor of the Company for a period of 3 (three) years from financial year 2021-22 till the financial year 2023-24.

The Secretarial Auditor has raised few observations to which your management's response is as under:

1. Process has been strengthened along with Human Resources Department for ensuring timely disclosures on the website for reporting of changes in KMPs/Senior Management.
2. The Company being an Market Infrastructure Institution (MII) is governed by the SECC Regulations which mandates prior approval of

SEBI for appointment/re-appointment of Directors on its Board.

The applications seeking approval for appointment/re-appointment for the three Public Interest Directors namely Shri. Girish Chandra Chaturvedi (DIN: 00110996), Shri. K Narasimha Murthy (DIN: 00023046) and Smt. Mona Bhide (DIN: 05203026) were made to SEBI on September 06, 2022, December 15, 2022 and March 08, 2023, respectively. Further, the Company vide its letter dated September 11, 2023 had also requested SEBI to expedite the same. However, pending approval from SEBI, the term of the above mentioned three Public Interest Directors concluded on November 27, 2023 (upon completion of period of 3 (three) months from the date of coming into force of the SECC Amendment Regulations. Further, NSE, vide its letter dated January 08, 2024 has also informed SEBI about the non-compliances caused due to the expiry of the term of the above mentioned PIDs and requested SEBI for condonation.

Subsequent to the end of the financial year, SEBI vide its letter dated April 23, 2024, approved the appointments of Shri. Rajesh Gopinathan (DIN: 06365813) and Justice (Retd.) Smt. Abhilasha Kumari (DIN: 10599710) as Public Interest Directors on the Board of NSE for a period of 3 (three) years effective from the even date. With these appointments:

- (a) the deficiency w.r.t. shortfall in the number of directors, required in terms of Regulation 17(1)(c) and 17(1E) of the Listing Regulations, has been rectified;
  - (b) Nomination and Remuneration Committee was re-constituted by the Board at its meeting held on May 03, 2024; and
  - (c) The deficiency w.r.t. non-appointment of woman director on the Board, in terms of Section 149 of the Companies Act and Regulation 17(1)(a) of the Listing Regulations, has been rectified.
3. Few related party transactions were entered between the subsidiary company and its related parties. The transactions were on an arm's length basis and were in the ordinary course of business and had prior approval of the audit committee of the subsidiary company. The said transactions were ratified by the Audit Committee of the Company.

Except the above-mentioned, there were no qualification, reservation, adverse remarks or disclaimer provided in the Secretarial Audit Report.

Further, during the financial year under review, the Secretarial Auditors has not reported any instances of fraud to the Audit Committee in terms of Section 143 (12) of the Companies Act.

In terms of Regulation 24A of the Listing regulations, the Report of the Secretarial Audit of the Company and its material unlisted subsidiaries, i.e. NSE Clearing Limited and NSE Investments Limited is annexed herewith as Annexure-4(i), 4(ii) and 4(iii) to this report, respectively.

The Board at its meeting held on May 03, 2024, approved the appointment of M/s. Mehta & Mehta, Practising Company Secretary, as the Secretarial Auditors for the period of three years from FY 2024-25 to FY 2026-27.

#### c. Cost Records and Cost Audit

Maintenance of cost records and cost audit as specified by the Central Government under section 148 of the Companies Act are not applicable for the business activities carried out by the Company. Accordingly, such accounts and records are not made and maintained by the Company.

### 15. Update on Listing

SEBI, vide its letter dated February 5, 2019, inter alia communicated that as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, any decrease in the number of shares offered for sale by more than 50% would require the fresh filing of offer document with SEBI and hence, the draft Red Herring Prospectus (DRHP) filed was being returned.

SEBI in its order with respect to the colocation technology matter passed certain directions inter alia prohibiting NSE from raising funds from the market, through the issuance of equity, debt or other securities for a period of 6 (six) months from the date of the said order, being April 30, 2019. The said prohibition had expired on October 30, 2019. NSE has requested SEBI to convey its no-objection to enable it to proceed with its initial public offer (IPO) plan and for filing the DRHP. Response from SEBI is awaited.

### 16. Human Resources

#### a. Learning Development and Talent Management:

In today's rapidly evolving technological landscape, the need for continuous learning and development among employees is more Critical than ever. Employee's

knowledge, skill & capability needs to be developed to facilitate a culture of continuous learning to support Business growth.

In this perspective, Training Need Identification (TNI) exercise was conducted., which underlined on identifying business specific needs and developing tailored capability building strategies to address them effectively.

All new hires are assigned an Induction Learning Journey through LMS during their first week of joining to orient them about the organisation. Additionally, virtual instructor led induction programmes were conducted on quarterly basis for new hires. NSE hired batches of NextGen Management Trainees from leading campuses to actively contribute to its growing business. NextGen batches went through a week-long bespoke orientation programme to get introduced to job role, work areas & NSE culture.

In the financial year 2023-24, Learning Development and Talent Management continued the path of value Creation by focusing on competency-based capability and skill building programmes. The key initiatives taken by L&OD team were as follows:

- i. **Employee Education Assistance Policy:** A hyper personalised, self-paced learning option for employees to enhance their competencies and skill sets. This policy contributes to the overall expertise of the workforce which also includes company sponsored NISM certifications focusing on financial management and securities markets.
- ii. **Mentor Mentee Program, SAARATHI,** was launched for new hires to engage them during the initial months of their joining and create better understanding of organisational values, culture, systems & processes.
- iii. **Work Integrated Learning Program:** A global initiative to give employees the opportunity to enhance their academic qualifications while gaining valuable professional experience within the organisation. NSE has launched degree & certification programmes M.Tech & MBA in collaboration with premier institutes for its employees.
- iv. As part of **Employee Value Proposition,** one day Vision Mission & Values (VMV) workshop was launched for NSE employees to align them with the organisation's strategy.
- v. **Leadership Development:** Interventions focused on building leadership and people management skills of chosen leaders towards achieving

**Board's Report (Contd.)**

organisational growth. Exclusive 4-months leadership learning journey was curated for women leaders giving them the opportunity to examine the real-world problems and enhance their leadership skills. NSE participated in the development journey by nominating 25 women leaders and 4 of them were recognised as Winners in top 10% club. L&D Team also collaborated with international universities to nominate CXO level employees for long term program.

**Employee Engagement Initiatives:** In financial year 2023-24, we have implemented the IDEA Lab Programme as part of NSE's People Processes for NSEIL and its subsidiaries. The objective of the programme is to foster innovation and Creative ingenuity by providing employees an online platform wherein they can submit their ideas and transform them into meaningful change.

**Curated Communities:** We Created online curated communities which provides platform for employees to connect and collaborate on the various work-related technical aspects.

Considering the life stage of employees and to facilitate integration between personal and professional life, NSE has added 2 new leave types of viz. Marriage Leave and Sabbatical Leave. Through this our aim is to enhance the work environment by supporting employees' wellbeing.

**c. Disclosures Under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (POSH Act) and Rules made thereunder, the Company has constituted Internal Committee. Basis the POSH annual report filed by the Company for the Calendar year 2023, the disclosures required to be made are given in the below table:

1	Number of complaints of sexual harassment received in the year	NIL
2	Number of complaints disposed off during the year	Not Applicable
3	Number of cases pending for more than ninety days	Not Applicable
4	Number of workshops or awareness programmes against sexual harassment carried out	Awareness programme for all employees was done
5	Nature of action taken by the employer	Not Applicable

**Employee Wellness Program:** As a part of the Employee Wellness Program, NSE extends Yoga and Gymnasium facility for its employees. There are a host of initiatives that are driven to ensure employee engagement. The policies of the company encourage many activities for the employees and their family members such as family get-togethers, celebration of cultural festival and national events, celebrating success team workplace parties and learning lunches, sports tournaments, workshops, etc.

**Employee Relations:** Employee relations have been harmonious throughout the period under consideration. Shri. Shharad Dhakkate is the 'Chief Human Resources Officer' of NSE.

**b. Particulars of Employees**

In terms of the provisions of Section 197(12) of the Companies Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosure with respect to the remuneration details of Directors and employees forms part of Annexure - 5 (i) to this report.

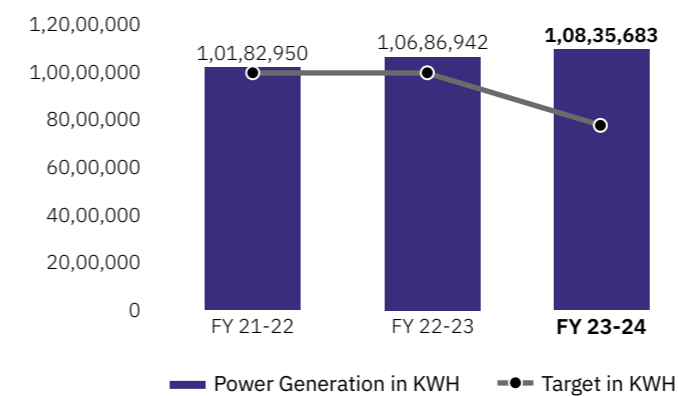
Further, pursuant to the provisions of Regulation 27 of the SECC Regulations, the compensation given to the key management personnel and the ratio of compensation paid to each key management personnel, vis-a-vis median of compensation paid to all employees of NSE is enclosed as Annexure - 5(ii) to this report.

**17. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/Outgo****CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

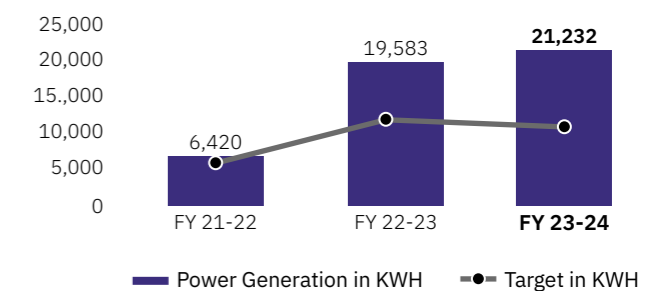
NSE has taken several initiatives towards energy conservation, green/renewable energy which demonstrates the commitment towards the sustainable development and clean environment.

**1) Green Power Generation:****i) Wind Power Plant:**

NSE has its own Wind Power Plant of the capacity of 5 MW (i.e. 4 nos. of 1.25 MW of Windmills) at Satara in Maharashtra. In Wind Power Plant, the Wind Electric Generator (WEG) converts the Kinetic Energy available in the Wind to Electrical Energy by using a Rotor, Gearbox and Generator. With regard to the operation of Wind Power Plant, it goes hand-in-hand with the Local Electricity Board. The Plant is connected to the Main Power Grid of the Local Electricity Board. As per renewable energy policy of Govt. of Maharashtra, the quantum of electricity generated through the Wind Power Plant is fed to the grid, which gets set off against the power consumption towards High Tension (HT) installation of the 'Wind farmer' (which in this case is NSE) anywhere in that grid. Accordingly, the aforesaid Wind Power Plant has generated 1,08,35,683 electricity units in the financial year 2023-24.

**Wind Power Plant****ii) Solar Power Plant:**

The Solar Power Plant of the capacity of 10 KW each has been installed at Exchange Plaza and BCP Premises at Kotturpuram, Chennai building which harnesses the Solar Power to cater to part of the lighting load of the buildings. This way, NSE has saved around 21,232 units in the financial year 2023-24.

**Solar Power Plant**





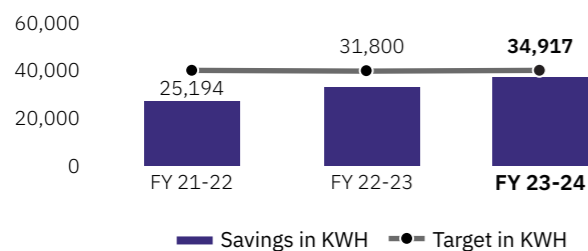
## Board's Report (Contd.)

### 2. Energy Conservation:

#### i) Lighting Transformer and LED Lights:

Lighting Transformers have been introduced in the lighting feeders to regulate incoming power supply which reduces excess power consumption and enhances the life of the luminaries. Additionally, LED Lights have been introduced across entire Office area. These measures have saved around 34,917 units in the financial year 2023-24.

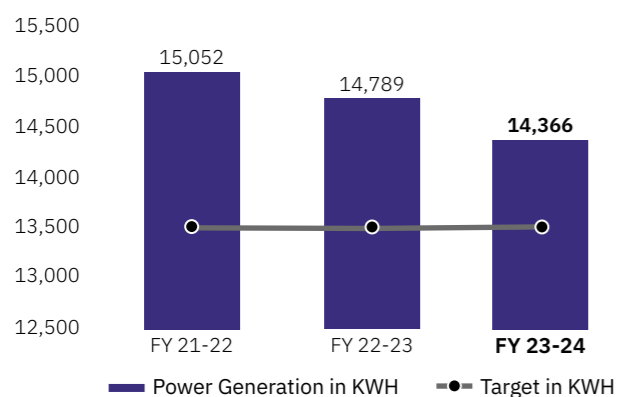
#### Lighting system – Savings



#### ii) Thermal Energy Storage System:

Thermal Energy Storage System has been introduced in the Air-conditioning (AC) System at Exchange Plaza. It was observed that most of the Services (i.e. AC Chillers, AHU's, Lifts, Lighting, PC, Plumbing System, etc.) in the building were operated mainly during office/day hours. Amongst them, the AC Chillers and its associated equipment's used to consume more than 30% of the total peak demand load. In view of this, NSE had decided to reduce its demand load during peak hours by introducing the aforesaid plant in the existing AC System. In this system, the AC Chillers are being operated at night hours to form the "Chill" (i.e. Glycol Water at a temperature below zero degree centigrade) which gets stored in a Thermal Storage Tank. The next day, the stored Chill is being utilised through Heat Exchangers for air-conditioning the entire Office area. On account of this, the Services which were operating mainly during office hours have been distributed and NSE had surrendered the extra power. This way, NSE has saved around 14,366 Demand KVA in the financial year 2023-24.

#### HVAC System (Saving in Demand KVA)



#### iii) Occupancy Sensors:

Motion/Occupancy Sensors have been installed at the entire Office areas to operate the Lights automatically based on the occupancy in the respective areas.

#### iv) Building Management System:

The Building Management System (BMS) had been installed at the inception stage itself to enable NSE to operate the Building's Services more effectively. By using BMS System, the Air Handling Units (AHU) of air-conditioning system are being operated (i.e. switching ON/OFF) as per the exact timetable scheduled for respective floors. It also helps NSE to regulate/control the temperature of the workspace area well within a prescribed tolerance. With this effective operation and regulation of AHU's, electricity is being conserved on a day-to-day basis.

#### v) Automatic Power Factor Control Units:

The Automatic Power Factor Control Units have been installed to improve the power factor (i.e. by counterbalancing the inductive load of the building with capacitive load) of the entire electrical load of the building. Power Supplier gives incentives i.e. by-passing certain discount in the electricity bill on account of this regularly.

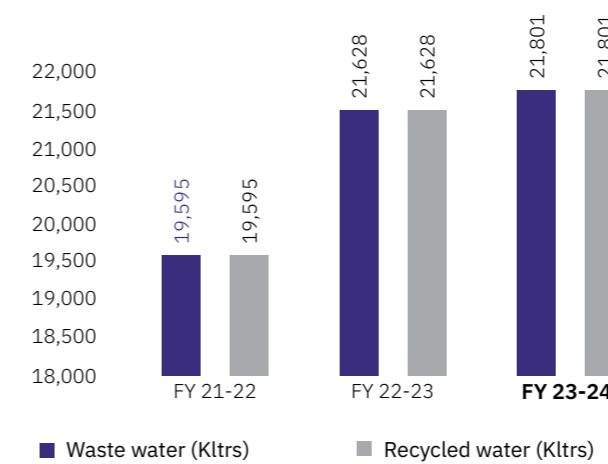
### 3. Water Management:

#### i) Water Recycling - Sewerage Treatment Plant:

This plant has been installed at the inception stage itself to enable NSE to reuse building's domestic and flushing water (i.e. after treatment) for its Cooling Towers associated with Air-conditioning System and for Gardening purposes every day. This way NSE has saved around 21,801 Kilolitres of Water in the financial year 2023-24.



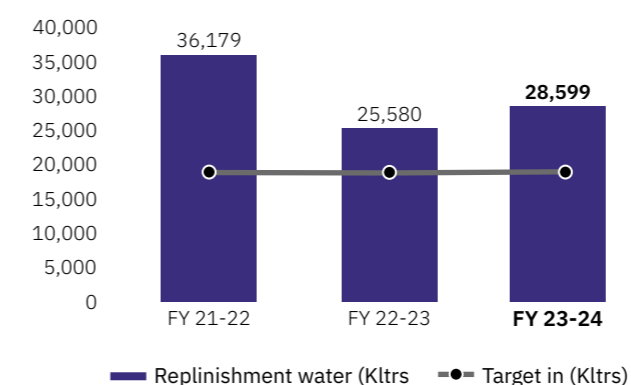
### Water Saving through Recycling Water



#### ii) Rainwater Harvesting System:

Envisaging water scarcity in future as well as present water shortages, a proper Hydro - Geological survey was conducted at Exchange Plaza to explore the possibility of harvesting the rainwater in the periphery of Exchange Plaza. Accordingly, post survey and feasibility, Rainwater Harvesting System has been installed. By using this System, water is percolated into the soil in the Exchange Plaza campus.

#### Rain water Harvesting system



### 4. Waste Management:

#### Vermiculture Plant:

The compostable material like food waste collected from Canteen, Garden Organics and Paper and Cardboard gets collected at one place. Post shredding, the aforesaid organic material gets loaded into Vermiculture plant for the decomposing process. Post 7 days of an on-going process, vermicompost/manure get generated and is being used for Gardening purposes. This way NSE has generated around 165 Kg of manure in the financial year 2023-24.

### Waste Disposal

The Company believes in reduce, recycle and reuse and manages its waste efficiently through various initiatives such as Vermiculture system, Sewage treatment plant. We reduce the E-waste and ensure that the E-waste generated is recycled efficiently.

E-Waste - As per the Company's E-Waste Policy, the E-Waste in Exchange Plaza building as well as its Branch Office premises is recycled through authorised E-waste Vendor shortlisted by Central Pollution Control Board (CPCB)/Maharashtra Pollution Control Board (MPCB).

Food Waste - Food waste generated at Company's Exchange Plaza building is processed through Vermiculture System installed at its building wherein manure (i.e. Vermicompost) generated through it is used for Gardening Purpose.

Water Recycling - Sewage water generated at Exchange Plaza is recycled through Sewage Treatment Plant installed at its Exchange Plaza building and the processed water is used for secondary purposes i.e. for cleaning, for Cooling Towers associated with Heating, Ventilation and Air Conditioning (HVAC) System.

### Foreign Exchange Earnings/Outgo

The details of foreign exchange earnings and outgo as required under Section 134 of the Companies Act and Rule 8(3) of Companies (Accounts) Rules, 2014 are mentioned below:

Particulars	₹ in Crores	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Foreign Exchange earnings	Nil	Nil
Foreign Exchange outgo	62.15	81.29

### 18. Annual Return

Pursuant to Section 92(3) of the Companies Act, a copy of Annual Return for the financial year 2023-24 is made available on the website of the Company and can be accessed through a weblink: <https://www.nseindia.com/investor-relations/other-disclosures>.

### 19. Corporate Governance

Pursuant to the Companies Act, Listing Regulations and SECC Regulations, a report on Corporate Governance for financial year 2023-24 is enclosed and forms part of the Report. The certificate from a Practising Company Secretary confirming compliance with the conditions of Corporate Governance is annexed to the Report on Corporate Governance.



## Board's Report (Contd.)

### 20. Integrated Report

NSE has always been taking steps in line with its core vision of being a leader in the industry. Guided by this thinking, your Company has taken a paradigm shift from compliance-based reporting to governance-based reporting by adopting the Integrated Report (IR). The IR is focused on giving a holistic assessment on the integration of the Company's strategic objectives, risk and performance, both financial as well as non-financial, to demonstrate its commitment towards value Creation for its shareholders. Your Company intends to ensure that the content of the Integrated Report serves as a communication tool that clearly conveys the Company's activities to create value for its shareholders in the long term.

### 21. Business Responsibility and Sustainability Report (BRSR)

In accordance with Regulation 34(2)(f) of the Listing Regulations read with National Guidelines on Responsible Business Conduct issued by the Ministry of Corporate Affairs, the BRSR forms part of the Integrated Report and the same is also hosted on NSE's website <https://www.nseindia.com/investor-relations/other-disclosures>. The report describes initiatives taken by NSE from an environmental, social and governance perspective.

Further, SEBI vide its circular no. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023, updated the format of BRSR to incorporate BRSR core, a subset of BRSR, indicating specific Key Performance Indicators (KPIs) under nine ESG attributes, which are subject to mandatory reasonable assurance by an independent assurance provider. In accordance with this requirement, the Company has appointed TUV India Private Limited (CIN: U74140MH1989PTC052930) as the Assurance Provider for the BRSR Core of the Company for the financial year 2023-24. The Statement issued by the Assurance Provider forms integral part of the BRSR.

### 22. Management Discussion and Analysis Report

Management Discussion and Analysis Report in respect of NSE's financials for the financial year ended March 31, 2024 is presented in a separate section and forms part of the Annual Report.

### 23. Compliance with Secretarial Standards

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively, have been duly complied with by your Company.

### 24. Resources committed towards strengthening Regulatory functions and towards ensuring compliance with applicable regulatory requirements

Robustness of the regulatory function remains to be a significant focus area for the Company including allocation of strong human resources at different levels having multi-faceted skills, knowledge, and expertise. As on March 31, 2024, the Company had 627 employees in the overall regulatory function. The Company has dedicated resources to manage the various regulatory functions viz. Membership Compliance, Inspection, Enforcement, Surveillance, Investigation, Investor Services (including grievance redressal, arbitration and defaulter proceedings), Listing Compliance, Regulatory Operations, Risk Management and Secretarial and Corporate Compliance.

Considering the size, scale and complexities of the overall activities and continuously evolving need for comprehensive and effective regulatory function, it is important to have equally robust and innovative technology infrastructure and support to fulfil the requirements. In this area, apart from technology infrastructure, the Company has also deployed various AI, ML and robotics based solutions as appropriate and needed, which is supported by well trained and highly skilled technological resources.

During the financial year 2023-24, the Company has spent an amount of ₹113.88 Crores towards human resources, ₹140.12 Crores towards Technology and ₹167.57 Crores towards other financial resources.

Going forward, the Company continues to have forward looking roadmap to handle its regulatory role in the most efficient manner and thereby will continue to commit appropriate financial and non-financial resources towards the same.

### 25. Proceedings Under Insolvency and Bankruptcy Code, 2016

Pursuant to the provisions of Companies (Accounts) Rules, 2014, the Company affirms that for the financial year ended on March 31, 2024, there were no application or proceedings, either filed by the Company or against the Company, pending under the Insolvency and Bankruptcy Code, 2016, before the National Company Law Tribunal or any other court.

### 26. Difference in Amount of the Valuation

Pursuant to the provisions of Companies (Accounts) Rules, 2014, the Company affirms that for the financial year ended on March 31, 2024, there was no instance of one-time settlement with any bank or financial institution. Therefore, the requirement to disclose the details of the difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking a loan from the Banks or Financial Institutions along with the reasons thereof is not applicable to the Company.

### 27. Acknowledgement

Your Directors are grateful for the support and co-operation extended by the Government of India, Securities and Exchange Board of India and Reserve Bank of India. Your Directors would also like to place on record their sincere appreciation of the support provided by the shareholders and also their deep appreciation of the contribution made by the employees at all levels to the continued growth of your Company.

**For and on behalf of the Board of Directors**

**Ashishkumar Chauhan**  
Managing Director and CEO  
DIN: 00898469

**S Ravindran**  
Public Interest Director  
DIN: 09778966

Place: Mumbai  
Date: May 03, 2024



## ANNEXURE – 1 TO BOARD’S REPORT

### Particulars of contracts/arrangements made with related parties: Form No. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangement entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm’s length transactions under fourth proviso thereto

#### 1. Details of Contracts or Arrangements or Transactions not at Arm’s Length Basis:

There were no contracts or arrangements or transactions entered into during the financial year ended March 31, 2024, which were not at arm’s length basis.

#### 2. Details of Material Contracts or Arrangement or Transactions at Arm’s Length Basis:

In terms of Company’ Policy on Materiality and Dealing with Related Party Transactions, a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand Crores or ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. Accordingly, the following information is furnished.

- Name(s) of the related party and nature of relationship: Refer Annexure to AOC - 2
- Nature of contracts/arrangements/transactions: Refer Annexure to AOC - 2
- Duration of the contracts/arrangements/transactions: On-going transactions
- Salient terms of the contracts or arrangements or transactions including the value, if any: Refer Annexure to AOC - 2
- Date(s) of approval by the Board, if any: The transactions were on arms’ length basis and in ordinary course of business, hence the approval of the Board was not required.
- Amount paid as advances, if any: NIL

**For and on behalf of the Board of Directors**

**Ashishkumar Chauhan**

Managing Director and CEO

DIN: 00898469

**S Ravindran**

Public Interest Director

DIN: 09778966

Place: Mumbai

Date: May 03, 2024

### Annexure to Form No. AOC - 2

#### a) Names of the Related Parties and Related Party Relationships

Related Party	Nature of Relationship	Principal Activities	% Holding
NSE Clearing Limited	Subsidiary Company	Clearing and Settlement	100%
NSE Investments Limited	Subsidiary Company	Investment Entity	100%

#### (b) Details of Transactions (Including Service Tax/GST as Levied) with Related Parties are as Follows:

Name of the Related Party	Nature of Transactions	₹ in Crores	
		For the year ended 31.03.2024	For the year ended 31.03.2023
NSE Clearing Limited	Usage charges received	25.18	25.13
	Usage charges paid for interoperability	1.66	1.66
	Space and Infrastructure usage charges received	6.81	4.45
	Recovery of Electronic Bidding Platform income	0.85	0.84
	Reimbursement received for expenses on staff on deputation	0.09	6.60
	Transfer of retiral benefits on transfer of employees	2.38	-
	Reimbursement received for other expenses incurred	81.35	71.50
	Reimbursement paid for CAMS charges	1.67	0.11
	Reimbursement paid for asset purchase	0.85	-
	Dividend received	22.50	180.00
	Clearing and Settlement charges paid	1,315.80	710.92
	Logo Sharing Income	23.68	-
	Contribution to Core SGF	1,937.25	4.00
	Investment in equity share capital	1,400.00	-
Closing balance (Credit)/Debit	(69.82)	(44.11)	
NSE Investments Limited	Space and Infrastructure usage charges received	0.08	0.08
	Reimbursement received for expenses on staff on deputation	0.02	1.65
	Transfer of retiral benefits on transfer of employees	0.17	-
	Logo Sharing Income	6.91	-
	Reimbursement received for other expenses incurred	0.29	0.44
	Dividend Received	219.90	653.28
	Closing balance (Credit)/Debit	0.95	0.48

**For and on behalf of the Board of Directors**

**Ashishkumar Chauhan**

Managing Director and CEO

DIN: 00898469

**S Ravindran**

Public Interest Director

DIN: 09778966

Place: Mumbai

Date: May 03, 2024



## ANNEXURE – 2 TO BOARD’S REPORT

### PERFORMANCE EVALUATION CRITERIA

Criteria for performance evaluation of the Board, its Committees, Individual Directors, the Chairperson and PIDs

#### I. Guiding Principles for Performance Evaluation of the Board

##### A. Governance Related

- Corporate Governance standards adopted by the Board such as board composition, board diversity etc. and its implementation
- Understanding roles and responsibilities of Directors
- Code of conduct and Ethics and adherence thereto
- Independence of Board functioning
- Commitment to highest ethical standards of integrity and probity.
- Implementation and periodic review of policies and procedures for risk management, financial controls and statutory/regulatory compliance.
- Number and adequacy of meetings, discussion on strategic matters having substantial effect on the functioning of the Company.
- Accountability for decisions taken.
- Stakeholder relationship management.
- Adequacy on flow of information to the Board.

##### B. Business Related

- Understanding of the objectives, values, vision and business of the Company
- Provision of entrepreneurial leadership
- Setting up of Company’s strategic aims and financial goals
- Guidance to drive financial and business performance of the Company and periodic review of the same
- Ensuring necessary financial and human resource support to achieve Company’s objectives
- Strategic and business risk evaluation, assessment and timely action.

##### C. Others

- Board processes for ensuring optimum size, composition, diversity and delegation of authority
- Adequate reporting mechanism to stakeholders and redressal of their grievances.
- Engagement with the executive management (formal or informal) on issues/concerns having effect on the Company’s functioning.

#### II. Guiding Principles for Performance Evaluation of Committees

In addition to the principles stated above for evaluation of Board to the extent applicable to the respective committee, following may be taken into consideration for performance evaluation of Committees:

- Constructive recommendations made by the Committee(s) to the Board may also be kept in mind
- Engagement with executive management (formal or informal) on information required by the Committee to effectively discharge its statutory responsibilities.

#### III. Guiding Principles for Performance Evaluation of Individual Directors

The individual director’s performance may be largely evaluated based on his/her level of participation and contribution to the performance of Board/Committee(s) in respect of the above areas.

- Understanding of roles, responsibility, regulatory systems, laws and regulations applicable to the Company and performance of duties in independent and objective manner.
- Understanding of objectives, values, vision and business of the Company.
- Level of participation and devotion of time to Board meetings and Committee meetings, if any.
- Skills, knowledge, experience, application of subject matter expertise.
- Adherence to Code of Conduct and Code of Ethics of the Company.
- Disclosure of conflict of interest or material pecuniary relationships with the Company, its subsidiaries and associates or any proposed contract or arrangement.
- Engagement with executive management for efficient discharge of responsibilities.

#### III A - Managing Director and Chief Executive Officer:

- Long-term vision for the Company and business acumen.
- Entrepreneurial leadership to the Company and its business segments and setting up of strategic vision.
- Clear understanding of Company’s business, industry dynamics, competitive trends including global trends and inherent business and operational risks.

- Willingness to experiment and adopt innovative strategies for changing the Company’s business landscape.
- Execution of policies and procedures put in place by the Board.

#### IV. Guiding Principles for Performance Evaluation of Chairperson

In addition to the above, the following principles may be kept in mind while evaluating the performance of the Chairman:

- Efficient leadership qualities and determination of delivery of the Company’s strategy.
- Ensuring adequate flow of information to all Directors on any issue where a decision is required.
- Enhancing of Company’s image in dealings with major stakeholders.
- In-depth knowledge of the industry and business.
- Enjoys trust and confidence of Board members.
- Ensuring that every Board member has an opportunity to be heard and to present his/her views without any constraint.
- Encouragement to Independent Directors to bring diverse perspectives on the table.
- Ensuring that Directors are fully informed as possible on any issue where decision is required.

#### V. Guiding Principles for Performance Evaluation of the PID’s

- Qualifications:** The PID’s qualification in area of law, finance, accounting, economics, management, administration or another area relevant to the financial markets, including any recent updates in this regard.
- Experience:** The PID’s prior experience in area of law, finance, accounting, economics, management, administration or any other area relevant to the financial markets, including any recent updates in this regard.

#### c. Knowledge and Competency:

- Whether the PID has sufficient understanding and knowledge of the entity in which it operates and the applicable regulatory norms.
- Whether the PID has sufficient understanding of the role, responsibilities and obligations of PID under the relevant regulatory norms.
- How the PID fares across different competencies as identified for effective functioning of Board of the concerned MII.
- Whether the PID has sufficient understanding of the risk attached with the business structure.

#### d. Fulfilment of Functions:

- Whether the PID understands and fulfils the functions as assigned to him/her by the Board and the regulatory norms.
- Whether the PID gives views and opinion on various regulatory matters when comments are invited by SEBI through various means.

#### e. Ability to Function as a Team:

- Whether the PID is able to function as an effective team- member.
- Whether the PID listens attentively to the contributions of others and gives adequate weightage to the views and perception of other Board members.
- Whether the PID shares good interpersonal relationship with other directors.

#### f. Initiative:

- Whether the PID actively takes initiative with respect to various areas.
- Whether the PID insists on receiving information necessary for decision making.
- Whether the concerned PID keeps himself well informed about the functioning of MII and the external environment in which it operates.
- Whether the PID remains updated in terms of developments taking place in regulatory areas.
- Whether the PID has identified any important issues concerning any matter which may involve conflict of interest for the concerned MII, or may

**Annexure – 2 To Board’s Report (Contd.)**

have significant impact on their functioning, or may not be in the interest of securities market, and whether the PID reported same to SEBI.

- Whether the PID appropriately deals with critical matters.

**g. Availability and Attendance:**

Whether the PID is available for meetings of the Board and attends the meeting of Governing board and Committees regularly and timely, without delay. It must be ensured that the concerned PID hasn’t remained absent for three consecutive meetings of the governing board and has attended seventy-five per cent of the total meetings of the governing board in each calendar year; failing which the PID shall be liable to vacate office.

- h. Commitment:** Whether the PID is adequately committed to the Board and the MII.

**i. Contribution:**

- Whether the PID has contributed effectively to the entity and in the Board meetings.
- Whether the PID participates in the proceedings of Board meetings keeping in mind the interests of various stakeholders.
- Whether the PID actively deliberates and contributes on proposed business propositions and strategic decisions taking into consideration pros and cons of such propositions, long term outlook, business goals, cost-benefit analysis, etc.

**j. Integrity:**

- Whether the PID demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.).
- Whether the PID strictly adhere to the provisions of the SEBI SECC Regulations, 2018 and any other regulatory provision, as applicable, along-with the code of conduct and code of ethics prescribed under other applicable regulatory norms.

- Whether disclosures such as dealing in securities and other regulatory disclosures are provided by the PID on timely basis.

- Confirmation on the PID being a Fit & Proper person.

- Confirmation that the PID doesn’t disclose confidential information, including technologies, unpublished price sensitive information, unless such disclosure is expressly approved by the Board of directors or required under the applicable laws.

**k. Independence:**

- Whether the PID is independent from the entity and the other directors and there is no conflict of interest.
- Confirmation as to non-association of the PID with relevant MII and its member.
- Whether the PID keeps regulators informed of material developments in the concerned MIIs functioning, from time to time.

**l. Independent Views and Judgment:**

- Whether the PID exercises his/her own judgment and voice’s opinion freely.
- Whether the PID’s participation in decisions taken during meetings are unbiased, based on ethical judgment and are in strict conformity to the applicable regulatory norms.
- Whether the PID raises his/her concern if anything is observed contrary to regulatory norms and the expected norms of ethical conduct.
- Whether the PID is committed to ensure that there is fairness and integrity in MIIs system, in letter as well as spirit.

While carrying out performance evaluation as above, the Board may take into account the inputs received, if any, from the review by Independent Directors.

**ANNEXURE – 3 TO BOARD’S REPORT****ANNUAL REPORT OF THE CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FINANCIAL YEAR 2023-24****1. Brief Outline on CSR Policy of the Company:**

NSE Group understands that the economic and social well-being of the community is closely interlinked to their habitats and the environment. NSE Group therefore strives to integrate triangulated focus to improve the quality of life of its identified beneficiaries towards creating inclusive societies, while meeting its social, economic and environmental responsibilities. Through its focused CSR activities undertaken through NSE Foundation, NSE Group reaches the triple-disadvantaged sections of society.

NSE Foundation was incorporated as a company under Section 8 of the Companies Act, 2013 (“Companies Act”) on March 5, 2018, to initiate, supervise and co-ordinate activities to implement the Corporate Social Responsibility (CSR) Policy and CSR activities of NSE and its Group Companies as mandated under the Companies Act, 2013. In terms of Section 135 of the Companies Act read with Schedule VII, NSE Group has identified eight CSR areas as issues of concern to be addressed through its CSR programmes. They are i) Primary Education, ii) Elder care, iii) Safe Drinking Water & Sanitation, iv) Health & Nutrition v) Environment Sustainability, vi) Skill Development & Entrepreneurship, vii) Funding of incubators in academic institutions and other agencies and viii) Disaster Relief and Rehabilitation.

NSE Group CSR programmes seek to impact some of the most disadvantaged sections of the community by undertaking large-scale, multi-year impactful programmes with an initial focus on the health sector.

**2. Composition of CSR Committee:**

S. N.	Name of Director	Designation/Nature of Directorship	Number of Meeting held during the year#	Number of Meeting attended during the year
1	Shri. Veneet Nayar*	Chairman, Non-Independent Director	2	2
2	Shri Tablesh Pandey**	Chairman, Non-Independent Director	1	1
3	Prof. S. Sudarshan	Independent Director	3	3
4	Shri. Ashishkumar Chauhan	Managing Director & CEO	3	3

\* The Shareholders, at the 31<sup>st</sup> Annual General Meeting held on August 23, 2023, had approved re-appointment of Shri. Veneet Nayar as Non-Independent director, subject to approval of Securities and Exchange Board of India (“SEBI”). Application has been submitted to SEBI for re-appointment of Mr. Veneet Nayar as a Non-Independent Director, approval for which is awaited, as on the date of this report.

\*\* Inducted in the Committee w.e.f. September 06, 2023.

# Meetings held during the tenure of the Director.

**3. Provide the Web-link where Composition of CSR Committee, CSR Policy and CSR Projects Approved by the Board are Disclosed on the Website of the Company.**

Composition of CSR Committee	<a href="https://www.nseindia.com/structure-key-personnel/mandatory-committees">https://www.nseindia.com/structure-key-personnel/mandatory-committees</a>
CSR Policy	<a href="https://nsearchives.nseindia.com/global/content/about_us/NSE_CSR_Policy.pdf">https://nsearchives.nseindia.com/global/content/about_us/NSE_CSR_Policy.pdf</a>
CSR projects	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>



## ANNEXURE – 3 to Board’s Report (Contd.)

### 4. Provide the Executive Summary along with web-links of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8, if applicable:

Impact assessments were undertaken by third party assessment agencies (selected via the due vendor governance process of NSEIL) for concluded projects of NSE Group CSR. Through the assessments, agencies have reviewed the programmes in line with the outlined objectives. The projects fall under the focus areas of Primary Education (11), Safe Drinking Water & Sanitation (10), Elder Care (3), Disaster Relief & Rehabilitation (2), Health and Nutrition (5), Incubation (1), Skill Development (1) and Environment Sustainability (3). The list of impact assessments is summarised below:

S. N.	Name of the Project	Focus areas	Location	Project Outputs
1	Remedial Education Programme	Primary Education	Karauli	This programme enhanced student learning outcomes in language and numeracy using innovative teaching-learning materials.
2	Rehli Shiksha Pahal Programme (RSPP)	Primary Education	Sagar	The initiative improved the learning outcomes of around 8,000 students.
3	Project EQUIP	Primary Education	Ramanathapuram	This project addressed learning outcomes for 12,384 rural students through after-school centres.
4	Girl Child Education Programme	Primary Education	Purulia and Bankura	The programme was implemented in tribal dominated districts of Purulia and Bankura. It enrolled 3,070 girls in 100 Learning Centres.
5	Shikshadeep Prkalpa	Primary Education	Birbhum	The initiative improved literacy and numeracy through sustainable community-led Supplementary Learning Centers.
6	ShikshaDeep Prkalpa-Suri II:	Primary Education	Birbhum	This programme in Suri II block created sustainable community-led Supplementary Learning Centers.
7	Atikranta	Primary Education	Kolkata	The initiative improved education access for 1,920 children across 27 schools.
8	NSE Foundation Urban Learning Improvement Programme	Primary Education	Chennai	The project was launched with a focus on improving language and numeracy across 25 schools impacting around 2,300 students.
9	Creating And Enabling A Learning Environment For Academic Excellence	Primary Education	New Delhi	The education programme targeted primary students across 25 schools and upgraded existing WASH facilities.
10	“Ankuram” Foundational Learning Enhancement	Primary Education	Karauli	This foundational learning initiative was undertaken in 200 schools, and 40 model Anganwadi Centres,
11	Project Gyanodaya	Primary Education	Karauli	The programme targeted 75 schools to improve student learning outcomes. The Integrated Audio Learning programme reached around 10,200 students.
12	Solid and Liquid Waste Management (SLWM) Strategy and Plan for Talode	Sanitation and Safe Drinking Water	Nandurbar	The object of the programme was to address issues of solid and liquid waste management, including garbage segregation, septage treatment, behaviour change programmes to encourage ODF free communities.
13	Integrated Safe Drinking Water Project	Sanitation and Safe Drinking Water	Nandurbar	The initiative was undertaken in partnership with the Jal Jeevan Mission
14	Technical support to Jal Jeevan Mission	Sanitation and Safe Drinking Water	Karauli and Ramanathapuram	Support to water and sanitation projects in 10 GPs in Karauli district and 20 GPs in Ramanathapuram district.
15	School Health Programme	Sanitation and Safe Drinking Water	Mumbai	The project, inspired by ‘Swachh Bharat: Swachh Vidyalaya’, improved WASH facilities in 9 Mumbai schools
16	Integrated Solid and Liquid Waste Management	Sanitation and Safe Drinking Water	Karauli	The initiative aimed to improve solid and liquid waste management through public-private partnerships.
17	Bhu-Jal Dhaara Project	Sanitation and Safe Drinking Water	Karauli	The programme enhanced livelihoods and management of water resources in 60 villages.
18	Scoping study	Sanitation and Safe Drinking Water	Karauli	Undertaken for rejuvenation of Bhadravati river in Karauli town through improved solid and liquid waste management practises.
19	Making Sapotra block of Karauli district Open Defecation Free	Sanitation and Safe Drinking Water	Karauli	Upgraded water, sanitation, and hygiene (WASH) facilities, through school, and community centered based WASH interventions.
20	Promotion of Thiruppullani as Swachh and Swasth Block	Sanitation and Safe Drinking Water	Ramanathapuram	Renovated facilities in 65 schools, 51 Anganwadis, and 6 PHCs.
21	Sustainable Community ODF Programme	Sanitation and Safe Drinking Water	Ramanathapuram	The project retrofitted sanitation units and promoted hygiene education.

S. N.	Name of the Project	Focus areas	Location	Project Outputs
22	Technical support for AGRASAR groups	Elder Care	Pan India	Established a technical support team through its partner agency to integrate the elderly groups across 16 Indian states, focusing on livelihoods and engagement through State Rural Livelihood Mission, National Rural Livelihood Mission, Ministry of Social Justice and Empowerment and Ministry of Rural Development
23	An initiative to support healthy ageing in the rural communities	Elder Care	Karauli	The programme worked on the social, financial and health empowerment of elderly in about 280 villages through elderly self help groups.
24	Samrakshana	Elder Care	Ramanathapuram	This project enhanced elderly care by forming 161 ESHGs and providing healthcare access through Mobile Medical Units (MMUs).
25	Training of care givers for senior citizens	Skill Development	Bangalore	The initiative trained 425 caregivers in health and management of seniors suffering from Alzheimer’s, dementia and other age related mental disorders.
26	Strengthening Primary Health care services	Health & Nutrition	Nagaland	Mobile Medical Units (MMU) deployed and model Primary Health Centres (PHC) established in Kiphire District.
27	Rice fortification for better nutrition outcomes	Health & Nutrition	Nagaland	This programme combated anaemia by distributing fortified rice, aligned to nutrition schemes.
28	Project Suswasthya	Health & Nutrition	Birbhum	The initiative enhanced maternal and child health, through awareness of health schemes, nutritional practices, and adolescent health education,
29	Maternal, Child and Adolescent Health and Nutrition	Health & Nutrition	Karauli	The programme improved health and nutrition across 95 villages, focusing on capacity building and awareness. It covered Village Organisations through Swasthya Sakhis.
30	Lifeline Express	Health & Nutrition	Birbhum	The health initiative provided diverse medical services to the community.
31	Project SWIFT Growth	Environment Sustainability	Ramanathapuram	The environment sustainability project focused on community empowerment and agricultural enhancement, through village-level institutions.
32	Water, Agriculture and Food Security (WAFS) Project	Environment Sustainability	Ramanathapuram	The programme enhanced water and food security by developing water resources and resilient agriculture practises.
33	Sustainable agriculture development	Environment Sustainability	Nagaland	The project focused on natural resource preservation, water and spring-shed development, and agricultural practises.
34	Rebuilding schools affected by Cyclone Nisarga	Disaster Relief	Ratnagiri	This disaster relief programme repaired the facilities in 10 cyclone-affected schools,
35	Assam Flood Response 2020	Disaster Relief	Golahat and Jorhat	Restoration of WASH facilities in 23 schools, enhancing infrastructure and hygiene practices.
36	Homo SEP	Incubation	Chennai	Mechanised system to safely clean hard sludge from septic tanks, reducing health risks for Safai Karamcharis.

As required by Rule 8(3) of the Companies (CSR Policy) Rules, 2014 and amendments thereunder, the Company has carried out impact assessment through independent third parties, the details of which is made available on the website of the Company and can be accessed through the weblink: <https://www.nseindia.com/investor-relations/other-disclosures>

5. a) Average net profit of the company as per section 135(5): ₹5256,44,53,650/-
- b) Two percent of average net profit of the company as per section 135(5): ₹105,12,89,073/-
- c) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years: Nil
- d) Amount required to be set off for the Financial Year: Nil
- e) Total CSR obligation for the Financial Year(5b+5c+5d). ₹105,12,89,073/-
6. a) Amount spent on CSR Projects (both ongoing projects and other than ongoing project): ₹8,45,38,196/-
- b) Amount spent in Administrative Overheads: ₹42,26,910/-
- c) Amount spent on Impact Assessment, if applicable: ₹50,00,000/-
- d) Total amount spent for the Financial Year(6a+6b+6c): ₹9,37,65,106/-

**Note:** Upon incorporation of NSE Foundation on March 5, 2018, the NSE Group companies transferred the unspent CSR obligations upto March 31, 2018 to NSE Foundation. The amount spent above includes part of this unspent amount that was transferred to NSE Foundation.



## ANNEXURE – 3 to Board's Report (Contd.)

e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (In ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
48,11,100/-	104,64,77,973/-	March 27, 2024	N.A.	Nil	N.A.

f) Excess amount for set off, if any:

S. N.	Particulars	Amount
i)	Two percent of average net profit of the Company as per section 135(5)	Not Applicable
ii)	Total amount spent for the Financial Year	
iii)	Excess amount spent for the Financial Year[(ii)-(i)]	
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

## 7. Details of Unspent CSR Amount for the Preceding Three Financial Years:

S. N.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding Financial Years. (In ₹)	Deficiency, if any
				Name of the Fund	Amount (in ₹).	Date of transfer		
1	2022-23	31,12,39,171	1,12,73,829.49	N.A.	Nil	N.A.	29,99,65,340.51	-
2	2021-22	-	-	N.A.	Nil	N.A.	-	-
3	2022-21	-	-	N.A.	Nil	N.A.	-	-

## 8. Whether any capital assets have been created or acquired through CSR Amount Spent in the Financial Year: No

If yes, enter the number of Capital assets created/acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through CSR amount spent in the Financial Year:

S. N.	Short particulars of the property or assets (including complete address and location of the property)	Pincode of the property or assets(s)	Date of Creation	Amount of CSR amount spent	Details of entity/authority/beneficiary of the registered owner			
					CSR Registration Number, if applicable	Name	Registered address	
								Not Applicable

## 9. Specify the reason(s), if the Company has failed to spend two percent of the average Net Profit as per Section 135(5):

In the year under review, out of ₹105,12,89,073/-, being the amount required to be spent to implement the CSR Policy of the Company, ₹48,11,100/- has been spent on project title "Equitable Education for Rural & Tribal Children" ongoing CSR project.

The CSR Committee and Board have approved a large greenfield project for a multispecialty OPD hospital with 60 beds bone marrow transplant facilities at Advanced Centre for the Treatment, Research and Education in Cancer (ACTREC), Navi Mumbai as an ongoing project over a period of 3 Financial Years. Accordingly, the balance amount of ₹104,64,77,973/- has been transferred to unspent CSR account as per the provisions of Sec 135(6) of the Companies Act.

Place: Mumbai  
Date: May 03, 2024

**Tablesh Pandey**  
Chairman, CSR Committee  
DIN: 10119561

**Ashishkumar Chauhan**  
Managing Director & CEO  
DIN: 00898469

## ANNEXURE – 4 (I) TO BOARD'S REPORT

## FORM NO. MR.3

## SECRETARIAL AUDIT REPORT

for the financial year ended March 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Board of Directors,  
**National Stock Exchange of India Limited**,  
Exchange Plaza, Plot C-1,  
Block G Bandra-Kurla Complex,  
Bandra (East), Mumbai – 400051

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **M/s. National Stock Exchange of India Limited**. (hereinafter referred to as '**the Company**'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

## Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of

- The Companies Act, 2013 (the Act) and the rules made there under;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

- The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment (**External Commercial Borrowings are not applicable to the Company during Audit Period**);
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable to the Company during the audit period**
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable to the Company;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable to the Company during the audit period**
  - The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable to the Company during the audit period**
  - The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable to the Company during the audit period**
  - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable to the Company during the audit period** and
  - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable to the Company during the audit period**

**ANNEXURE – 4 to Board's Report (Contd.)**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India);
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent as referred in Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018; ('Listing Regulations')

**We further report that,** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ('SECC Regulations') which is specifically applicable.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except the following:

1. In two instances disclosure of change in Senior Management under Regulation 30 read with Schedule III of Listing Regulations were filed delayed.
2. The Company has applied to SEBI to fill the vacancy which was caused due to expiry of term of office of three Public Interest Directors (PID) in which SEBI's approval is awaited and resulted in less than the required number of directors on the board from November 28, 2023, pursuant to provision of Regulation 17(1)(c) and 17(1E) of Listing Regulations. Further, the Company has received the approval from SEBI for appointment of two PID on April 23, 2024.
3. Nomination and Remuneration Committee (NRC) could not be constituted with the end of tenure of Mr. Girish Chandra Chaturvedi (DIN: 00110996), Chairman and PID; Mr. K Narasimha Murthy (DIN: 00023046), PID; and Ms. Mona Bhide (DIN: 05203026), PID, effective November 27, 2023 (upon completion of period of three months from the date of expiry of coming into force of the SECC Amendment Regulations, 2023). SEBI circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019 which is applicable to NSE, prescribes requirements for composition of NRC. According to the same NRC shall comprise of only PIDs.
4. In few instances where subsidiary company has entered into the transactions with their related parties where Company is not a party, instead of prior approval of audit committee the Company has taken post facto approval.
5. Woman Director position was vacant from November 28, 2023, and the Company received the SEBI approval for appointment of the same on April 23, 2024.

**We further report that** the Board of Directors of the Company is not duly constituted as stated above. Further, SEBI approval for re-appointment of Mr. Veneet Nayar, Non-Independent Director is still awaited.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** the Company has digital compliance management system. The adequacy and efficacy of the same shall be read in the context of the events, observations and remarks specified in this report.

**We further report that** during the audit period:

1. the company filed a revised settlement terms with SEBI on March 19, 2023. SEBI has accepted the settlement proposal, subject to certain non-monetary terms of settlement to be undertaken by the individual show cause noticee vide email dated June 09, 2023. The individual noticee had agreed to the said terms and filed their respective undertaking with SEBI on June 12, 2023. Later, the board noted the communication by SEBI vide its email dated June 13, 2023 had called upon the Company to make transfer of the settlement amount of ₹49,76,80,000/- and Company has transferred the amount to SEBI on June 16, 2023.
2. the Company has incorporated a wholly owned subsidiary in the name of "NSE Administration and Supervision Limited" on January 09, 2024.

**For Makarand M. Joshi & Co.**

Company Secretaries

**Makarand M. Joshi**

Partner

FCS: 5533

CP: 3662

Date: May 03, 2024

PR: 640/2019

Place: Mumbai

UDIN: F005533F000302566

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

**Annexure A**

To,  
The Members,  
**National Stock Exchange of India Limited,**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (East), Mumbai – 400051

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Makarand M. Joshi & Co.**

Company Secretaries

**Makarand M. Joshi**

Partner

FCS: 5533

CP: 3662

PR: 640/2019

UDIN: F005533F000302566

Date: May 03, 2024

Place: Mumbai





## ANNEXURE – 4 (II) TO BOARD'S REPORT

### FORM NO. MR.3

#### SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**NSE Clearing Limited**  
Exchange Plaza, Plot C-1,  
Block G, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400051

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NSE Clearing Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

#### Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2024 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment; (**Foreign Direct Investment and External Commercial Borrowings are not applicable to the Company during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (**Not Applicable to the Company during the Audit Period**)
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not Applicable to the Company during the Audit Period**)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (**Not Applicable to the Company during the Audit Period**)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (**Not Applicable to the Company during the Audit Period**)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (**Not Applicable to the Company during the Audit Period**) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. (**Not Applicable to the Company during the Audit Period**)

(i) Securities Contracts (Regulation) (Stock Exchanges & Clearing Corporations) Regulations, 2018;

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India);
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 to the extent as referred in Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ('**Listing Regulations**');

During the period under audit, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *except in case of sitting fees paid by subsidiary company to its directors for attending board and committee meetings and where Company is not a party, instead prior, audit committee of the Company has post facto ratified & approved the said transactions.*

**We further report that**, having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof on test check basis, the company has complied with Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 which is specifically applicable.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in five cases where meeting is convened at a shorter notice for which necessary approvals obtained as per applicable provisions) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** there are systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The adequacy and efficacy shall read in context of reporting as specified in the report.

**We further report that** during the audit period, the Company has

1. The Company paid the settlement amount of ₹22,88,00,000/- in June 2023 and SEBI disposed of the proceedings of the show cause vide settlement order dated June 20, 2023 w.r.t. technical glitch.
2. Increased its Authorised share capital from ₹45,00,00,000/- (Rupees Forty-Five Crores) divided into 4,50,00,000 (Four Crores Fifty Lakhs) Equity Shares of ₹10/- (Rupees Ten only) each to ₹50,00,00,000/- (Rupees Five Thousand Crores only) divided into 5,00,00,00,000 (Five Hundred Crores) Equity Shares of ₹10/- (Rupees Ten only). Consequently, altered its Capital Clause V of Memorandum of Association by passing Shareholder resolution at Extra-ordinary General Meeting held on October 03, 2023 and the said amendment come into force from February 29, 2024 i.e. post its publication in the Gazette of State or Gazette of India, whichever is later.
3. Issued and allotted 1,40,00,00,000 Equity Shares of face value of ₹10/- each aggregating to ₹14,00,00,00,000/- for cash at par to the eligible equity shareholders of the Company on right basis;

**For Makarand M. Joshi & Co.**

Company Secretaries

**Kumudini Bhalerao**

Partner

FCS No. 6667

CP No. 6690

Date: April 30, 2024

Peer Review No: 640/2019

Place: Mumbai

UDIN: F006667F000274198

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.



## Annexure A

To,  
The Members,  
**NSE Clearing Limited**  
Exchange Plaza, Plot C-1,  
Block G, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400051

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Makarand M. Joshi & Co.**

Company Secretaries

**Kumudini Bhalerao**

Partner

FCS No. 6667

CP No. 6690

Peer Review No: 640/2019

UDIN: F006667F000274198

Date: April 30, 2024

Place: Mumbai

## ANNEXURE – 4 (III) TO BOARD'S REPORT

### FORM NO. MR.3 SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members  
**NSE Investments Limited**  
Exchange Plaza, Plot C-1, Block G  
Bandra-Kurla Complex, Bandra (East)  
Mumbai – 400051

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NSE Investments Limited**, having **CIN: - U65999MH2013PLC240078** (hereinafter called the 'Company') for the Financial Year ended March 31, 2024 ('Review period'/'Period under Review').

We have conducted the Secretarial Audit in a manner that provided us with a reasonable basis for evaluating the Company's corporate conduct/statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- I. Our **verification** of the Company's books, papers, minutes books, copies of various records, copies of minutes of the meetings of the Board of Directors of the Company (the Board) and Committee thereof, forms and returns filed and other records maintained by the Company and made available during the course of our audit/verification during the review period;
- II. **Compliance Certificates** confirming Compliance with the laws as applicable to the Company as given by the Key Managerial Personnel/Senior Managerial Personnel of the Company and taken on record by the Board of Directors of the Company, and
- III. **representations** made, documents produced and information provided by the Company, its officers, agents, and authorised representatives during our conduct of the Secretarial Audit of the Company.

We hereby report that in our opinion, during the audit period covering the Financial Year ended March 31, 2024, the Company has:

- (i) Complied with the statutory provisions listed hereunder, and
- (ii) Board-processes and compliance mechanisms are in place to the extent, in the manner and subject to the reporting made hereinafter.

### 1. Compliance with Specific Statutory provisions

#### We further report that:

- 1.1 We have examined copies of the various records as provided in hard copies/electronically by the Company and other records maintained and furnished to us, forms/returns filed and compliance related action taken by the company during the period, according to the applicable provisions/clauses of:
  - (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) The Company has complied with Secretarial Standard issued by The Institute of Company Secretaries of India relating to General Meetings, meetings of the Board and Committees constituted by the Board as notified by the Central Government under Section 118(10) of the Act which has mandatory application to the Company.
  - (v) The following Regulations, Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations') were not applicable during the audit period:
    - a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    - b. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - c. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
    - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;



## ANNEXURE – 4 (iii) to Board's Report (Contd.)

- e. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015:
- f. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018:
- g. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018:
- h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with clients:
- i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009:
- j. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013:

1.2 During the period under review, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

- (i) **Complied with** the applicable provisions/clauses of the Act, Rules and Regulations mentioned under sub-paragraphs of paragraph 1.1
- (ii) **complied with** the applicable provisions/ clauses of:
  - (a) The Act and rules mentioned under paragraph 1.1
  - (b) Foreign Exchange Management Act, 1999 (Not applicable during the audit period)
  - (c) The Secretarial Standards on meetings of the Board of Directors (SS-1) and General Meetings (SS-2) as mentioned under paragraph 1.1 (iv) above to the extent applicable to the General Meetings, meetings of the Board and its Committee held during the audit period. The Compliances with the provisions of the Rules made under the Act with regard to the meetings of the Board and its Committee were verified based on the minutes of the meetings provided by the Company.

## 2. The Board Processes:

We further report that:

2.1 The Board of Directors of Company as on March 31, 2024 comprised of:

- I. Mr. Ashish Krishna – Managing Director (DIN: 10132733)
- II. Mr Yatrik Vin - Non-Executive, Non-Independent Director (DIN: 07662795);
- III. Mr. Prathivadibhayankara Rajagopalan Ramesh - Non-Executive, Independent Director (DIN: 01915274);
- IV. Ms. Kshama Fernandes - Non-Executive, Non-Independent Woman Director (DIN: 02539429);
- V. Mr. Sriram Krishnan – Non-Executive, Non-Independent Director (DIN: 07816879);
- VI. Mr. Kuppuswamy Shenbagaramakrishnan Somasundaram, Non-Executive, Non-Independent Director (DIN: 08785903);

2.2 The processes relating to the following changes in the composition of the Board of Directors and Key Managerial Personnel during the period were carried out in compliance with the provisions of the Act.

- i) Appointment of Mr. Ashish Krishna (DIN: 10132733), as an Additional Executive Director of the Company with effect from April 27, 2023. Subsequently he was appointed as the Managing Director of the Company by the Board of Directors for a period of five years w.e.f. April 27, 2023, and the appointment has been approved by the shareholders at their 11<sup>th</sup> Annual General Meeting held on July 25, 2023.
- ii) Appointment of Mr. Kuppuswamy Shenbagaramakrishnan Somasundaram (DIN: 08785903), as an Additional Non-Executive Non-Independent Director of the Company w.e.f. April 27, 2023 by the Board of Directors of the Company, and the appointment has been approved by the shareholders at their 11<sup>th</sup> Annual General Meeting of the Company held on July 25, 2023.

- iii) Appointment of Mr. Sriram Krishnan (DIN: 07816879), as an Additional Non-Executive Non-Independent Director of the Company w.e.f. April 27, 2023 by the Board of Directors of the Company, and the appointment has been approved by the shareholders at their 11<sup>th</sup> Annual General Meeting of the Company held on July 25, 2023.
- iv) Cessation of office of Mr. Yatrik Vin (DIN: 07662795), as Managing Director of the Company w.e.f. April 27, 2023 due to his resignation on account of segregation of employees working for holding and subsidiary Companies.
- v) Appointment of Mr. Yatrik Vin (DIN: 07662795), as an Additional Non-Executive Non-Independent Director of the Company w.e.f. April 27, 2023 by the Board of Directors of the Company, and the appointment has been approved by the shareholders at their 11<sup>th</sup> Annual General Meeting of the Company held on July 25, 2023.
- vi) Re-appointment of Ms. Kshama Fernandes (DIN: 02539429) as a Non-Executive Director of the Company, liable to retire by rotation at the 11<sup>th</sup> Annual General Meeting held on July 25, 2023.
- vii) Resignation of Mr. Premal Shah as Chief Financial Officer of the Company w.e.f August 25, 2023 on account of segregation of employees working for holding and subsidiary Companies.
- viii) Appointment of Mr. Manish Marodia as Chief Financial Officer, Key Managerial personnel of the company w.e.f October 16, 2023.
- ix) Re-appointment of Mr. Prathivadibhayankara Rajagopalan Ramesh - Non-Executive, Independent Director (DIN: 01915274) w.e.f. January 31, 2024 for a period of three years.

2.3 Adequate notices of the meetings of the Board and its Committee were sent to the directors at least seven days in advance of the dates of the meetings except in respect of three Board and one Committee meetings which were convened at shorter notice with the consent of the Board.

2.4 Agenda and detailed notes on agenda were either circulated separately less than seven days before or at the Board meetings and the consent of the Board for circulating them in the above manner was duly obtained as required under SS-1 in respect of the following:

- (i) Supplementary agenda notes and annexures in respect of information such as audited financial statement/results, unaudited financial results and connected papers, and
  - (ii) Additional subjects/information/presentations and supplementary notes thereon
- 2.5 A system exists for the directors to seek and obtain further information and clarifications on the agenda items before the meetings and to ensure their meaningful participation at the meetings.
- 2.6 We note from the minutes verified that, at the meetings of the Board and its committees, held during the review period that:
- (i) Decisions were carried out unanimously; and
  - (ii) No dissenting views were expressed by any member of the Board and by any member of the Board Committee on any of the subject matters discussed, which were required to be captured and recorded as part of the minutes.

## 3. Compliance Mechanism

There are reasonably adequate systems and processes prevalent in the Company, which are commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

## 4. Specific Events

4.1 We further report that during the period under review, as explained and represented by the management, there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., which have a major bearing on the Company's affairs except as follows:

- (a) At the 11<sup>th</sup> Annual General Meeting of the Company, held on July 25, 2023, Shareholders declared a dividend of ₹2.46/- per share on the equity shares of the face value of ₹10/- each, and payment of preference dividend at the rate of 6% i.e ₹0.60/- to the eligible shareholders. The dividends have been paid within the prescribed timeline.
- (b) The Board of Directors at its meeting held on October 31, 2023, approved the incorporation of a subsidiary Company of NSE Indices Limited for ESG Rating Business under the name and style of 'NSE Sustainability Ratings & Analytics Limited'. The said Company has been incorporated on March 30, 2024.

**ANNEXURE – 4 (iii) to Board’s Report (Contd.)****Annexure A to the Secretarial Audit Report for the Financial Year ended March 31, 2024**

(c) The Board at its meeting held on November 02, 2022 consented to the group restructuring exercise with an aim to exit non-core businesses and merge the aligned businesses within the group and to reduce the number of entities within the group with a objective to merge the entities having aligned business, Partial/complete exit from other subsidiaries and associates as appropriate. Accordingly, during the year under review, Board approved the following:

- The Board of Directors at its meeting held on October 31, 2023, approved the Scheme of Arrangement involving the amalgamation of the Company’s two subsidiaries i.e. NSE Data & Analytics Limited into NSE Indices Limited. Further action in respect of the above shall have to be carried out as per the requirements of law and after due approvals as may be required in said regard.
- The Board of Directors of the Company at their meeting held on March 9, 2024, approved the sale of digital business of NSEIT along with its subsidiaries including NSEIT US, Aujas Cybersecurity Limited, CXIO Technologies

Limited to InvestCorp, US based leading global manager of alternative investments, at the total enterprise value of all the above four business units for ₹1000 Crores with equity value being subject to adjustment for final working capital and net debt position as per value on the closing date

**For BNP & Associates**

Company Secretaries  
[Firm Regn No: P2014MH037400]  
(PR: 637/2019)

**Kalidas Ramaswami**

Partner

Place: Mumbai

Date: April 26, 2024

FCS: 2440/COP: 22856

UDIN: F002440F000247608

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

To,  
The Members

**NSE Investments Limited**

Secretarial Audit Report of even date is to be read along with this letter.

1. The Company’s management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such review practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and in issuing this report, we have also considered compliance related actions taken by the company after March 31, 2024 but before the date of issue of this report.
4. We have verified the secretarial records furnished to us to ascertain whether the correct facts are reflected therein. We have also examined the compliance procedures followed by the company on a test basis. We believe that the processes and practices we followed, provide us with a reasonable basis for our opinion.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. We have obtained the management’s representation about the compliance of laws, rules and regulations and happening of events, wherever required.
7. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For BNP & Associates**

Company Secretaries  
[Firm Regn No: P2014MH037400]  
(PR: 637/2019)

**Kalidas Ramaswami**

Partner

Place: Mumbai

Date: April 26, 2024

FCS: 2440/COP: 22856

UDIN: F002440F000247608



## ANNEXURE – 5 (I) TO BOARD'S REPORT

### DISCLOSURES PURSUANT TO RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

**i. Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

The ratio of remuneration of the Managing Director & Chief Executive Officer to the median remuneration of the employees of the Company for the financial year is 90.36x.

**ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

The percentage increase in remuneration of Managing Director & Chief Executive Officer, Company Secretary and Chief Financial Officer in the financial year is around 10%, 8% and 14.52% respectively.

**iii. The percentage increase in the median remuneration of employees in the financial year:**

The percentage increase in the median remuneration of employees over last year is around 0.00 %.

**iv. The number of permanent employees on the rolls of the Company:**

As on March 31, 2024, there are 1,330 employees on the rolls of the Company.

**v. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

For the FY 23-24, the average percentile increase for the employees and the managerial personnel has been 10.46%. Apart from the performance based normal increment, the non-KMP employees also received final tranche of Deferred Pay retention plan.

I. For Non KMPs, the payout was effective October 30, 2023.

II. For KMPs (Excluding MD & CEO) payment of 7.5% is effective April 1, 2024.

**vi. Affirmation that the remuneration is as per the remuneration policy of the Company:**

The remuneration is as per the Remuneration Policy of the Company.

### STATEMENT PURSUANT TO RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

S. N.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (₹)		Experience (No. of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
1	Shri. Ashishkumar Chauhan B Tech (Mechanical, IIT Bombay), PGDM (IIM Calcutta) # &	56	Managing Director & CEO	10,18,58,911	5,10,19,531	33	July 26, 2022	Managing Director & CEO BSE Limited
2	Shri. Yatrik Vin ICWA, M.Com # & \$	57	Group CFO & Head Corporate Affairs	4,02,93,509	1,88,50,976	36	February 21, 2000	Manager (Finance & Accounts) Godrej & Boyce Mfg. Co. Limited
3	Shri. Sriram Krishnan CA, ICWA #	52	Chief Business Development Officer	2,48,10,061	1,46,36,296	28	December 14, 2022	Managing Director Deutsche Bank, AG
4	Shri. Mukesh Agarwal BE, M.Sc., MMS # & \$	57	Managing Director – NSE Data & Analytics Limited & NSE Indices Limited	4,42,18,197	2,49,76,154	31	April 1, 2015	Chief - BE, New Products, IISL & Dotex, National Stock Exchange of India Limited
5	Shri. Vikram Kothari CA ICWA# & \$	53	Managing Director & CEO – NSE Clearing Limited	2,67,73,093	1,59,31,740	28	November 7, 2017	Executive Director J P Morgan Chase Bank
6	Shri. Mayur Sindhwad ICWA, CS # & \$	49	Chief Technology Officer – Operations	2,40,61,830	1,44,83,280	28	June 1, 2009	Assistant Vice President Edelweiss Securities Limited
7	Shri. Viral Mody BE # &	47	Chief Technology Officer – Applications & Development	1,88,85,169	1,17,53,828	26	June 01, 2018	Senior Vice President NSE Infotech Services Limited
8	Shri. Somasundaram K S BE, PGDM # & \$	53	Chief Enterprise Risk Officer & Head – Business Excellence	2,74,46,429	1,73,45,068	28	October 04, 2018	Senior President and Chief Compliance Officer Yes Bank Limited
9	Shri. Piyush Chourasia PGDM, BTECH (Electrical and Electronics Engg) # @	40	Chief Regulatory Officer – Member Compliance, Surveillance, Member Inspection & Investigation	91,15,290	58,10,430	16	August 16, 2023	Senior Vice President - Regulatory & Strategic Projects NSE Clearing Ltd.
10	Shri. Shharad Dhakkate MBA #	51	Chief Human Resource Officer	1,22,09,289	77,34,629	28	January 02, 2023	Head Learning and Infrastructure SBI General Insurance Company Limited
11	Shri. Ankit Sharma MBA, BSc # @	55	Chief Regulatory Officer – Listing & Investor Compliance	63,08,297	43,57,733	29	November 30, 2023	Head Compliance & Legal ICICI Securities Ltd.
12	Shri. Vitthal More MMS, BE #	53	Senior Vice President	1,42,64,365	86,75,992	29	April 01, 2010	Consultant National Stock Exchange of India Limited
13	Shri. Arijit Sengupta PGDBM #	57	Senior Vice President	2,13,92,844	1,31,13,203	34	May 02, 2019	Group Head Global Communication & CSR, Wadhawan Global Capital



## ANNEXURE – 5 (i) to Board's Report (Contd.)

S. N.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (₹)		Experience (No. of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
14	Shri. Sampath Manickam B.S # &	47	Senior Vice President	1,65,12,544	1,11,99,234	29	January 14, 2022	Senior Vice President Jio Platforms Limited
15	Dr. Harish Kumar Ahuja MBA, PHD #	53	Senior Vice President	1,21,14,752	79,56,848	27	January 16, 2023	Consultant Waaree Energies Limited
16	Dr. Dinesh Soni MBA, PHD # & \$ @	51	Managing Director & CEO – NSE Administration & Supervision Limited	1,48,08,312	92,87,518	28	October 31, 2014	Deputy General Manager Pension Fund Regulatory & Development Authority
17	Shri. Arvind Goyal CA # &	52	Head – Trade Operations	99,42,046	59,70,316	26	September 01, 2004	Manager OTC Exchange of India Limited
18	Shri. Amit Bhubhe B Tech #	46	Senior Vice President	1,35,06,453	82,60,354	24	December 08, 2008	Associate Manager Accenture Services Private Limited
19	Shri. Sanjay Sinha B Tech, EMBA #	49	Senior Vice President	1,76,32,119	1,09,33,298	28	February 21, 2013	Associate Director - P&T Management KPMG
20	Shri. Sheshadri Meda BE # & \$	54	Chief Information & Security Officer	1,46,06,612	87,17,906	31	June 01, 2018	Chief Information Security Officer NSE Infotech Services Limited
21	Dr. Tirthankar Patnaik B.SC, PHD #	48	Chief Economist	2,04,94,637	1,31,39,744	24	March 01, 2019	Chief Strategist & Head Of Research Mizuho Bank Limited
22	Shri. Rohit Gupte CS # &	53	Company Secretary	1,20,46,514	75,96,180	34	November 17, 2020	Vice President Deutsche Bank AG
23	Shri. Krishnan Iyer CA # &	50	Senior Vice President – Regulatory	1,02,40,796	67,95,338	26	August 08, 2022	Chief Operating Officer Alpha Alternatives Holdings Private Limited
24	Shri. Rakesh Tripathi CA, LLB # @	50	Financial Controller	48,17,357	30,62,003	24	August 7, 2023	SBU Head - F&A and Taxation Dept Baroda Global Shared Services Ltd.
25	Shri. Mahesh Soparkar MBA, BE # @	54	Senior Vice President	94,31,073	60,59,457	30	June 01, 2018	Senior Vice President NSE Infotech Services Limited
26	Smt. Renu Bhandari MBA # &	51	Vice President	90,36,831	58,84,308	32	November 18, 1996	Junior Stenographer Delhi Stock Exchange Association
27	Shri. Kiran Dusane DEE #	51	Vice President	1,29,03,921	78,96,331	30	September 01, 1997	Electrical Engineer Lloyds Steel Industries Ltd.
28	Shri. Rajanish Nagwekar BE #	48	Vice President	1,31,96,227	83,61,129	25	June 01, 2018	Vice President NSE Infotech Services Limited
29	Shri. Sujoy Das BE #	52	Vice President	1,12,51,758	69,11,632	26	June 01, 2018	Associate Vice President NSE Infotech Services Limited
30	Shri. Bireshwar Chatterjee PGDSL, CA # &	51	Vice President	1,07,37,643	75,20,481	28	February 02, 2001	Junior Officer Videsh Sanchar Nigam Limited
31	Shri. Avishkar Naik CA, CS # & \$	45	Head - Listing Compliance	97,74,631	61,69,327	24	January 27, 2004	CA R V Kadrekar & Company

S. N.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (₹)		Experience (No. of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
32	Shri. Gaurav Kapoor PGDM, BE	49	Vice President	1,21,26,587	68,34,560	26	September 17, 2007	Manager ICICI Bank Limited
33	Shri. Ajit Sinha MBA, LLB #	51	Vice President	1,01,41,824	69,06,050	26	December 03, 2018	Senior Legal Counsel HSBC Limited
34	Smt. Sonali Karnik ICWA # &	53	Vice President	73,93,129	50,46,834	29	December 01, 2021	Head Risk - Broking Tata Capital Limited
35	Shri. Sanjay Nair LLM, LLB #	51	Vice President	70,68,539	48,42,244	27	November 21, 2022	Head of Legal and Compliance Officer Kotak Securities Ltd.
36	Shri. Omkeshwar Singh PGDM #	47	Vice President	88,97,129	63,56,717	21	January 04, 2023	Head - Rank MF Samco Securities Ltd.
37	Shri. Ashish Krishna MBA # @	47	Managing Director – NSE Investments Limited	1,17,29,777	74,89,735	24	May 07, 2018	Director - Advisory Deals SBU PricewaterhouseCoopers Pvt. Limited
38	Shri. Nilesh Tinaikar MMS # @	52	Vice President	43,01,951	27,67,939	28	August 01, 2021	Vice President NSE Clearing Limited
39	Shri. Sushil Limbulkar MBA, BE # @	52	Vice President	33,70,773	23,16,175	29	February 08, 2021	Vice President Technology Metropolitan Stock Exchange of India Ltd.
40	Shri. Bhavesh Shah MBA, Mcom #	48	Vice President	60,08,390	40,12,271	28	April 26, 2000	Account Officer Safari Industries (Ind) Ltd.
41	Shri. Virag Shah CA #	45	Vice President	85,33,669	56,38,122	21	December 13, 2004	Executive Accounts Hind Freight Service Ltd.
42	Sushri. Yukti Sharma CA # &	44	Vice President	72,66,440	50,82,846	21	January 22, 2008	Internal Audit Manager ICICI Lombard
43	Sushri. Kavita Ahuja MBA #	47	Vice President	71,67,275	49,51,366	22	October 15, 2008	Manager Kotak Mahindra Bank Ltd.
44	Shri. Premal Shah CA #	48	Vice President	99,69,575	67,27,631	19	November 27, 2015	Deputy General Manager Go Airlines (India) Ltd.
45	Shri. Sumit Agarwal CA #	41	Vice President	1,05,67,770	70,24,986	17	August 01, 2019	Vice President Edelweiss Group
46	Shri. Chetan Modi BE @	40	Vice President	28,45,339	21,99,630	18	December 26, 2023	Vice President Credit Suisse AG, India
47	Shri. Shubhendu Dutta MBA, Btech # @	52	Vice President	51,33,387	34,33,988	26	August 01, 2022	Vice President Aujas CyberSecurity Ltd.
48	Shri. Jamal Sharif MHRDMPT #	53	Associate Vice President	48,07,302	34,71,965	30	June 14, 2012	Manager Administration National Institute Securities Markets
49	Shri. Kunal Trivedi LLB, CS #	41	Chief Manager	45,48,192	33,06,773	15	June 24, 2019	AGM - Legal and Secreterial cum Company Secretary Samson Maritime Limited

**ANNEXURE – 5 (i) to Board's Report (Contd.)**

S. N.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (₹)		Experience (No. of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
50	Shri. Hari K. ICWA, ACS # & @	57	Head - Business	1,08,22,122	60,15,935	35	May 29, 1995	Cost Accountant, KCP Limited
51	Shri. M Vasudev Rao LLB, CS # & \$ @	56	Group General Counsel	2,00,40,846	1,22,53,364	32	November 01, 2012	Associate Vice President Bennett Coleman & Company Limited
52	Smt. Priya Subbaraman LLB, CS # & \$ @	53	Chief Regulatory Officer	1,29,15,718	75,25,528	27	February 01, 2018	Head - Compliance Standard Chartered Bank
53	Shri. Shiv Kumar Bhasin BE, MTECH # & \$ @	53	Chief Technology Officer – Technology Infrastructure	94,24,065	57,33,950	22	January 02, 2019	Chief Technology Officer - State Bank of India
54	Smt. Nisha Subhash CA # & \$ @	53	Senior Vice President – Regulatory	1,42,50,160	89,37,931	29	December 26, 1995	Equity Analyst Kothari Share & Stock Brokers Private Limited
55	Shri. Suprabhat Lala Bsc @	57	Senior Vice President	90,89,856	57,29,672	34	October 01, 2001	Senior Vice President Geojit Securities Limited
56	Shri. Nagendra Kumar SRVS PGDM @	51	Senior Vice President	1,01,04,924	45,67,455	29	July 16, 2009	Manager Accenture India Limited
57	Shri. Manjunath Kashi BE # & @	56	Head – Cloud Infrastructure, Enterprise DB & Production Support	28,54,197	20,14,385	37	May 27, 2020	Chief Technology Officer Aviso Inc
58	Shri. Deviprasad Singh BE & @	53	Senior Vice President	88,73,013	58,47,678	30	June 01, 2018	Senior Vice President NSE Infotech Services Limited
59	Shri. Tojo Banerjee PGDHRM, ICWA # @	50	Vice President	55,08,796	34,98,243	27	October 08, 2010	Zonal Head ICICI Bank Limited
60	Shri. Chetan Doshi MBA @	47	Vice President	82,85,990	51,17,933	24	March 10, 2015	Head - IFA Strategy & BD Canara Rebeco Mutual Fund
61	Smt. Rehana D'souza MBA @	52	Vice President	48,96,445	31,33,042	30	April 01, 2018	Consultant National Stock Exchange of India Limited
62	Smt. Moushumi Mandal Suganth MMS # & \$ @	46	Vice President	77,18,064	48,48,895	23	April 25, 2023	NSE Clearing Ltd.
63	Shri. Clinton Bennis MBA, Btech # @	45	Vice President	29,14,012	22,11,897	23	July 03, 2023	Vice President CitiBank N.A.
64	Smt. Meghana Mahadkar MMS #	44	Associate Vice President	36,92,336	25,71,736	20	May 24, 2005	Trainee HDFC Bank Ltd.
65	Shri. Soumick Roy LLB, MLS # @	47	Associate Vice President	31,35,238	20,62,633	19	March 06, 2007	Personnel Officer Bharat Electronics Ltd.
66	Shri. Prem Dhage MBA, Mcom # @	44	Associate Vice President	27,68,680	19,35,374	24	June 03, 2019	Senior Manager - HR Ops TE Connectivity Services India

**Notes:**

- Gross Remuneration includes Salary and other benefits, Leave Encashment, Company's contribution to Provident Fund, Pension, Superannuation Fund, taxable value of perquisites etc. The amounts also include certain allowances accrued during previous year(s) but claimed in the current year.
- The above remuneration does not include interest on withheld variable pay of earlier years and amount paid towards gratuity.
- Employees, whose names are marked with # were Key Management Personnel under the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SECC Regulations") during the year/Part of the year. The remuneration of employee marked with & excludes 50% of their Variable Pay to be paid on deferred basis after 3 years. For employees marked with \$, remuneration received includes 50% variable pay pertaining to earlier period.
- Other employees are in permanent employment of the company on contractual basis governed by the employment terms & conditions and service rules. Shri. Mukesh Agarwal is in permanent employment of the subsidiary's subsidiary company, NSE Data & Analytics Limited. Shri. Vikram Kothari is in permanent employment of the subsidiary company, NSE Clearing Limited. Smt. Moushumi Mandal Suganth was permanent employee of the subsidiary company, NSE Clearing Limited till April 25, 2023. Shri. Ashish Krishna is in permanent employment of the subsidiary company, NSE Investments Limited from April 27, 2023. Dr. Dinesh Soni is in permanent employment of the subsidiary company, NSE Administration and Supervision Limited from February 01, 2024. Their cost had been borne by the respective Companies. However, the remuneration for the full year has been disclosed as they are Key Management Personnel under the SECC Regulations.
- Smt. Yukti Sharma was Key Management Personnel under the SECC Regulations till April 05, 2023.
- None of the employees mentioned above is a relative of any Director.
- Employees, in respect of whom Rule 5(2) applies but are on deputation to subsidiary company, even though partial/full remuneration has been recovered from the subsidiary Company, the remuneration has been disclosed in this report.
- None of the employees is holding equity share(s) in the company within the meaning of clause (iii) of sub-rule 2 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- The Company does not have any Employees Stock Option Plan (ESOP) Scheme for its employees.
- Employees whose name has been marked with @ were employed with the company for part of the year.



## ANNEXURE – 5 (II) TO BOARD'S REPORT

### INFORMATION REQUIRED UNDER REGULATION 27(5) & (6) OF THE SECURITIES CONTRACTS (REGULATION) (STOCK EXCHANGES AND CLEARING CORPORATIONS) REGULATIONS, 2018

S. N.	KMP Name	KMP Compensation - NSEIL		
		KMP Compensation	Median of Compensation of all employees	Ratio of median of compensation of all employees against KMP compensation
1	Shri. Ashishkumar Chauhan # &	10,18,58,911	14,00,000	72.76
2	Shri. Yatrik Vin # & \$	4,02,93,509	14,00,000	28.78
3	Shri. Sriram Krishnan #	2,48,10,061	14,00,000	17.72
4	Shri. Mukesh Agarwal # & \$	4,42,18,197	14,00,000	31.58
5	Shri. Vikram Kothari # & \$	2,67,73,093	14,00,000	19.12
6	Shri. Mayur Sindhwad # & \$	2,40,61,830	14,00,000	17.19
7	Shri. Viral Mody # &	1,88,85,169	14,00,000	13.49
8	Shri. Somasundaram K S # & \$	2,74,46,429	14,00,000	19.60
9	Shri. Piyush Chourasia # @	91,15,290	14,00,000	6.51
10	Shri. Shharad Dhakkate #	1,22,09,289	14,00,000	8.72
11	Shri. Ankit Sharma # @	63,08,297	14,00,000	4.51
12	Shri. Vitthal More #	1,42,64,365	14,00,000	10.19
13	Shri. Arijit Sengupta #	2,13,92,844	14,00,000	15.28
14	Shri. Sampath Manickam # &	1,65,12,544	14,00,000	11.79
15	Dr. Harish Kumar Ahuja #	1,21,14,752	14,00,000	8.65
16	Dr. Dinesh Soni # & \$ @	1,48,08,312	14,00,000	10.58
17	Shri. Arvind Goyal # &	99,42,046	14,00,000	7.10
18	Shri. Amit Bhobe #	1,35,06,453	14,00,000	9.65
19	Shri. Sanjay Sinha #	1,76,32,119	14,00,000	12.59
20	Shri. Sheshadri Meda # & \$	1,46,06,612	14,00,000	10.43
21	Dr. Tirthankar Patnaik #	2,04,94,637	14,00,000	14.64
22	Shri. Rohit Gupta # &	1,20,46,514	14,00,000	8.60
23	Shri. Krishnan Iyer # &	1,02,40,796	14,00,000	7.31
24	Shri. Rakesh Tripathi # @	48,17,357	14,00,000	3.44
25	Shri. Mahesh Soparkar # @	94,31,073	14,00,000	6.74
26	Smt. Renu Bhandari # &	90,36,831	14,00,000	6.45
27	Shri. Kiran Dusane #	1,29,03,921	14,00,000	9.22
28	Shri. Rajanish Nagwekar #	1,31,96,227	14,00,000	9.43
29	Shri. Sujoy Das #	1,12,51,758	14,00,000	8.04
30	Shri. Bireshwar Chatterjee # &	1,07,37,643	14,00,000	7.67
31	Shri. Avishkar Naik # & \$	97,74,631	14,00,000	6.98
32	Shri. Ajit Sinha #	1,01,41,824	14,00,000	7.24
33	Smt. Sonali Karnik # &	73,93,129	14,00,000	5.28
34	Shri. Sanjaya Nair #	70,68,539	14,00,000	5.05
35	Shri. Omkeshwar Singh #	88,97,129	14,00,000	6.36
36	Shri. Ashish Krishna # @	1,17,29,777	14,00,000	8.38
37	Shri. Nilesh Tinaikar # @	43,01,951	14,00,000	3.07
38	Shri. Sushil Limbulkar # @	33,70,773	14,00,000	2.41
39	Shri. Bhavesh Shah #	60,08,390	14,00,000	4.29
40	Shri. Virag Shah #	85,33,669	14,00,000	6.10
41	Smt. Yukti Sharma # &	72,66,440	14,00,000	5.19

S. N.	KMP Name	KMP Compensation - NSEIL		
		KMP Compensation	Median of Compensation of all employees	Ratio of median of compensation of all employees against KMP compensation
42	Smt. Kavita Ahuja #	71,67,275	14,00,000	5.12
43	Shri. Premal Shah #	99,69,575	14,00,000	7.12
44	Shri. Sumit Agarwal #	1,05,67,770	14,00,000	7.55
45	Shri. Shubhendu Dutta # @	51,33,387	14,00,000	3.67
46	Shri. Jamal Sharif #	48,07,302	14,00,000	3.43
47	Shri. Kunal Trivedi #	45,48,192	14,00,000	3.25
48	Shri. Hari K # & @	1,08,22,122	14,00,000	7.73
49	Shri. M Vasudev Rao # & \$ @	2,00,40,846	14,00,000	14.31
50	Smt. Priya Subbaraman # & \$ @	1,29,15,718	14,00,000	9.23
51	Shri. Shiv Kumar Bhasin # & \$ @	94,24,065	14,00,000	6.73
52	Smt. Nisha Subhash # & \$ @	1,42,50,160	14,00,000	10.18
53	Shri. Manjunath Kashi # & @	28,54,197	14,00,000	2.04
54	Shri. Tojo Banerjee # @	55,08,796	14,00,000	3.93
55	Smt. Moushumi Mandal Suganth # & \$ @	77,18,064	14,00,000	5.51
56	Shri. Clinton Bennis # @	29,14,012	14,00,000	2.08
57	Smt. Meghana Mahadkar #	36,92,336	14,00,000	2.64
58	Shri. Soumick Roy # @	31,35,238	14,00,000	2.24
59	Shri. Prem Dhage # @	27,68,680	14,00,000	1.98

#### Notes:

- Gross Remuneration includes Salary and other benefits, Leave Encashment, Company's contribution to Provident Fund, Pension, Superannuation Fund, taxable value of perquisites etc. The amounts also include certain allowances accrued during previous year(s) but claimed in the current year.
- The above remuneration does not include interest on withheld variable pay of earlier years and amount paid towards gratuity.
- Employees, whose names are marked with # were Key Management Personnel under the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SECC Regulations") during the year/Part of the year. The remuneration of employee marked with & excludes 50% of their Variable Pay to be paid on deferred basis after 3 years. For employees marked with \$, remuneration received includes 50% variable pay pertaining to earlier period.
- Shri. Mukesh Agarwal is in permanent employment of the subsidiary's subsidiary company, NSE Data & Analytics Limited. Shri. Vikram Kothari is in permanent employment of the subsidiary company, NSE Clearing Limited. Smt. Moushumi Mandal Suganth was permanent employee of the subsidiary company, NSE Clearing Limited till April 25, 2023. Shri. Ashish Krishna is in permanent employment of the subsidiary company, NSE Investments Limited from April 27, 2023. Dr. Dinesh Soni is in permanent employment of the subsidiary company, NSE Administration and Supervision Limited from February 01, 2024. Their cost had been borne by the respective Companies. However, the remuneration for the full year has been disclosed as they are Key Management Personnel under the SECC Regulations.
- Smt. Yukti Sharma was Key Management Personnel under the SECC Regulations till April 05, 2023.
- Employees who were on deputation to subsidiary company, even though partial/full remuneration has been recovered from the subsidiary Company, the remuneration has been disclosed in this report.
- Median for compensation to all employees is based on Cost to Company (CTC).
- Employees marked with @ were employed with the company for part of the year.





# REPORT ON CORPORATE GOVERNANCE

## I. Company's Philosophy on Code of Governance

National Stock Exchange of India Limited ("the Company" or "NSE" or "the Exchange") believes in adopting and adhering to the best Corporate Governance practices and continuously benchmarking itself against such practices. NSE has focused on good governance practices and endeavours to improve the same in the corporate landscape.

NSE has rigorously stood by the core principles of corporate governance and considers integrity, transparency, fairness, accountability, and adherence to the law as the pillars of its business practices. Thus, for NSE, Corporate Governance is not merely about compliance with legislations but also about commitment to values, principles, ethical business conduct and transparency by ensuring honest and professional business practices and establishing an environment of trust and confidence among stakeholders. NSE has infused the philosophy of corporate governance into all its activities. The philosophy on corporate governance is an important tool for stakeholder protection and maximisation of long-term value.

NSE's Corporate Governance is reinforced through its Code of Conduct and Ethics, Corporate Governance guidelines and committee charters. Our Board and Management processes, audits and internal control systems reflect the principles of our Corporate Governance framework. This report gives a comprehensive overview of how our governance adheres to the pillars of our governance framework.

## II. Board of Directors

### A. Composition of the Board, Category of Directors, and Skillsets

The Company, being a Market Infrastructure Institution ("MII"), is governed by the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SECC Regulations").

In accordance with the SECC Regulations, the Governing Board of the Company shall comprise of

- Public Interest Directors ("PID") – PIDs are the Independent Directors representing the interests of investors in the securities market and who do not have any association directly or indirectly, which in the opinion of Securities and Exchange Board of India ("SEBI"), is in conflict with his/her role.
- Non-Independent Directors ("NID") – NIDs are elected or nominated by the shareholders who are neither trading members nor clearing members, or their associates and agents.
- Managing Director ("MD")

In addition to the above, SEBI may appoint one or more persons, not exceeding three in number, as nominee directors on the Governing Board of the Exchange. Currently, SEBI has not appointed any such directors.

As on March 31, 2024, the Board composition is in conformity with the SECC Regulations i.e. the number of PIDs is not less than the number of NIDs with the Managing Director being included in the category of NIDs. Further, all the Directors meet the "fit and proper person" criteria as prescribed under the SECC Regulations.

NSE has over the years been fortunate to have eminent persons from diverse fields to serve as Directors on its Board. NSE has ensured the diversity of the Board in terms of experience, knowledge, perspective, background, gender, age and culture.

NSE Board comprises of qualified members who bring in the required skills, expertise and competence that allows them to make an effective contribution to the Board and its Committees. The Board members are committed to ensuring that the NSE Board complies with high standards of corporate governance.

The skills/expertise/competencies/positive attributes etc., that are identified for appointment of a candidate as Director to function effectively, in the context of the business and sector of the Company are:

- Qualifications** – Capital markets, finance and accountancy, legal and regulatory practice, technology, risk management and management or administration, or any other area relevant to the financial markets.
- Experience** – Capital and financial market, financial and risk management skill, management of the finance function of an enterprise, accounting, economics, financial reporting process, financial securities, commodity market, derivatives market, futures market, equity market, debt market, index, SME Market etc.
- Knowledge** – Understanding and Knowledge of the entity and applicable regulatory norms, constructive and analytical decision-making abilities, understanding of the risk attached with the business structure, understanding of the role, responsibilities and obligations etc.
- Technology** – Technical/Professional skills in relation to Company's business, analysing technological trends, innovation, creative ideas for business, research and innovation, digitisation and allied knowledge in the field of science and technology.

- Leadership** – Demonstrable leadership skills, leadership experience with regard to managing a Company including practical understanding, risk management, processes, strategic planning, guiding and leading management teams to make decisions, facilitation skills, strong interpersonal and communication skills.
- Governance** – Corporate governance, compliance, transparency, board governance, accountability to stakeholders, corporate ethics and values, strengthening regulatory functions, protecting shareholder interests, law and other areas relevant to business/sector and industry in which the Company operates.

### The Composition of the Board, other Directorship(s) and Committee Membership(s) of Directors, Inter-se relationships and skills / expertise as on March 31, 2024, are given below:

Directors	Number of Other Directorship(s)/Committee Membership(s) and Chairmanship(s) <sup>1</sup>			Skills/Expertise	Inter-se Relationship between Directors	Directorships in other listed entities	No. of Shares/convertible securities held
	Other Directorships	Committee Membership <sup>2</sup>	Committee Chairmanships <sup>2</sup>				
Shri. Ashishkumar Chauhan (DIN: 00898469) Category: Managing Director and CEO	1	1	1	<ul style="list-style-type: none"> <li>Qualifications</li> <li>Experience</li> <li>Knowledge</li> <li>Technology</li> <li>Leadership</li> <li>Governance</li> </ul>	-	-	Nil
Prof. S. Sudarshan (DIN: 08636735) Category: Public Interest Director	-	-	-	<ul style="list-style-type: none"> <li>Qualifications</li> <li>Experience</li> <li>Knowledge</li> <li>Technology</li> <li>Leadership</li> <li>Governance</li> </ul>	-	-	Nil
Shri. S. Ravindran <sup>3</sup> (DIN: 09778966) Category: Public Interest Director	3	4	1	<ul style="list-style-type: none"> <li>Qualifications</li> <li>Experience</li> <li>Knowledge</li> <li>Leadership</li> <li>Governance</li> </ul>	-	Shriram Finance Limited (Non-Executive – Independent Director)	Nil
Shri. Tablesh Pandey <sup>4</sup> (DIN: 10119561) Category: Non-Independent Director	1 <sup>5</sup>	-	-	<ul style="list-style-type: none"> <li>Qualifications</li> <li>Experience</li> <li>Knowledge</li> <li>Leadership</li> <li>Governance</li> </ul>	-	Life Insurance Corporation of India (Executive – Managing Director)	Nil

<sup>1</sup> Does not include Directorships, Committee Memberships/Chairmanships in Private Companies, Foreign Companies, High Value Debt Listed Entities and Companies incorporated under section 8 of the Companies Act, 2013 ("Companies Act")

<sup>2</sup> For Audit Committee and Stakeholders' Relationship Committee only.

<sup>3</sup> Shri. S. Ravindran resigned from Tamilnad Mercantile Bank Limited as Non-Executive – Independent Director w.e.f. March 31, 2024. The same has not been considered while calculating other directorships/committee memberships or chairmanship(s).

<sup>4</sup> Shri. Tablesh Pandey was appointed as a Non-Independent Director on the Governing Board of the Company w.e.f. August 31, 2023.

<sup>5</sup> As the Life Insurance Corporation of India is not a Company registered under the Companies Act, the Directorship in the same is not counted for the purpose of other Directorship.



## Report on Corporate Governance (Contd.)

### Changes during the year and till the date of this report:

Directors	Date of Appointment/ Cessation	Remarks
<b>Cessations</b>		
Shri. Bishnu Charan Patnaik (DIN: 08384583) Non-Independent Director	April 29, 2023	Resigned due to his appointment as a Whole-Time Member (Life) of Insurance Regulatory and Development Authority of India (IRDAI). There were no other material reasons.
Shri. Girish Chandra Chaturvedi (DIN: 00110996) Chairperson & Public Interest Director	November 27, 2023	
Shri. K Narasimha Murthy (DIN: 00023046) Public Interest Director	November 27, 2023	The term has expired upon completion of period of three months from the date of expiry of coming into force of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2023.
Smt. Mona Bhide (DIN: 05203026) Public Interest Director	November 27, 2023	
<b>Appointments</b>		
Shri. Tables Pandey (DIN: 10119561) Non-Independent Director	August 31, 2023	• Refer the table above.
Shri. Rajesh Gopinathan (DIN: 06365813) Public Interest Director	April 23, 2024	<ul style="list-style-type: none"> <li>Does not hold any Directorship(s) in other Companies as on date of his appointment.</li> <li>Not related to any other Member of the Governing Board.</li> <li>Does not hold any shares/convertible securities in the Company.</li> <li>Possesses the skills/expertise like Qualifications; Experience; Knowledge; Technology, Leadership; and Governance.</li> </ul>
Justice (Retd.) Smt. Abhilasha Kumari (DIN: 10599710) Public Interest Director	April 23, 2024	<ul style="list-style-type: none"> <li>Does not hold any Directorship(s) in other Companies as on date of her appointment.</li> <li>Not related to any other Member of the Governing Board.</li> <li>Does not hold any shares/convertible securities in the Company.</li> <li>Possesses the skills/expertise like Qualifications; Experience; Knowledge; Leadership; and Governance.</li> </ul>

**Note:** Shri. Veneet Nayar (DIN: 02007846) who retired by rotation at the 31<sup>st</sup> Annual General Meeting held on August 23, 2023, was re-appointed by the shareholders at that meeting subject to approval of SEBI. Application has been submitted to SEBI for re-appointment of Shri. Veneet Nayar as Non-Independent Director, approval of which is awaited as on the date of this report. He does not hold any shares in the Company in his own name. He, however, is the settlor of VSAV Family Trust & SVAV Family Trust and Trustee of Anuvin Family Trust which holds 1,56,911 equity shares, 3,00,000 equity shares and 1,01,613 equity shares respectively as on March 31, 2024.

### B. Chairperson of the Board

Regulation 23(2) of the SECC Regulations provides that the appointment of a Chairperson shall be from amongst the Public Interest Directors with the prior approval of SEBI.

The Chairperson heads the Board and is accountable for its overall efficiency. The Chairperson decides the Board Agenda, ensures the Directors get accurate, timely and clear information, fosters and supports positive relationships and effective participation of all Public Interest Directors and Non-Independent Directors, and promotes a culture of transparency and debate.

With the conclusion of term of Shri. Girish Chandra Chaturvedi, effective from end of November 27, 2023, NSE currently does not have a regular Chairperson as application for appointment of Public Interest Director in place of Shri. Girish Chandra Chaturvedi is pending approval of SEBI as on the date of this report. In the interim, at each Board meeting, a Chairperson is elected amongst the PIDs to preside over the meeting.

### C. Managing Director & Chief Executive Officer (MD & CEO)

The MD & CEO is at the helm of operations and is responsible for the Company's day-to-day operations. He is responsible for executing the strategy for the Company in consultation with the Governing Board. He acts as a link between the Governing Board and the senior leadership team of the Company to ensure implementation of decisions of the Governing Board and its Committees.

### D. Independent Directors/Public Interest Directors (PIDs)

The Independent Directors offer constructive feedback, strategic direction, expert advice and hold management responsible. The tenure of Independent Directors/PIDs is in line with the directives issued by SEBI from time to time.

In the opinion of the Board, the Public Interest Directors fulfil the conditions specified under the Companies Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and SECC Regulations and are independent of the management.

### E. Meetings of the Board & its Committees

#### Conduct of Board/Committee meetings

In consultation with the Board members, the annual schedule of meetings of the Board, its Committees and the Annual General Meeting for a financial year is fixed in the last quarter of the previous financial year.

The Company Secretary (CS) is primarily responsible to assist Directors in discharging their duties while conducting the affairs of the Company to ensure adherence to applicable laws. The CS provides guidance to Directors and facilitates convening of meetings of the Board and its Committees. The CS also ensures a good flow of information amongst the Board Members and between the Board and Senior Management. In addition, the Company Secretary attends to secretarial and Board Governance matters and is responsible for ensuring that Board procedures are followed.

Pursuant to the provisions of the SECC Regulations, a resolution proposed at the meeting of the Board is said to be passed only if the votes cast in favour of the said resolution by the PIDs are equal or more than the votes cast by Directors other than PIDs.

#### Number of Board Meetings

The details of the meetings of the Board of Directors and attendance at the said meetings and at the last Annual General Meeting, are as under:

Director	Seven Board Meetings were held during the FY 2023-24, on							Last AGM held on August 23, 2023
	April 28, 2023	May 15, 2023	July 27, 2023	November 01, 2023	January 06, 2024	February 10, 2024	March 11, 2024	
Shri. Ashishkumar Chauhan	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Prof. S. Sudarshan	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri. S. Ravindran	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri. Tables Pandey <sup>1</sup>	NA	NA	NA	Yes	Yes	Yes	Yes	NA
Shri. Bishnu Charan Patnaik <sup>2</sup>	Yes	NA	NA	NA	NA	NA	NA	NA
Shri. Girish Chandra Chaturvedi <sup>3</sup>	Yes	Yes	Yes	Yes	NA	NA	NA	Yes
Shri. K. Narasimha Murthy <sup>3</sup>	Yes	Yes	Yes	Yes	NA	NA	NA	Yes
Smt. Mona Bhide <sup>3</sup>	Yes	Yes	Yes	Yes	NA	NA	NA	Yes
Shri. Veneet Nayar <sup>4</sup>	Yes	Yes	Yes	NA	NA	NA	NA	Yes

<sup>1</sup> Appointed as Non-Independent Director on the Governing Board of the Company w.e.f. August 31, 2023

<sup>2</sup> Ceased to be a Non-Independent Director from the Governing Board of the Company w.e.f. April 29, 2023.

<sup>3</sup> Ceased to be a Public Interest Director from the Governing Board of the Company w.e.f. November 27, 2023.

<sup>4</sup> Shri. Veneet Nayar (DIN: 02007846) who retired by rotation at the 31<sup>st</sup> Annual General Meeting held on August 23, 2023 was re-appointed by the shareholders at that meeting subject to approval of SEBI. Application has been submitted to SEBI for re-appointment of Shri. Veneet Nayar as Non-Independent Director, approval for which is awaited as on the date of this Report.

The maximum gap between any two meetings was less than one hundred and twenty days.



## Report on Corporate Governance (Contd.)

### F. Induction programme for new Directors and on-going familiarisation programme for existing Directors

An orientation programme is conducted for new Directors so as to familiarise them with the various functions carried out by NSE. NSE also provides training in various fields such as operations, risk management, compliance etc. to all the Directors on a regular basis. The details of familiarisation programmes imparted to Directors during the financial year 2023-24 are made available on the website of the Company and can be accessed through the weblink <https://nsearchives.nseindia.com/web/sites/default/files/inline-files/Familiarization%20program%202023-24.pdf>

Every Director has the ability to understand basic financial statements and information and related documents/papers.

The regular updates provided by NSE to its Board inter alia include the following:

- Annual operating plans and capital and revenue budgets and updates.
- Annual and Quarterly financial statements.
- Status report on NSE operations and operations of different segments.
- Minutes of the meetings of Committees of the Board and also minutes of the meetings of the Board of all subsidiary companies.
- Details of foreign exchange exposures and the steps taken to limit the risk of adverse exchange rate movements.
- Details of significant transactions and arrangements entered into by material unlisted subsidiaries.
- Other information, which is required to be placed before the Board as per Listing Regulations and SECC Regulations, is taken to the Board as and when required.

A quarterly report on compliance of applicable laws, Rules and Regulations is placed before the Audit Committee for its review. The Audit Committee reviews the report and gives suggestions for improvement of compliance level/process, whenever necessary. Post review, a report is placed before the Board meeting on a quarterly basis.

### G. Code of Conduct

The Board of Directors of the Company has laid down a Code of Conduct for the members of the Board, Key Management Personnel (KMPs) and Senior Management Personnel of the Company which inter alia, incorporates the duties of Independent Directors as laid down under the Companies Act. All the Directors, KMPs, and senior management personnel of the Company have affirmed compliance with the Code of Conduct as prescribed by SEBI under Regulation 26(1) of SECC Regulations and Regulation 17(5) of the Listing Regulations and a declaration to this effect duly signed by the Managing Director and CEO is annexed and forms part of this report. The Code of Conduct, has been made available on the website of the Company and can be accessed through weblink [https://nsearchives.nseindia.com/global/content/about\\_us/NSE\\_CODE\\_BOARD.pdf](https://nsearchives.nseindia.com/global/content/about_us/NSE_CODE_BOARD.pdf).

### H. Remuneration of Directors

NSE has framed a Remuneration policy for its Directors, Key Management Personnel and Employees which is made available on the website of the Company and can be accessed through a weblink [https://nsearchives.nseindia.com/web/sites/default/files/inline-files/Remuneration%20policy\\_06012024\\_0.pdf](https://nsearchives.nseindia.com/web/sites/default/files/inline-files/Remuneration%20policy_06012024_0.pdf).

#### Managing Director & CEO:

The terms and conditions of service in respect of the Managing Director & CEO of the Company are governed by the resolution passed by the Board of Directors, Shareholders, provisions of the Companies Act & Rules laid down thereunder Listing Regulations, SECC Regulations and the circulars issued thereunder by SEBI.

The Managing Director & CEO is not eligible for severance pay. The notice period for the Managing Director & CEO is 3 (three) months. SEBI had laid down certain norms in terms of the compensation policy for the Key Management Personnel within the meaning of SECC Regulations which are as under:

- The variable pay component shall be within a range of 25% to 50% of total pay.
- 50% of the variable pay will be paid on a deferred basis after a minimum period of three years.
- ESOPs and other equity linked instruments shall not be offered or provided as part of the compensation for the Key Management Personnel.
- Compensation will be subject to malus and claw-back arrangement as per prevailing SEBI/ SECC Rules & Regulations.

The details of remuneration paid to the Managing Director & CEO of the Company during the financial year 2023-24 are given below:

(₹ in Crores)					
Name	Salary & Allowances	Variable Pay	Perquisites in cash or in kind	Contribution to PF and other Funds	Total
Shri. Ashishkumar Chauhan	8.51	1.08 <sup>1</sup>	0.02	0.57	10.18

<sup>1</sup> Excludes 50% of the Variable Pay of ₹1.08 Crores to be paid on deferred basis after 3 years.

**Note:** In the financial year 2023-24, Shri. Vikram Limaye, erstwhile Managing Director & CEO has been paid a total of ₹1.63 Crores as variable pay including ₹1.32 Crores of earlier years.

#### Non-Executive Directors:

The Non-Executive Directors, namely Non-Independent Directors and Public Interest Directors, of the Company are only paid sitting fees for the meetings attended by them. The sitting fee paid for attending Board Meeting is ₹1,00,000/- for each meeting and for the Committee Meeting is ₹75,000/- for each meeting. No sitting fee is being paid for the meetings of Investor Protection Fund Trust. Further, as per the terms of appointment, the Non-Executive Directors are not eligible for severance pay or notice period.

The details of sitting fees paid to the Non-Executive Directors of the Company during the financial year 2023-24 are given below:

Name	Board meetings		Committee meetings		Total (₹) <sup>1</sup>
	No. of meetings attended	Amount (₹)	No. of meetings attended	Amount (₹)	
Shri. Girish Chandra Chaturvedi <sup>2</sup>	4	4,00,000	18	13,50,000	17,50,000
Shri. Bishnu Charan Patnaik <sup>3</sup>	1	1,00,000	3	2,25,000	3,25,000
Shri. K. Narasimha Murthy <sup>2</sup>	4	4,00,000	32	24,00,000	28,00,000
Prof. S. Sudarshan	7	7,00,000	37	27,75,000	34,75,000
Smt. Mona Bhide <sup>2</sup>	4	4,00,000	32	24,00,000	28,00,000
Shri. S. Ravindran	7	7,00,000	48	36,00,000	43,00,000
Shri. Veneet Nayar <sup>4</sup>	3	3,00,000	10	7,50,000	10,50,000
Shri. Tablesh Pandey <sup>5</sup>	4	4,00,000	11	8,25,000	12,25,000

<sup>1</sup> Sitting fees are exclusive of applicable taxes.

<sup>2</sup> Ceased to be a Public Interest Director from the Governing Board of the Company w.e.f. November 27, 2023.

<sup>3</sup> Ceased to be a Non-Independent Director from the Governing Board of the Company w.e.f. April 29, 2023.

<sup>4</sup> Shri. Veneet Nayar (DIN: 02007846) who retired by rotation at the 31<sup>st</sup> Annual General Meeting held on August 23, 2023 was re-appointed by the shareholders at that meeting subject to approval of SEBI. Application has been submitted to SEBI for re-appointment of Shri. Veneet Nayar as Non-Independent Director, approval for which is awaited as on the date of this Report.

<sup>5</sup> Appointed as Non-Independent Director on the Governing Board of the Company w.e.f. August 31, 2023.

During the year, there were no other pecuniary relationships or transactions of Non-Executive Directors with the Company. Further, the Company had not granted any Employee Stock Option to its Non-Executive Directors.



## Report on Corporate Governance (Contd.)

### III. Committees of the Board

#### A. Audit Committee

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls, which the management and the Board of Directors have established, financial reporting and the compliance process. The Committee maintains open communication with the statutory auditors and the internal auditors.

NSE has adopted the Audit Committee charter which inter-alia includes terms of reference as prescribed under the Companies Act and Listing Regulations. The charter broadly stipulates the structure, composition, the roles and responsibility as well as the overall oversight and operational functions of the Audit Committee.

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, and the Listing Regulations. Its terms of reference inter alia include the following:

1. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. Review and monitor the auditor's independence and performance and effectiveness of audit process;
3. Examination of the financial statement and the auditor's report thereon;
4. Granting the omnibus approval in line with Policy on Related Party Transactions and such approval shall be applicable in respect of transactions which are repetitive in nature. Also granting of approval for any subsequent modification of transactions of the company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters;
9. Call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of the financial statement before their submission to the Board and may also discuss any related issues

with the internal and statutory auditors and the management of the company;

10. Oversight of the company's financial reporting process and the disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
11. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
12. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in Board report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report, if any.
13. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
14. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.) the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of the public or rights issue and making appropriate recommendations to the Board to take steps in this matter;
15. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
16. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

17. Discussion with internal auditors of any significant findings and follow up there on;
18. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
19. Discussion with statutory auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
20. To look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. To review the functioning of the whistle blower mechanism;
22. Approval of appointment of the CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
23. Examination of the Secretarial Audit reports and matters connected therewith;
24. The Audit Committee shall mandatorily review the following information:
  - a. management discussion and analysis of financial condition and results of operations;
  - b. statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - c. management letters/letters of internal control weaknesses issued by the statutory auditors;
  - d. internal audit reports relating to internal control weaknesses; and
  - e. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
25. Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision i.e. w.e.f. April 1, 2019;
26. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
27. Carrying out any other function as the Audit Committee may deem fit with the approval of the Board.

The Audit Committee as on March 31, 2024, comprised of three Directors viz., Shri. S Ravindran (PID), Prof. S Sudarshan (PID) and Shri. Tablesh Pandey (NID) as its Members with Shri. S Ravindran (PID) as its Chairman.

The details of the meetings and attendance of Members of the Committee at these meetings are given below:

Members	Designation	Seven Committee Meetings were held during the FY 23-24, on						
		April 27, 2023	May 15, 2023	July 26, 2023	October 18, 2023	November 01, 2023	February 10, 2024	March 11, 2024
Shri. K Narasimha Murthy <sup>1</sup>	Chairman	Yes	Yes	Yes	Yes	Yes	NA	NA
Shri. S Ravindran <sup>2</sup>	Chairman	NA	NA	NA	NA	NA	Yes	Yes
Shri. Girish Chandra Chaturvedi <sup>3</sup>	Member	Yes	Yes	Yes	Yes	Yes	NA	NA
Smt. Mona Bhide <sup>3</sup>	Member	Yes	Yes	Yes	Yes	Yes	NA	NA
Shri. Bishnu Charan Patnaik <sup>4</sup>	Member	Yes	NA	NA	NA	NA	NA	NA
Prof. S Sudarshan <sup>5</sup>	Member	NA	NA	NA	NA	NA	Yes	Yes
Shri. Tablesh Pandey <sup>6</sup>	Member	NA	NA	NA	Yes	Yes	Yes	Yes

<sup>1</sup> Ceased to be Chairman & Member of the Committee w.e.f. November 27, 2023.

<sup>2</sup> Appointed as Chairman of the Committee w.e.f. December 01, 2023

<sup>3</sup> Ceased to be Members of the Committee w.e.f. November 27, 2023.

<sup>4</sup> Ceased to be Member of the Audit Committee w.e.f. April 29, 2023.

<sup>5</sup> Appointed as Member of the Audit Committee w.e.f. December 01, 2023.

<sup>6</sup> Appointed as Member of the Audit Committee w.e.f. September 06, 2023.



## Report on Corporate Governance (Contd.)

The Officer responsible for the finance function, the representative of the statutory auditors and internal auditors are regularly invited to the Audit Committee meetings. The Company Secretary is the Secretary to the Committee. The maximum gap between any two meetings was less than one hundred and twenty days.

### B. Nomination and Remuneration Committee (NRC)

As per requirements of the Companies Act and Listing Regulations, NSE is required to constitute a Nomination and Remuneration Committee (NRC) consisting of three or more Non-Executive Directors out of which not less than two-third shall be Independent Directors. The Chairman of NRC shall be different from the Chairman of the Board. However, as per the SECC Regulations read with SEBI Circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019, the NRC shall consist of Public Interest Directors and shall be chaired by a Public Interest Director. Independent External Person(s) may be part of the Committee for the limited purpose of recommendation relating to selection of Managing Director; wherein the number of Public Interest Directors shall not be less than the Independent External Persons. Accordingly considering the stringent of the provisions, the Board had constituted Nomination & Remuneration Committee (NRC) which comprised of Shri. K Narasimha Murthy (PID); Shri. Girish Chandra Chaturvedi (PID) and Prof. S. Sudarshan (PID) as its members with Shri. K Narasimha Murthy (PID) as its Chairman. However, due to the end of tenure of Shri. Girish Chandra Chaturvedi and Shri. K Narasimha Murthy effective from November 27, 2023, the Governing Board of NSE comprised of only two Public Interest Directors. Considering both, the provisions of Companies Act as well as the SECC Regulations read along with circular SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019, NRC could not be re-constituted with the two Public Interest Directors and two Non-Independent Directors (including MD & CEO) after November 27, 2023.

Subsequent to the financial year end, SEBI vide its letters dated April 23, 2024, approved appointments of Shri. Rajesh Gopinathan (DIN: 06365813) and Justice (Retd.) Smt. Abhilasha Kumari (DIN: 10599710) as Public Interest Directors for a period of three year effective from the date of the said SEBI letters. In view of the said appointments, the Board of Directors at its meeting held on May 03, 2024, re-constituted the NRC comprising of Justice (Retd.) Smt. Abhilasha Kumari as Chairperson, Shri. S Ravindran, Prof. S Sudarshan and Shri. Rajesh Gopinathan as its Members.

In the interim period i.e. from November 28, 2023, till May 03, 2024, all matters requiring the attention of NRC were directly placed before the Board for its consideration.

The scope and functions of the NRC are in accordance with Section 178 of the Companies Act, the Listing Regulations and the SECC Regulations.

The terms of reference of the NRC inter-alia include the following:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director and for personnel who may be appointed in Senior Management.
2. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the Policy and criteria laid down.
3. Selecting the Managing Director.
4. Recommend to the Board the appointment and removal of Directors & personnel in Senior Management in accordance with policy and criteria laid down.
5. While recommending appointment of Independent Director / Public Interest Director (PID) the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director/PID. The person recommended to the Board for appointment as an Independent Director/PID shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may;
  - use the services of an external agencies, if required
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - consider the time commitments of the candidates
6. Recommend on the extension or continuation of the term of appointment of Independent Director and PID on the basis of performance evaluation of Independent Directors and PIDs.
7. Identification of Key Management Personnel (KMPs) and determining the tenure of KMPs under SEBI Regulations, other than a Director, to be posted in a regulatory department.
8. Recommend to the Board a policy relating to the compensation/remuneration in terms of the compensation norms prescribed by SEBI and remuneration for the Directors including MD & CEO, Senior Management (including Key Managerial Personnel) and other employees so as to attract

and retain best available personnel for position of substantial responsibility with the Company.

The NRC shall, while formulating the policy referred in point (h) above, ensure that

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
  - (c) Remuneration to Directors, Key Managerial Personnel and other Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
9. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

NRC has laid down performance evaluation criteria for the Board of Directors, Individual Directors (including Independent Directors) and Committees of the Board of Directors. The detailed process for Board Evaluation has been set out in the Board's Report which forms part of this Annual Report.

The details of the meetings and attendance of members of the Committee at these meetings are given below:

Members	Designation	Three Committee Meetings were held during the FY 23-24, on		
		April 06, 2023	April 27, 2023	July 18, 2023
Shri. K Narasimha Murthy <sup>1</sup>	Chairman	Yes	Yes	Yes
Shri. Girish Chandra Chaturvedi <sup>2</sup>	Member	Yes	Yes	Yes
Prof. S. Sudarshan	Member	Yes	Yes	Yes

<sup>1</sup> Ceased to be Chairman & Member of the Committee w.e.f. November 27, 2023.

<sup>2</sup> Ceased to be Member of the Committee w.e.f. November 27, 2023.

### C. Stakeholders Relationship Committee (SRC)

The Committee besides discharging the function of approving share transfers and deciding on any matter incidental to or connected with the share transfer, also discharges the function of redressal of shareholder grievances relating to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends etc. The role of SRC inter-alia include the following:

1. To review the status of redressal of grievances/ correspondences/complaints which may include complaints related to conduct of the general meetings, transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, redemption of bonds/debentures, non-receipt of interest, Bonus shares/

10. Approve variable pay and fixed pay of KMPs under SECC Regulations including Managing Director & CEO and release of variable pay withheld earlier of such KMPs.

11. Formulate the criteria for effective evaluation of performance for Independent Directors, Board of Directors its committees, Individual Directors and Public Interest Director (PID) and its review thereof; which shall be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

12. Determine the composition of the Board of Directors and addressing issues of Board diversity; devising a policy on diversity of Board of Directors.

13. Ensure that appropriate procedures are in place to assess Board membership needs and Board effectiveness.

14. Review, approve and aid the Board in succession and emergency preparedness plan for key executives.

Right shares/IPO shares, any other grievances related to the shares/bonds/debentures issued to the security holders of the Company, as may be applicable.

2. To review process related to transfer/transmission of securities and delegate, as appropriate, the authority to approve transfers/transmission of securities and related documentation to be submitted to R&TA/Depository(ies) related to transfer of shares.

3. To review the adherence to the service standards and standard operating procedures adopted by the Company in respect of various services being rendered and review of work done by the Registrar & Share Transfer Agent to its shareholders.



## Report on Corporate Governance (Contd.)

4. To review the various measures/initiatives taken by the Company, inter-alia for process related to transfer/transmission of securities, reducing the quantum of unclaimed dividends, ensuring timely receipt of dividend warrant/annual report/Notice of General Meetings by the shareholders of the Company and recommend measures to further enhance the service standards for the benefit of the security holders of the Company.
5. To review measures taken for effective exercise of voting rights by shareholders (including foreign shareholders).
6. To review the status of litigations that may have been filed by the Company against security holders of the Company or filed by security holders against the Company.
7. To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
8. To consider and review such other matters, as the Committee/Board may deem fit, from time to time.

The SRC as on March 31, 2024, comprised of three Directors viz., Shri. S. Ravindran (PID), Shri. Tablesh Pandey (NID) and Shri. Ashishkumar Chauhan (MD & CEO) as its Members with Shri. S. Ravindran (PID) as its Chairman.

The Company Secretary of NSE is the Compliance Officer, in terms of Regulation 6 of the Listing Regulations.

The details of the meetings and attendance of members of the Committee at these meetings are given below:

Members	Designation	Two Committee Meetings were held during the FY 23-24, on	
		April 27, 2023	October 25, 2023
Shri. Girish Chandra Chaturvedi <sup>1</sup>	Chairman	Yes	Yes
Shri. S Ravindran <sup>2</sup>	Chairman	NA	NA
Shri. Ashishkumar Chauhan	Member	Yes	Yes
Shri. Bishnu Charan Patnaik <sup>3</sup>	Member	Yes	NA
Shri. Veneet Nayar <sup>4</sup>	Member	Yes	NA
Shri. Tablesh Pandey <sup>5</sup>	Member	NA	Yes

<sup>1</sup> Ceased to be Chairman & Member of the Committee w.e.f. November 27, 2023.

<sup>2</sup> Appointed as Chairman of the Committee w.e.f. December 01, 2023.

<sup>3</sup> Ceased to be Member of the Committee w.e.f. April 29, 2023.

<sup>4</sup> Shri. Veneet Nayar (DIN: 02007846) who retired by rotation at the 31<sup>st</sup> Annual General Meeting held on August 23, 2023, was re-appointed by the shareholders at that meeting subject to approval of SEBI. Application has been submitted to SEBI for re-appointment of Shri. Veneet Nayar as Non-Independent Director, approval of which is awaited as on the date of the report.

<sup>5</sup> Appointed as Member w.e.f. September 06, 2023.

### Details of complaints received and resolved during the financial year:

Number of complaints received and resolved during the financial year are as under:

Opening Balance	Received during the year	Resolved during the year	Pending Complaints
Nil	12	12	Nil

All complaints were resolved to the satisfaction of shareholders of the Company.

### D. Risk Management Committee (RMC)

As per the SECC Regulations read in accordance with SEBI Circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019, the RMC shall consist only of Public Interest Directors and Independent External Persons and shall be chaired by a Public Interest Director; wherein the number of Public Interest Directors shall not be less than the

total of number of Independent External Persons. The RMC reviews the adequacy and efficacy of the Risk Management Framework on an ongoing basis.

The terms of reference of the RMC inter-alia include the following:

1. Responsible for managing and monitoring the Enterprise Risk Framework. The framework shall cover identification of internal and external risks, in particular including operational, information, cyber security risks or any other risk as may be determined by the Committee.
2. Responsible for ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks.
3. Responsible for approving all Risk Policies (ERM Policy, Reputation Risk Management Policy, Operational Risk Management Policy,

Information Security Policy, Cyber Security Policy, Data Protection Policy, Business Continuity Management Policy and Plan and any other policy relating to Risk Management) and recommending the same to the Board for their approval.

5. Responsible for approving the Risk Measurement Framework and recommending the same to the Board for its approval.

Re-assess Risk management Policies and Risk Measurement Framework at least on an annual basis based on the change in business strategy, regulation, macroeconomic environment or competitive practices.

6. Monitor and oversee implementation of the Risk Policies and Plan, including evaluating the adequacy of risk management systems.
7. Review output of Risk Measurement Framework on a periodic basis and suggest corrective/remedial Risk Mitigation actions, including systems and processes for internal control of identified risks, as the case may be.

8. Review the status of Cyber Security Implementation on a periodic basis.

9. Review Cyber Security Incidents on a periodic basis.

10. Review agenda and minutes of Enterprise Risk Committee as well as Operational Risk Management Committee and suggest actions to be taken, if any, to ensure overall Risk Mitigation.

11. Inform the Board of Directors about the nature and content of its discussions, recommendations and actions to be taken, deviations if any.

The RMC monitors the implementation of the risk management policies and keeps the Governing Board informed about its implementation and deviation, if any.

As on March 31, 2024, the RMC comprised of Prof. S. Sudarshan (PID), Shri. S. Ravindran (PID) and Shri. Abhijit Sen (Independent External Person) as its Members with Shri. S. Ravindran (PID) as its Chairman.

The details of the meetings and attendance of members of the Committee at these meetings are given below:

Members	Designation	Six Committee Meetings were held during the FY 23-24, on					
		April 27, 2023	July 10, 2023	July 26, 2023	October 23, 2023	January 16, 2024	February 06, 2024
Shri. S Ravindran	Chairman	Yes	Yes	Yes	Yes	Yes	Yes
Shri. K Narasimha Murthy <sup>1</sup>	Member	Yes	Yes	Yes	Yes	NA	NA
Prof. S Sudarshan	Member	Yes	Yes	Yes	Yes	Yes	Yes
Shri. Abhijit Sen (IEP)	Member	Yes	Yes	Yes	Yes	Yes	Yes

<sup>1</sup> Ceased to be Member of the Committee w.e.f. November 27, 2023.

Shri. Somasundaram K S, the Chief Enterprise Risk Officer of NSE reports directly to the Risk Management Committee and the Managing Director & CEO of NSE and attends all the meetings of RMC.

### E. Corporate Social Responsibility (CSR) Committee

In terms of the provision of Section 135 of the Companies Act, the CSR Committee was constituted, inter-alia, to formulate and recommend to the Board a CSR Policy, to recommend the amount of expenditure to be incurred on the activities and to monitor the CSR Policy of NSE from time to time.

#### The terms of reference of the CSR Committee inter-alia include the following:

1. Formulate and recommend the CSR Policy to the Board for approval, monitor its implementation and suggest modifications from time to time for the same.

2. Formulate and recommend to the Board for approval, an Annual Action Plan in pursuance of the CSR Policy which shall include:

- a) the list of CSR projects or programmes approved to be undertaken in the selected core focus areas.
- b) manner of execution of such projects or programmes.
- c) modalities of utilisation of funds.
- d) implementation schedules for the projects or programmes.
- e) monitoring & reporting mechanism for the projects or programmes.
- f) approve and recommend the details of need & impact assessment (if applicable) for the projects undertaken by the Company provided that the Board may alter such plan

**Report on Corporate Governance (Contd.)**

at any time during financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

3. Approve or ratify the CSR projects undertaken by NSE Foundation in line with the approved CSR Policy to ensure seamless implementation of the projects and fulfillment of the mandate set out under Section 135 of the Companies Act, 2013 and the Rules thereunder.
4. Report to the Board, the manner of utilisation of the annual CSR budget in pursuance of the CSR policy, unspent funds or excess spend towards CSR projects and ensure that the administrative overheads shall not exceed five per cent of the total CSR expenditure of the Company for any financial year.

5. Approve and recommend to the Board an Annual Report on the CSR activities in a format prescribed in the Companies Act, 2013.
6. Report to the Board on the progress of the various CSR projects undertaken by NSE Foundation or through any entity as prescribed under Section 135 of the Companies Act and CSR rules thereunder and the expenditure incurred for the same on a periodic basis.
7. Establish a transparent monitoring mechanism for ensuring implementation of the CSR programme.

The Committee as on March 31, 2024 consisted of Prof. S. Sudarshan (PID), Shri. Ashishkumar Chauhan (MD & CEO), Shri. Tablesh Pandey (NID) as its Members with Shri. Tablesh Pandey as Chairman of the Committee.

The details of the meetings and attendance of members of the Committee at these meetings are given below:

Members	Designation	Three Committee Meetings were held during the FY 23-24, on		
		April 27, 2023	July 20, 2023	December 18, 2023
Shri. Veneet Nayar <sup>1</sup>	Chairman	Yes	Yes	NA
Shri. Tablesh Pandey <sup>2</sup>	Chairman	NA	NA	Yes
Shri. Ashishkumar Chauhan	Member	Yes	Yes	Yes
Prof. S Sudarshan	Member	Yes	Yes	Yes

<sup>1</sup>Shri. Veneet Nayar (DIN: 02007846) who retired by rotation at the 31<sup>st</sup> Annual General Meeting held on August 23, 2023, was re-appointed by the shareholders at that meeting subject to approval of SEBI. Application has been submitted to SEBI for re-appointment of Shri. Veneet Nayar as Non-Independent Director, approval for which is awaited as on the date of this report. He ceased to be the Chairman w.e.f. August 23, 2023.

<sup>2</sup>Appointed as Chairman of the Committee w.e.f. September 06, 2023.

**F. Member and Core Settlement Guarantee Fund Committee (MCSGFC)**

As per the SECC Regulations read in accordance with SEBI Circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019, MCSGFC shall consist of Public Interest Directors and maximum of two Key Management Personnel (KMPs), one of which shall necessarily be the Managing Director of the Company. The Committee may also include Independent External Persons ("IEP"). SEBI may nominate members in the Committee, if felt necessary in the interest of securities market. The number of PIDs shall not be less than the total of number of Non-Independent Directors (NID), KMPs and Independent External Persons put together.

Accordingly, the MCSGFC as on March 31, 2024, comprised of 4 members viz. Shri. S Ravindran (PID), Prof. S Sudarshan (PID), Shri. Essaji Vahanvati (IEP) and Shri. Ashishkumar Chauhan, Managing Director & CEO with Shri. S Ravindran as the Chairman.

The terms of reference of the MGSFGC inter-alia include the following:

1. To scrutinise, evaluate, accept or reject applications for admission of members and transfer of membership and approve the voluntary withdrawal of membership.
2. Formulate the policy for regulatory actions including warning, monetary fine, suspension, withdrawal of trading, declaring a member as a defaulter, expulsion, to be taken for various violations by the members of the Exchange.
3. Based on the laid down policy, consider the cases of violations observed during the inspection, etc., and impose appropriate regulatory measures on the members of the Exchange.
4. While imposing the regulatory measure, the Committee shall adopt a laid down process based on the 'Principles of natural justice.'

5. Realise all the assets/deposits of the defaulter/expelled member and appropriate the same amongst various dues and claims against the defaulter/expelled member in accordance with the Rules, Byelaws and Regulations of the Exchange.
6. In the event both the clearing member and the constituent trading member are declared defaulters, then the membership selection Committee of the Stock Exchange and that of the Clearing Corporation shall work together to realise

the assets of both the clearing member and the trading member.

7. Admission or rejection of claims of client/trading members/clearing members over the assets of the defaulter/expelled member.
8. Recommendation in respect of the claims to the Trustees of the IPF on whether the claim is to be paid out of IPF or otherwise.
9. To oversee contribution towards Core Settlement Guarantee Fund (SGF) of the Clearing Corporation.

The details of the meetings and attendance of members of the Committee at these meetings are given below:

Members	Designation	Seventeen Committee Meetings were held during the FY 23-24, on																
		Apr 21, 2023	May 08, 2023	May 23, 2023	Jun 08, 2023	Jun 19, 2023	Jul 10, 2023	Jul 31, 2023	Aug 17, 2023	Aug 28, 2023	Sep 21, 2023	Oct 03, 2023	Oct 17, 2023	Nov 20, 2023	Dec 26, 2023	Feb 06, 2024	Feb 29, 2024	Mar 19, 2024
Smt. Mona Bhide <sup>1</sup>	Chairperson	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	NA	NA
Shri. S. Ravindran <sup>2</sup>	Chairman	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri. K. Narasimha Murthy <sup>3</sup>	Member	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	NA	NA
Shri. Ashishkumar Chauhan	Member	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri. Ranganayakulu Jagarlamudi <sup>4</sup> (IEP)	Member	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	NA	NA
Prof. S. Sudarshan <sup>5</sup>	Member	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	Yes	Yes	Yes	Yes
Shri. Essaji Vahanvati <sup>6</sup> (IEP)	Member	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	Yes	Yes

<sup>1</sup>Ceased to be Chairperson and Member of the Committee w.e.f. November 27, 2023.

<sup>2</sup>Appointed to be Chairman of the Committee w.e.f. December 01, 2023.

<sup>3</sup>Ceased to be Member of the Committee w.e.f. November 27, 2023.

<sup>4</sup>Ceased to be Member of the Committee w.e.f. December 04, 2023.

<sup>5</sup>Appointed as Member of the Committee w.e.f. December 01, 2023.

<sup>6</sup>Appointed as Member of the Committee w.e.f. February 28, 2024.

**G. Standing Committee on Technology (SCOT)**

As per the SECC Regulations read in accordance with SEBI Circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019, SCOT shall include at least two independent external persons proficient in technology. The number of PIDs shall not be less than the total of number of Non-Independent Directors and Independent External Persons put together.

Accordingly, the SCOT as on March 31, 2024 comprises of 4 members viz. Prof. S. Sudarshan (PID), Shri. S Ravindran (PID), Prof. Manindra Agarwal (IEP) and Dr. Lalitesh Katragadda (IEP) with Prof. S. Sudarshan as its Chairman.

Chief Technology Officers, Chief Enterprise Risk Officer and Chief Information Security Officer attend the meetings of the SCOT.

The terms of reference of the SCOT inter-alia include the following:

1. Monitor whether the technology used remains up to date and meets the growing demands of the markets.
2. Monitor the adequacy of systems capacity and efficiency.
3. To look into the changes being suggested by the Exchange to the existing software/hardware.

**Report on Corporate Governance (Contd.)**

4. Investigate into problems of computerised trading system, such as hanging/slowdown/breakdown.
5. Ensure that transparency is maintained in disseminating information regarding slowdown/breakdown in Online Trading System.
6. Submit a report to the Governing Board, who shall deliberate on the report and take suitable action/remedial measure.
7. Explain any stoppage beyond five minutes and report to the Board. The Exchange shall also issue a press release specifying the reasons for the breakdown.
8. Review the implementation of Board approved cyber security and resilience policy and its framework.
9. SCOT to apprise and update the NSE Board on a half yearly basis.
10. Such other matters as may be referred by the Governing Board of exchange and/or SEBI.
11. Such other matters as may be referred in SEBI circulars/notifications/guidelines, as applicable, from time to time.

The details of the meetings and attendance of members of the Committee at these meetings are given below:

Members	Designation	Six Committee Meetings were held during the FY 23-24, on					
		April 26, 2023	May 17, 2023	June 14, 2023	July 19, 2023	October 11, 2023	January 16, 2024
Prof. S. Sudarshan	Chairman	Yes	Yes	Yes	Yes	Yes	Yes
Shri. Girish Chandra Chaturvedi <sup>1</sup>	Member	Yes	Yes	Yes	Yes	Yes	NA
Shri. Veneet Nayar <sup>2</sup>	Member	Yes	Yes	Yes	Yes	NA	NA
Shri. S. Ravindran	Member	Yes	Yes	Yes	Yes	Yes	Yes
Prof. Manindra Agarwal (IEP)	Member	Yes	Yes	Yes	Yes	Yes	Yes
Dr. Lalitesh Katragadda (IEP)	Member	Yes	Yes	No	No	Yes	Yes

<sup>1</sup> Ceased to be Member of the Committee w.e.f. November 27, 2023.

<sup>2</sup> Shri. Veneet Nayar (DIN: 02007846) who retired by rotation at the 31<sup>st</sup> Annual General Meeting held on August 23, 2023, was re-appointed by the shareholders at that meeting subject to approval of SEBI. Application has been submitted to SEBI for re-appointment of Shri. Veneet Nayar as Non-Independent Director, approval for which is awaited as on the date of this report. He ceased to be Member of the Committee w.e.f. August 23, 2023.

**H. Regulatory Oversight Committee (ROC)**

As per the SECC Regulations read in accordance with SEBI Circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019, ROC shall comprise of Public Interest Directors and Independent External Persons; wherein the number of PIDs shall not be less than the total of number of Independent External Persons put together. Also, Non-Independent director and key management personnel may be invitee to the Committee.

Accordingly, the ROC as on March 31, 2024, comprises of 4 members, viz. Shri. S. Ravindran (PID), Prof. S Sudarshan (PID), Shri. V G Kannan (IEP) and Shri. Tablesh Pandey (NID) (Special Invitee) with Shri. S Ravindran as its Chairman.

The terms of reference of the ROC inter-alia include the following:

1. Oversee matters related to member regulation such as admission of members, inspection, disciplinary action, etc.
2. Oversee SEBI inspection observations on membership related issues.

3. Estimate the adequacy of resources dedicated to member regulation.
4. Oversee matters related to listing of securities such as admission of securities for trading, suspension/revocation, etc.
5. Oversee SEBI inspection observations on listing related issues.
6. Estimate the adequacy of resources dedicated to listing related function.
7. Oversee trading and surveillance related functions such as monitoring of market through order and trade level alerts, security level alerts, processing of alerts, price band changes, rumour verifications, shifting of securities to trade for trade segment, action against listed companies as a part of Surveillance Action, detailed investigations undertaken, disciplinary actions, etc., as may be applicable to the relevant segments of the Exchange.
8. Oversee SEBI inspection observations on surveillance related issues and also decisions taken in the periodic surveillance meeting at SEBI.

9. Estimate the adequacy of resources dedicated to trading and surveillance function.
10. Oversee matters related to product design and review the design of the already approved and running contracts.
11. Oversee SEBI inspection observation on Product Design related issues.
12. Estimate the adequacy of resources dedicated to Product Design related function.
13. Review the actions taken to implement the suggestions of SEBI's Inspection Reports, place the same before the Governing Board of the Stock Exchange.
14. To follow up, ensure compliance/implementation of the inspection observations.
15. Supervising the functioning of the Investors Services Cell of the Exchange, which includes a review of the complaint resolution process, review of complaints remaining unresolved over a long period of time, estimating the adequacy of resources dedicated to investor services, etc.
16. Supervise Investor Service Fund, including its utilisation.
17. Annual review of arbitrators and arbitration awards (both quantum and quality of the awards).
18. Lay down procedures for the implementation of the Ethics Code.
19. Prescribe reporting formats for the disclosures required under the Ethics Code.
20. Oversee the implementation of the code of ethics.
21. Periodically monitor the dealings in securities of the Key Management Personnel.
22. Periodically monitor the trading conducted by firms/corporate entities in which the Directors hold twenty percent or more beneficial interest or hold a controlling interest.
23. Monitor implementation of SECC Regulations and other applicable Rules and Regulations along-with SEBI Circulars and other directions issued thereunder.
24. Review the fees and charges levied by the Exchange.
25. The head(s) of department(s) handling the above matters shall report directly to the Committee and also to the Managing Director. Any action against the head(s) of department(s) shall be subject to an appeal to the Committee, within such period as may be determined by the Governing Board.

The details of the meetings and attendance of members of the Committee at these meetings are given below:

Members	Designation	Seven Committee Meetings were held during the FY 23-24, on						
		April 26, 2023	June 15, 2023	August 22, 2023	November 21, 2023	January 04, 2024	February 09, 2024	March 11, 2024
Shri. S. Ravindran	Chairman	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri. Bishnu Charan Patnaik <sup>1</sup>	Invitee	Yes	NA	NA	NA	NA	NA	NA
Smt. Mona Bhide <sup>2</sup>	Member	Yes	Yes	Yes	Yes	NA	NA	NA
Prof. S. Sudarshan <sup>3</sup>	Member	NA	NA	NA	NA	Yes	Yes	Yes
Shri. V G Kannan	Member	No	Yes	Yes	Yes	Yes	Yes	Yes
Shri. Tablesh Pandey <sup>4</sup>	Invitee	NA	NA	NA	Yes	Yes	Yes	Yes

<sup>1</sup> Ceased to be Invitee of the Committee w.e.f. April 29, 2023.

<sup>2</sup> Ceased to be Member of the Committee w.e.f. November 27, 2023

<sup>3</sup> Appointed as a Member w.e.f. December 01, 2023.

<sup>4</sup> Appointed as an Invitee w.e.f. September 06, 2023.

**I. Public Interest Director (PID) Committee**

As per SEBI Circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019, and as per the Code of Conduct of PIDs provided in the SECC Regulations, the PIDs are required to meet separately every six months to exchange views on critical issues which is required to be attended by all the PIDs.

Since PID Committee consists of Independent Directors, the Independent Directors Committee meeting, as required under Companies Act, has been merged with the Public Interest Committee Meeting with effect from January 14, 2023, and the terms of reference of the PID Committee were enhanced to include those required for Independent Directors Committee.



**Report on Corporate Governance (Contd.)**

The terms of reference of the PID Committee inter-alia include the following:

1. The objective of PID meetings, will include inter alia reviewing the status of compliance with SEBI letters/ circulars, reviewing the functioning of regulatory departments including the adequacy of resources dedicated to regulatory functions, etc.
2. PIDs will also prepare a report on the working of the committees of which they are member and circulate the same to other PIDs. The consolidated report in this regard shall be submitted to the Governing Board of the MIIs.
3. PIDs will identify the important issues which may involve conflict of interest for the MII or may have significant impact on the market and report the same to SEBI, from time to time.
4. Review the performance of Non-Independent Directors and the Board as a whole.
5. Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
6. Assess the quality, quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

7. In addition to above, the PIDs are required to do the following as per the SEBI letter dated November 14, 2019-
  - i. Oversee the SEBI inspection observations particularly on issues related to a) Governance Standards – Conflict of Interest; b) Technology and Cyber Security Issues, c) System Audit & Cyber Security Audit observations; d) Important Technology related issues.
  - ii. Put in place evaluation mechanism to assess the performance of MD/CEO on a continuing basis in line with evaluation guidelines for PIDs.
  - iii. To ensure appointment of MD/CEO within specified timelines and identification of KMPs be closely scrutinised as per laid down procedure and exceptions to be brought to the notice of SEBI.
  - iv. Evaluate investments made by the Exchange into unrelated area.
  - v. Evaluate the profitability margins of the Exchange as the EBITDA margins and PAT margins of MIIs are among the highest in the country.

The details of the meetings and attendance of members of the Committee at these meetings are given below:

Members	Four Committee Meetings were held during the FY 23-24, on			
	April 27, 2023	September 01, 2023	December 08, 2023	March 04, 2024
Shri. Girish Chandra Chaturvedi <sup>1</sup>	Yes	Yes	NA	NA
Shri. K. Narasimha Murthy <sup>2</sup>	Yes	Yes	NA	NA
Smt. Mona Bhide <sup>2</sup>	Yes	Yes	NA	NA
Shri. S. Ravindran	Yes	Yes	Yes	Yes
Prof. S. Sudarshan	Yes	Yes	Yes	Yes

<sup>1</sup> Ceased to be Chairman & Member of the Committee w.e.f. November 27, 2023.

<sup>2</sup> Ceased to be members of the Committee w.e.f. November 27, 2023.

**J. Committee of PID for second review of claims lodged by the claimants of the defaulter / expelled members**

This Committee reviews the claims lodged by the claimants of the defaulter/expelled members, i.e., the second review request lodged by the claimant who is not satisfied with the outcome of the first review by MCSGFC in respect of members who have been disabled post November 13, 2020. The said Committee was constituted pursuant to SEBI letter dated November 13, 2020.

Since there were no instances of 2<sup>nd</sup> review, so far, no meeting has been held.

**K. Advisory Committee**

As per the SECC Regulations read in accordance with SEBI Circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019, the main role of Advisory Committee is to advise the Governing Board on non-regulatory and operational matters including product design, technology, charges and levies.

Advisory Committee comprised of 13 members. Shri. Girish Chandra Chaturvedi acted as its Chairman. During the year, the Committee met once on September 14, 2023.

Pursuant to SECC Amendment Regulations, the Advisory Committee stands dissolved with effect from March 11, 2024.

**L. Investor Protection Fund Trust (IPFT)**

In order to ensure effective utilization of interest income on IPF, supervision of utilization of interest on IPF, an IPF Trust has been constituted in terms of the

SEBI Circular no. SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017.

**M. Committee to decide on compulsory Delisting**

In terms of the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, Committee to decide on compulsory Delisting has been constituted by the Company to provide reasoned recommendations on the delisting offer.

**Particulars of senior management of the Company as on March 31, 2024 and changes during the year:**

Name	Designation	Change during the year
Shri. Ashishkumar Chauhan	Managing Director and CEO	-
Shri. Yatrik Vin	Group Chief Financial Officer & Head Corporate Affairs	-
Shri. Mukesh Agarwal	Managing Director - NSE Data & Analytics Limited Managing Director - NSE Indices Limited	-
Shri. Mayur Sindhawad	Chief Technology Officer – Technology Operations	-
Shri. Somasundaram K S	Chief Enterprise Risk Officer and Head Business Excellence	-
Shri. Seshadri Meda	Chief Information and Security Officer	-
Shri. Viral Mody	Chief Technology Officer – Technology Application and Development	-
Shri. Sriram Krishnan	Chief Business Development Officer	-
Shri. Shharad Dhakkate	Chief Human Resource Officer	-
Shri. Piyush Chourasia	Chief Regulatory Officer – Membership Compliance, Surveillance, Membership Inspection and Investigation	Appointed as KMP w.e.f. August 16, 2023
Shri. Avishkar Naik	Head – Listing Compliance, Listing Investigation, Listing Approval and Delisting	Designated as KMP w.e.f. January 08, 2024
Shri. Rohit Gupte	Company Secretary	-
Smt. Renu Bhandari	Vice President – Inspection	-
Shri. Arvind Goyal	Head - Trade Operations	-
Shri. Sampath Manickam	Chief Technology Officer – Technology Infrastructure	-
Shri. Bireshwar Chatterjee	Vice President – Surveillance and Investigation	-
Smt. Sonali Rajiv Karnik	Vice President – Enforcement and Exchange Compliance	-
Shri. Krishnan N Iyer	Senior Vice President – Regulatory	-
Shri. Vitthal More	Senior Vice President – Product Strategy & Services	Designated as KMP w.e.f. April 06, 2023
Dr. Tirthankar Patnaik	Chief Economist	Designated as KMP w.e.f. April 06, 2023
Shri. Arijit Sengupta	Head Marketing and Corp Communication	Designated as KMP w.e.f. April 06, 2023
Dr. Harish Kumar Ahuja	Senior Vice President – Issuer Relationships	Designated as KMP w.e.f. April 06, 2023
Shri. Sanjay Kumar Sinha	Senior Vice President – Business Excellence	Designated as KMP w.e.f. April 06, 2023
Shri. Amit Bhobe	Senior Vice President – Application IT Operations	Designated as KMP w.e.f. April 06, 2023
Shri. Rakesh Tripathi	Financial Controller	Appointed as KMP w.e.f. August 07, 2023
Shri. Ashish Krishna	Managing Director – NSE Investments Limited	Designated as KMP w.e.f. April 06, 2023
Shri. Ankit Sharma	Chief Regulatory Officer – Listing and Investor Compliance	Appointed as KMP w.e.f. November 30, 2023
Shri. Vikram Kothari	Managing Director – NSE Clearing Limited	Ceased to be KMP w.e.f. August 28, 2023
Shri. M Vasudev Rao	Group General Counsel	Resigned w.e.f. January 08, 2024
Smt. Nisha Subhash	Senior Vice President – Regulatory	Resigned w.e.f. November 13, 2023
Shri. Dinesh Soni	Senior Vice President – Special Projects	Ceased to KMP w.e.f. January 31, 2024
Shri. Hari K	Head- Domestic Relationships, Business Development	Resigned w.e.f. July 17, 2023
Shri. Mahesh Soparkar	Senior Vice President – Application and Development	Ceased to KMP w.e.f. January 31, 2024
Shri. Ashish Krishna	Managing Director – NSE Investments Limited	Ceased to KMP w.e.f. April 27, 2023
Shri. Rajanish Nagwekar	Vice President – Application and Development	Ceased to be KMP w.e.f. August 28, 2023



## Report on Corporate Governance (Contd.)

Name	Designation	Change during the year
Shri. Sujoy Das	Vice President – Application and Development	Ceased to be KMP w.e.f. August 28, 2023
Shri. Sushil Limbulkar	Vice President – Application and Development	Ceased to be KMP w.e.f. July 14, 2023
Shri. Ajit Sinha	Vice President (Legal - Non - Litigation)	Ceased to be KMP w.e.f. August 28, 2023
Shri. Sanjay Appukuttan Nair	Vice President (Litigation)	Ceased to be KMP w.e.f. August 28, 2023
Shri. Tojo Banerjee	Vice President – Business Development	Ceased to be KMP w.e.f. August 28, 2023
Shri. Kiran Dusane	Vice President – Premises	Ceased to be KMP w.e.f. August 28, 2023
Shri. Omkeshwar Singh	Vice President – Mutual Fund Business	Ceased to be KMP w.e.f. August 28, 2023
Shri. Bhavesh Shah	Vice President (Finance and Accounts)	Ceased to be KMP w.e.f. August 28, 2023
Shri. Virag Shah	Vice President (Treasury – Finance and Accounts)	Ceased to be KMP w.e.f. August 28, 2023
Smt. Kavita Ahuja	Vice President (Member Services)	Ceased to be KMP w.e.f. August 28, 2023
Shri. Premal Shah	Vice President (Taxation – Finance and Accounts)	Ceased to be KMP w.e.f. August 28, 2023
Shri. Shubhendu Dutta	Vice President (IT – GRC)	Ceased to be KMP w.e.f. August 28, 2023
Smt. Meghana Mahadkar	Associate Vice President – Commodity Relationship	Ceased to be KMP w.e.f. August 28, 2023
Shri. Jamal Akbar Sharif	Associate Vice President – Administration	Ceased to be KMP w.e.f. August 28, 2023
Shri. Sumit Agarwal	Associate Vice President – Enterprise Risk	Ceased to be KMP w.e.f. August 28, 2023
Shri. Soumick Roy	Associate Vice President – Human Resources	Resigned w.e.f. July 25, 2023
Shri. Kunal Trivedi	Chief Manager – Secretarial and Corporate Compliances	Ceased to be KMP w.e.f. August 28, 2023
Smt. Moushumi Mandal	Vice President – Human Resources	Ceased to be KMP w.e.f. August 28, 2023
Shri. Clinton Bennis	Vice President – International Relationships	Ceased to be KMP w.e.f. August 28, 2023
Smt. Priya Subbaraman	Chief Regulatory Officer	Resigned w.e.f. July 03, 2023
Shri. Shiv Kumar Bhasin	Chief Technology Officer – Technology Infrastructure	Resigned w.e.f. June 16, 2023
Smt. Yukti Sharma	Head Listing Approval	Ceased to be KMP w.e.f. April 5, 2023
Shri. Nilesh Tinaikar	Vice President (BSG)	Ceased to be KMP w.e.f. May 31, 2023
Shri. Prem Dhage	Associate Vice President - Human Resources	Resigned w.e.f. May 31, 2023
Shri. Avishkar Naik	Head – Listing Compliance	Ceased to be KMP w.e.f. August 28, 2023

### IV General Body Meetings

#### A. Location and Time, where Last Three Annual General Meetings (AGMs) were Held:

Year	Date	Time	Venue	Special Resolution passed
31 <sup>st</sup> AGM – FY 22-23	August 23, 2023	11.00 A.M	Meetings were held through video conferencing/other audio-visual means.	-
30 <sup>th</sup> AGM – FY 21-22	July 12, 2022	11.00 A.M	(Deemed venue - Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051)	-
29 <sup>th</sup> AGM – FY 20-21	August 25, 2021	11.00 A.M		-

#### B. Extraordinary General Meeting

No Extraordinary General Meeting of the Company was held during the FY 23-24.

#### C. Postal Ballot

During the financial year, no special resolution was passed by the Company through postal ballot. However, the Company passed an ordinary resolution through postal ballot through e-voting, details of which are as under:

Date of postal ballot notice	Resolution passed	Approval date	Scrutiniser
June 22, 2023	Appointment of Mr. Tablesh Pandey (DIN: 10119561), as Shareholder Director/Non-Independent Director, subject to SEBI approval	July 23, 2023	Ms. Deepti Kulkarni, Designated Partner of MMJB & Associates LLP

#### Procedure for Postal Ballot

In accordance with the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act read with the Rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs from time to time, resolution was proposed to be passed by means of Postal Ballot, only by way of remote e-voting process (“e-voting”). The Company had engaged National Securities Depository Limited for providing the e-voting facility to the members of the Company.

Ms. Deepti Kulkarni, Designated Partner of MMJB & Associates LLP acted as the Scrutiniser for conducting the remote e-voting process in a fair and transparent manner.

The Notice of the Postal Ballot was sent (through electronic mode only) to the members whose name appeared in the register of members as on the Friday, June 16, 2023 (Cut-Off Date). The remote e-voting commenced on Saturday, June 24, 2023 at 9.00 a.m. (IST) and ended on Sunday, July 23, 2023 at 5.00 p.m. (IST).

After completion of scrutiny, the Scrutiniser submitted her report on July 24, 2023, and voting results were announced on the same day. The summary of voting result is given below:

Resolution	Voting in favour (%)	Voting against (%)	Remarks
Appointment of Mr. Tablesh Pandey (DIN: 10119561), as Shareholder Director/Non-Independent Director, subject to SEBI approval	99.98	0.02	Resolution was passed with requisite majority

#### Details of special resolution proposed to be transacted through postal ballot

No special resolution is proposed to be passed through Postal Ballot as on the date of this Report. However, there is a proposal to conduct the postal ballot process for approving two ordinary resolutions namely for, i) Increase of Authorised Share Capital of the Company and consequent Alteration to the Memorandum of Association of the Company; and ii) Issue of Bonus Shares by way of capitalisation of reserves.

### V. General Shareholder Information

S. No.	Particulars	Details
1.	Annual General Meeting – Date Time and Venue	The 32 <sup>nd</sup> Annual General Meeting of NSE will be held on Tuesday, August 27, 2024 at 04:00 P.M (IST) through Video Conference/Other Audio-Visual Means (VC/OAVM). The deemed venue for the 32 <sup>nd</sup> Annual General Meeting shall be the Registered Office of the Company i.e. Exchange Plaza, Plot No. 1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051.
2.	Financial Year and Financial Calendar	April 01, 2023 to March 31, 2024 Financial Calendar (tentative) for considering Results for quarter ending on:- June 30, 2024 – First or Second week of August 2024 September 30, 2024 – First or Second week of November 2024 December 31, 2024 – First or Second week of February 2025 March 31, 2025 – First or Second week of May 2025
3.	Dividend Payment Date	Dividend, if declared at the AGM will be paid within 30 days of the AGM, to those Shareholders whose names appear in the Register of Members of the Company as on Tuesday, August 20, 2024 (Record Date)
4.	Registrar to an issue and share transfer agents	The address for communication and contact details of the Registrar and Transfer Agent are as under: <b>M/s. Link Intime India Private Limited</b> <b>Unit – National Stock Exchange of India Limited</b> C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083, Maharashtra Tel. No. + 91 22 49186000; Fax No. + 91 22 49186060 e-mail id: benpos@linkintime.co.in/equityca@linkintime.co.in ; website: <a href="https://linkintime.co.in">https://linkintime.co.in</a>

**Report on Corporate Governance (Contd.)**

S. No.	Particulars	Details
5.	Share Transfer system and ISIN	The equity shares of NSE are in dematerialised form. To ensure compliance with the provisions of SECC Regulations and pursuant to the provisions of Articles of Association of the Company, the International Securities Identification Number (ISIN) of equity shares of the Company is kept under suspended mode to prevent transfers of shares without approval by NSE. SEBI, vide its notification dated August 13, 2021, amended Regulation 19 of the SECC Regulations, pursuant to which, the onus of ensuring the fit and proper person criteria for the shareholders of exchange, which was earlier on the stock exchange is now on the shareholders themselves. The SRC has approved a process for transfer of shares for shareholding below 2% and has delegated powers for approval to certain senior officials of the Company. ISIN: INE721I01024
6.	Dematerialisation of shares and liquidity	NSE's shares are fully dematerialised.
7.	Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity	The Company has not issued any GDRs/ADRs/Warrants or any Convertible Instruments.
8.	Commodity price risk or foreign exchange risk and hedging activities	The Company is neither exposed to any commodity price risk or foreign exchange risk nor undertaken any hedging activities. Therefore, the disclosure is not applicable.
9.	Details of Plant Locations	None
10.	Address for Correspondence	Secretarial Department, National Stock Exchange of India Limited, Exchange Plaza, Plot No. 1, "G" Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
11.	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad	Not Applicable The Company did not issue any debt instrument or any fixed deposit programme or any scheme or proposal involving mobilisation of funds, in India or abroad.

**12. Distribution of Shareholding:**

Distribution of Shareholding as on March 31, 2024, is as under:

Category	No. of shareholders in each category	% of the category	No. of shares	% to the total paid up equity capital
Individuals	11,239	84.37	8,01,69,291	16.20
Corporates-Listed	35	0.26	78,26,050	1.58
Corporates-Unlisted	1,143	8.58	7,65,72,825	15.47
Financial Institutions/Banks	5	0.04	2,26,03,317	4.57
Insurance Companies	12	0.09	9,57,79,750	19.35
Venture Capital Fund/AIFs	10	0.08	1,82,82,675	3.69
Foreign holding	374	2.81	18,08,54,746	36.54
Hindu Undivided Family	298	2.24	13,26,228	0.27
Trust	205	1.54	1,15,85,118	2.34
<b>Total</b>	<b>13,321</b>	<b>100.00</b>	<b>49,50,00,000</b>	<b>100.00</b>

Top 10 Shareholders as on March 31, 2024, are as under:

S. N.	Name of the shareholder	No. of shares	% to the total paid up equity capital
1	Life Insurance Corporation of India	5,30,55,000	10.72
2	Aranda Investments (Mauritius) Pte Ltd.	2,47,50,000	5.00
3	Stock Holding Corporation of India Ltd.	2,20,00,000	4.44
4	SBI Capital Markets Limited	2,14,50,000	4.33
5	Veracity Investments Limited	1,94,59,000	3.93

S. N.	Name of the shareholder	No. of shares	% to the total paid up equity capital
6	State Bank of India	1,59,69,410	3.23
7	Crown Capital Limited	1,43,71,093	2.90
8	PI Opportunities Fund I	1,32,60,000	2.68
9	TIMF Holdings	1,08,81,577	2.20
10	Canada Pension Plan Investment Board	98,95,050	2.00

As per SECC Regulations, NSE is required to ensure that at least 51% of the equity share capital is held by public i.e. not more than 49% to be held by Trading Member/Clearing Member/their associates. NSE is also required to ensure that at least 51% of the equity share capital is held by persons resident in India (as per Foreign Exchange Management Act, 1999) i.e. not more than 49% to be held by persons resident outside India.

The percentage of shareholding in the hands of 'Public' category within the meaning of SECC Regulations as on March 31, 2024 is 56.20% as against the minimum requirement of 51%.

**VI. Other Disclosures****A. Compliance with Regulations 17 to 27 and Regulation 46 of Listing Regulations**

Except as provided in the Board Report, the Company has complied with and disclosed all the applicable mandatory Corporate Governance requirements mentioned under Regulation 17 to 27 and clauses (b) to (i) sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

**B. Related Party Transactions**

The transactions with related parties are entered in the ordinary course of business and on an arm's length basis. The details of the related party transactions are disclosed in this Annual Report. The 'Policy on dealing with related party transactions' is available on the website of the Company and can be accessed through the weblink:

[https://nsearchives.nseindia.com/global/content/about\\_us/PolicyonMaterialityandDealingwithRelatedPartyTransactions.pdf](https://nsearchives.nseindia.com/global/content/about_us/PolicyonMaterialityandDealingwithRelatedPartyTransactions.pdf)

The Audit Committee of the Company has granted omnibus approval for the Related Party Transactions (RPTs) which are of repetitive nature and entered in the ordinary course of business and are at arm's length. The Audit Committee also reviews all RPTs on a quarterly basis in line with the omnibus approval granted by it.

**C. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 has been set out in the Board Report

**D. Directors & Officers (D&O) Insurance**

In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has taken Directors and Officers Insurance (D&O) for all its Directors and Members of the Senior Management and other employees for such quantum and for such risks as determined.

**Report on Corporate Governance (Contd.)****E. Details of non-compliance by NSE, penalties, strictures imposed on NSE by SEBI or any other statutory authority on any matter related to capital markets during the last 3 years.****S.N. Details****1. Co-location order – WTM/GM/efd/03/2018-19 dated April 30, 2019 (Pending before Supreme Court)**

SEBI vide its WTM order dated April 30, 2019 passed the following directions:

- I. The Company shall disgorge an amount of ₹624.89 Crores along with interest at the rate of 12% per annum from April 01, 2014 onwards to the Investor Protection and Education Fund (IPEF) created by SEBI under Section 11 of the SEBI Act, within 45 days from the date of the Colocation Order.
- II. The Company shall be prohibited from accessing the securities market directly or indirectly for a period of six months from the date of the Co-location order.
- III. The Company shall carry out System Audit at frequent intervals, after thorough appraisal of the technological changes introduced from time to time; reconstitute its Standing Committee on Technology at regular intervals to take stock of technological issues; and frame a clear policy on administering whistle blower complaints.
- IV. The Company shall initiate an enquiry under its Employees Regulations against Shri. Mahesh Soparkar and Shri. Deviprasad Singh with respect to the findings contained in paragraph 8.4.7.6 of the Colocation Order and submit a report to SEBI within 6 months from the date of the colocation order.
- V. Shri. Ravi Narain (former MD & CEO of NSE) was directed to disgorge 25% of the salary drawn for FY 2010-11 to 2012-13 to the IPEF created by SEBI under Section 11 of the SEBI Act, through NSE, within a period of 45 days from the date of the Colocation Order. NSE has been directed to determine and intimate the amount arrived at, in view of the above directive.
- VI. Smt. Chitra Ramkrishna (former MD & CEO of NSE) was directed to disgorge 25% of the salary drawn for FY 2013-14 to the IPEF created by SEBI under Section 11 of the SEBI Act, through NSE, within a period of 45 days from the date of Colocation Order. The Company has been directed to determine and intimate the amount arrived at, in view of the above directive.

The Company filed an appeal before the Hon'ble SAT challenging the SEBI order dated April 30, 2019. On January 23, 2023 the Hon'ble SAT passed an order deciding the Appeal filed by the Company and issued the following directions:

- a. We set aside the order of the WTM directing disgorgement of an amount of ₹624.89/- Crores along with interest at the rate of 12% p.a. against the Company.
- b. Directions given by the WTM prohibiting the Company from accessing the securities market, directly or indirectly, for a period of six months and, further, directing the Company to carry out system audit at frequent interval after thorough appraisal of the technological changes introduced from time to time is affirmed.
- c. We direct the Company to deposit a sum of ₹100/- Crores to the Investor Protection and Education Fund created by SEBI. This amount will be adjusted by SEBI pursuant to the deposit already made by the Company vide our interim orders dated 22<sup>nd</sup> May, 2019 and 17<sup>th</sup> May, 2021. The excess amount along with interest accrued shall be refunded by SEBI within six weeks. The appeal of the Company is partly allowed.
- d. The direction to disgorge 25% of the salary from Shri. Ravi Narain and Smt. Chitra Ramkrishna is set aside.
- e. The direction prohibiting Shri. Ravi Narain and Smt. Chitra Ramkrishna from associating with any listed Company or a Market Infrastructure Institution or any other market intermediary for a period of five years is set aside and substituted for the period undergone by them. The appeals for Shri. Ravi Narain and Smt. Chitra Ramkrishna are allowed.
- f. The direction of the WTM directing the Company to initiate enquiry against its employees is affirmed.
- g. The violations committed by OPG as found by WTM is affirmed. However, the direction of the WTM directing OPG and its Directors to disgorge ₹15.57/- Crores along with interest at the rate of 12% p.a. from 7<sup>th</sup> April, 2014 onwards is set aside. The matter is remitted to the WTM to decide the quantum of disgorgement afresh in the light of the observation made above within four months from today.
- h. In addition to the above, we direct the WTM to consider the charge of connivance and collusion of OPG and its Directors with any employee/officials of the Company. Further, the WTM will decide the issuance of direction/penalty concealment/destruction of vital information and will further reconsider the Issue relating to crowding out other market participants.
- i. All other directions issued against OPG and its Directors are affirmed. The appeal is partly allowed.
- j. The intervention applications as well as the appeal of Shri A. Kumar are rejected.

Thereafter, SEBI preferred an appeal before the Hon'ble Supreme Court against the SAT Order and the Hon'ble Supreme Court vide its interim order dated March 20, 2023 directed SEBI to refund NSE ₹300 Crores which is to be kept in a separate account which shall be subject to the result of the appeal. The Company has received ₹300 Crores on April 21, 2023. No stay has been granted by the Hon'ble Supreme Court and the Appeal is pending for final hearing and disposal.

**S.N. Details****2. Dark Fiber Order WTM/SKM/efd1-DRAIII/16/2019-20 dated April 30, 2019 (Pending before Supreme Court)**

SEBI vide its WTM Order dated April 30, 2019 issued the following directions to the Company:

- I. to deposit a sum of ₹62.58/- Crores as determined at paragraph 70.3 by the Dark Fiber Order along with interest calculated at the rate of 12% p.a. from September 11, 2015 till the actual date of payment, to IPEF of SEBI within 45 days from the date of this Order.
- II. on completion of every six months (by June 30 and December 31) for the next three years, shall get its network architecture and infrastructure in its colocation facility and its linkages to the trading infrastructure audited by an independent CISA/CISM qualified and CERT-IN empanelled auditor. The deficiencies/shortcomings observed therein and the corrective steps taken thereon, with the comments of the MD and CEO of NSE shall be submitted to SEBI after obtaining approval of its Governing Board within 60 days from June 30 and December 31 of the year starting from June 30, 2019.
- III. to prepare a comprehensive documented policy which shall, inter alia, include Guidelines, Standard Operating Procedures and Protocols with respect to its colocation facility including the eligibility criteria for Telecom Service Providers, the norms to be observed by the Stock Brokers and other registered intermediaries. The said documented policy is directed to be issued to the market intermediaries under intimation to SEBI, within three months from the date of Dark fiber Order.
- IV. submit to SEBI, a report duly certified by its MD and CEO and with the comments of its Governing Board certifying that the network architecture and connectivity at its colocation facility and its linkages to the trading infrastructure are in conformity with SEBI's regulatory norms to provide fair, equitable, transparent and non-discriminatory treatment to all the market intermediaries registered with NSE. Such report shall be submitted within 30 days after every six months (ending on June 30 and December 31) for the next three years. First, such report shall be filed for the six months ending on June 30, 2019, by July 31, 2019 based on the existing system and practices, pending compliances to directions issued at points 2 and 3 above.
- V. Not to introduce any new derivatives product for next six months from the date of the Dark fiber Order.

The Company filed an appeal before the Hon'ble SAT challenging the SEBI WTM order dated April 30, 2019.

On August 9, 2023 the Hon'ble SAT passed an order allowing the Appeal and issued the following direction:

SEBI to refund a sum of ₹62.58/- Crores along with interest accrued on it to NSE within four weeks from the date of the order. Further the directions given to the Company for depositing the revenue emanating from colocation facility, etc. in an escrow account and the details to be submitted to SEBI from time to time stands vacated.

Being aggrieved by the order of the Hon'ble SAT, SEBI filed an appeal before the Hon'ble Supreme Court and the Hon'ble Supreme Court vide its order dated October 17, 2023 directed SEBI to refund to Company an amount of ₹31 Crores within six weeks from the date of the order. SEBI refunded the amount on November 17, 2023. The Appeal is pending final hearing and disposal by the Hon'ble Supreme Court.

**3. Governance and Conflict of Interest Order – WTM/SKM/efd1-DRAIII/18/2019-20 dated April 30, 2019 (Pending before SAT)**

SEBI vide its WTM order dated April 30, 2019 exonerated the Company of the charges of PFUTP Regulations due to lack of concrete evidence to show collusion between the three Noticees and/or any awareness on behalf of NSE about the alleged misuse of data by Shri. Ajay Shah and Smt. Sunita Thomas and passed the following directions for the Company:

- I. to take necessary legal actions against Shri. Ajay Shah, Infotech Financial Services Pvt. Ltd., Smt. Sunita Thomas and Shri. Krishna Dagli (Directors of Infotech Financial Services Pvt. Ltd.) for violating the provisions of the "Professional Service Agreement" signed with Infotech in connection with LIX project and for misusing the data made available to them by the Company as per the findings made in this Governance Order. The Company is further directed to submit an action taken report in this regard along with the observation of its Governing Board to SEBI, within three months from date of the Governance Order.
- II. to review all the third-party agreements having a data sharing component/provision therein signed by it from year 2009 onwards and take necessary legal actions against the parties with whom such agreements were signed wherever any actions of irregularity, breach of terms and conditions and other provisions of such agreements are observed. The Company is further directed to submit an action taken report in this regard along with the observation of its Governing Board to SEBI, within three months from date of the Governance Order.
- III. to prepare a detailed documented policy with respect to data usage and data sharing with external persons/entities in a fair & transparent manner, including data sharing with any researchers, commercial entities, overseas entities, etc., with due provisions for processes to be followed and disclosures of conflict of interest to be made at the level of any employee of the Company. The policy shall be comprehensive with proper maker and checker system with provision for periodic review to ensure prevention of misuse of the data/information. The Company is further directed to submit an action taken report in this regard along with the observation of its Governing Board to SEBI, within three months from the date of the Governance Order.
- IV. It is further directed that the aforementioned data usage and data sharing policy shall be implemented after approval of the same by the Governing Board of NSE and shall be disseminated through a circular and also be displayed on the website of the Company.

Being aggrieved by the aforesaid order, NSE filed an Appeal before the Hon'ble SAT and vide an interim order dated July 9, 2019 stayed the directives passed under SEBI WTM order till the pendency of the Appeal. The Appeal is pending before the Hon'ble SAT for final hearing and disposal.



## Report on Corporate Governance (Contd.)

## S.N. Details

- 4. NSE Investment Adjudication Order: Order/AP/SK/2020-21/9375 October 01, 2020 (pending before Supreme Court)**  
SEBI vide its AO order dated October 1, 2020 levied a penalty of ₹6 Crores on the Company for violation of the Regulation 38(2) of the SECC Regulations, 2018 and 41(3) of the SECC Regulations, 2012, which laid down that Stock Exchanges should obtain prior approval of SEBI before engaging in activities that are unrelated and non-incident to the activities of a Stock Exchange and through a separate legal entity.  
Company being aggrieved by the aforesaid order preferred an Appeal before the Hon'ble SAT and the Hon'ble SAT vide its final order dated January 4, 2022 allowed the appeal and concluded that SEBI Order dated October 1, 2020 cannot be sustained and is quashed.  
SEBI being aggrieved by the foresaid order preferred an Appeal before the Hon'ble Supreme Court. No stay has been granted and the Appeal is pending final hearing and disposal.
- 5. Colocation Adjudication Order - Order/AP/SK/2020-21/10374-10376 dated SEBI Order dated February 10, 2021 (Pending before Supreme Court)**  
SEBI vide an AO order dated February 10, 2021 levied a penalty of ₹1 Crores on the Company for the violation of the provisions related to fairness & transparency, due diligence and conflict of interest as specified in the Master Circular No. CIR/MRD/DSA/SE/43/2010 of December 31, 2010.  
The Company filed an appeal before the Hon'ble SAT challenging the SEBI AO order dated February 10, 2021.  
On July 12, 2023 the Hon'ble SAT passed an order allowing the Appeal by setting aside the SEBI order dated February 10, 2021 as SAT opined that two penalties for the same violation cannot be imposed. Since it had already imposed a penalty of ₹100 Crores upon the Company in its order dated January 23, 2023 which in its opinion is more than sufficient. The impugned order of the AO imposing a penalty of ₹1 crore against the Company, thus, cannot be sustained and is quashed.  
Thereafter, SEBI filed an appeal before the Hon'ble Supreme Court challenging the SAT order dated July 12, 2023. No stay has been granted by the Hon'ble Court against the order passed by SAT and the Appeal is pending final hearing and disposal before the Hon'ble Supreme Court.
- 6. SEBI letter dated July 2, 2021 bearing reference no. SEBI/HO/MRD1/MRD1\_DTCS/P/OW/2021/14193/2 financial disincentive of ₹25 Lakhs. (NSE has complied with the directions and the matter is closed)**  
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 ₹25 Lakhs and the same was paid by the Company on July 12, 2021. The matter is closed.
- 7. STP SCN – Settlement – Application No.6461/2021 – December 28, 2021 (The Company has complied with the order and the matter is closed)**  
SEBI issued a SCN dated March 26, 2021 for the alleged violation that the Company functioned as STP service provider without obtaining the renewal of approval from SEBI which resulted in violation of provisions of Clauses 3(1), 5(1)(i), 6(1)(i) and 6(1)(ii) of the SEBI (STP Centralized Hub and STP Service Providers) Guidelines, 2004 ('STP Guidelines'). The Company filed settlement application before SEBI under the SEBI (Settlement Proceedings) Regulations 2018. SEBI passed a settlement order on December 28, 2021 agreeing to the settlement terms and acknowledged the payment of ₹21,67,500/- paid on December 3, 2021. The matter is closed.
- 8. Corporate Governance – GOO Order WTM/AB/MRD/DSA/21/2021-22 dated February 11, 2022 (The Company has complied with the order and the matter is closed)**  
SEBI vide an AO order dated February 11, 2022 levied a penalty of ₹2 Crores for 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 a former Managing Director & Chief Executive Officer and the sharing of certain internal information pertaining to the Company with an alleged third party by the former Managing Director & Chief Executive Officer. NSE has paid the penalty of ₹2 Crores and the matter has been closed.
- 9. Dark Fibre Adjudication – AO Ref. No. ORDER/SBM/ASR/2022-23/17390-17407 dated June 28, 2022 (Pending before Supreme Court)**  
Penalty amount of ₹7 Crores imposed on the Company. The Company preferred an appeal and the Hon'ble SAT vide its order dated December 14, 2023 has passed the following direction:  
The penalty of ₹5 Crores under Section 15HA of the SEBI Act for violation of the Regulations 3 and 4 of the PFUTP Regulations read with Section 12A of the SEBI Act cannot be sustained and is quashed. The penalty of ₹1 crore under Section 15HB of the SEBI Act for violation of the Circular dated May 13, 2015 cannot be sustained and is quashed. The imposition of penalty of ₹1 crore under Section 23H of SCRA for violation of Regulations 41(2), 47 and 48 of the SECC Regulations cannot be sustained and is quashed. The Appeal is allowed.  
SEBI being aggrieved by the SAT order dated December 14, 2023 preferred an appeal before the Hon'ble Supreme Court and the Appeal is pending final hearing and disposal.

## S.N. Details

- 10. Governance and Conflict of Interest- Ref. No. ORDER/SBM/ASR/2022-23/17637-17644] dated June 30,2022 (Pending before SAT)**  
On June 30, 2022, the Adjudicating Officer of SEBI passed an order imposing a monetary penalty of ₹1 Crore on the Company for the violation of the provisions related to fairness & transparency, due diligence and conflict of interest as specified in the Master Circular No. CIR/MRD/DSA/SE/43/2010 of December 31, 2010.  
Being aggrieved by the aforesaid order, the Company filed an Appeal before the Hon'ble SAT and vide an interim order dated August 11, 2022 a stay was imposed on the directions passed by the SEBI AO. The Appeal is pending before the Hon'ble SAT for final hearing and disposal.

**F. Vigil Mechanism/Whistle Blower Policy**

NSE has established a mechanism for any person to report concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct or code of ethics policy. NSE also provides for adequate safeguards against victimisation of employees who avail the mechanism and also allows direct access to the Chairman of Audit Committee, as the case may be. No personnel have been denied access to the Audit Committee.

The details of Vigil Mechanism are provided on the Company's website and can be accessed through the weblink <https://www.nseindia.com/regulations/exchange-disclosures-details-of-vigil-mechanism>.

**G. Compliance with the Non-mandatory Requirements (Part E of Schedule II Regulation 27(1) of the Listing Regulations)**

In addition to the above, NSE also complies with the following non-mandatory requirements of Part E of Schedule II Regulation 27(1) of the Listing Regulations:

- The Company maintains the Chairperson's office at NSE's expense and reimburses the expenses incurred by Chairman in performance of his duties.
- The Company maintains separate positions for Chairperson and Managing Director & Chief Executive Officer.
- The Statutory Auditors have issued an unmodified opinion on the financial statements of the Company.
- The Internal Auditors of the Company directly reports to the Audit Committee.

**H. Subsidiary Companies**

As per Listing Regulations, "material subsidiary" shall mean a subsidiary whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

In terms of the Corporate Governance norms provided under the Listing Regulations, NSE Clearing Limited (NCL) and NSE Investments Limited (NSEI) qualifies to be 'material unlisted Indian subsidiary' of NSE. A statement of all significant transactions and arrangements entered into by NCL and NSEI is periodically brought to the attention of the Board of Directors of NSE. The 'Policy for determining material subsidiaries' is available on the Website of NSE. (Weblink: [https://nsearchives.nseindia.com/web/sites/default/files/inline-files/Material%20Subsidiary%20Policy\\_0.pdf](https://nsearchives.nseindia.com/web/sites/default/files/inline-files/Material%20Subsidiary%20Policy_0.pdf))

Pursuant to the provisions of the Listing Regulations, the Secretarial Audit Reports of NCL & NSEI are annexed to the Board Report. The report of NCL has one observation with respect to related party transaction wherein prior approval of Audit Committee of NCL had not been obtained for payment of sitting fees by its subsidiary company to its directors for attending board and committee meetings and where NCL is not a party. Audit Committee had subsequently approved the said transaction.

**I. Disclosure of Accounting Treatment in the preparation of Financial Statements**

NSE follows the guidelines of Accounting Standards laid down by the Central Government under the provisions of Section 133 of the Companies Act, in the preparation of its financial statements.

**J. Communication with Shareholders**

The data related to quarterly and annual financial results, shareholding pattern, Board meetings, General meetings, terms and conditions of appointment of Independent Directors, the details of vigil mechanism, press releases, etc., are provided on the website of NSE under 'Investor Relation' section for information of the shareholders. Weblink: <https://www.nseindia.com/investor-relations/announcements>



## Report on Corporate Governance (Contd.)

NSE disseminates all material information to its shareholders through periodic communications. The financial results are published periodically in the newspapers as per the requirements of the Listing Regulations. Any specific presentations made to analysts and others are also hosted on NSE's website.

Annual Report: Annual report containing, inter- alia, Audited Accounts, Integrated Report, Directors' Report, Report on Corporate Governance, Management Discussion & Analysis and other material and related matters/information are circulated to the shareholders and others entitled thereto.

### K. Certificate from a Company Secretary in Practice

M/s. Makarand M Joshi & Co., Practicing Company Secretaries has issued a certificate confirming that none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as the Directors of NSE by the SEBI/MCA or any such statutory authority. The said certificate also forms part of this Report.

### L. Fees paid to the Statutory Auditor

The details regarding total fees for all services paid by NSE and its subsidiaries, on a consolidated basis, to the Statutory Auditor (Price Waterhouse & Co., Chartered Accountants LLP) and its network firms is as under:

S. N.	Nature of fees	Amount paid (in ₹ Crores)
1	Audit fees	0.66
2	Limited Review	0.35
3	Certification matters	0.05
4	Other services	0.09
<b>Total</b>		<b>1.15</b>

### M. Recommendations of Committees of the Board

There were no instances during the financial year 2023-24, wherein the Board had not accepted recommendations made by any Committee of the Board.

### N. Details of utilisation of funds raised through Preferential Allotment or Qualified Institutions Placement

The disclosure pertaining to details of utilisation of funds raised through preferential allotment or Qualified Institutions Placement as specified under Regulation 32(7A) of the Listing Regulations is not applicable to the Company.

### O. Disclosure of Loans and Advances to Firms/ Companies in which Directors are Interested

During the financial year under review, NSE has not granted loans and advances to any firm/company in which the Directors are interested.

### P. Details of Material Subsidiaries including the date and place of Incorporation and the name and date of appointment of the Statutory Auditors of such Subsidiaries

S. N.	Name of Material Subsidiary	Date of Incorporation	Place of Incorporation	Name & date of appointment of Statutory Auditor
1	NSE Clearing Limited (NCL)	August 31, 1995	Maharashtra	Name of Statutory Auditor: M/s. Khandelwal Jain & Co., Chartered Accountants Firm Registration Number: 105049W, Date of appointment/ re-appointment: July 05, 2022.
2	NSE Investments Limited (NSEI)	January 31, 2013	Maharashtra	Name of Statutory Auditor: M/s. K.S. AIYAR & Co., Chartered Accountants Firm Registration Number: 100186W, Date of appointment/ re-appointment: September 30, 2021

### Q. Disclosure of Certain Types of Agreements Binding Listed Entities

Under clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations, there are no agreement impacting management or control of the Company or imposing any restriction or create any liability upon the Company.

### R. Disclosures with respect to demat Suspense Account/Unclaimed Suspense Account

Disclosures in respect to demat suspense account/unclaimed suspense account is not applicable to the Company.

### S. Certificate on Compliance of Corporate Governance Norms

As required in Listing Regulations read with Regulation 33 of SECC Regulations, NSE has, obtained a certificate regarding the compliance of conditions of Corporate Governance therein from a Practicing Company Secretary. The same is given as an Annexure and forms part of this Report.

### T. Declaration regarding compliance by Board members and Senior Management Personnel with the Company's Code of Conduct

I, Ashishkumar Chauhan, Managing Director and CEO, hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel affirmation that they have complied with the code of conduct for FY 23-24.

For the purpose of this declaration, Senior Management Personnel means Key Management Persons appointed under SECC Regulations reporting directly to MD & CEO and Key Managerial Personnel, namely, Chief Financial Officer and Company Secretary appointed under the provisions of the Companies Act.

**Ashishkumar Chauhan**

Managing Director & CEO

DIN: 00898469

Place: Mumbai

Date: May 03, 2024



## CEO AND CFO CERTIFICATE

To,  
**The Board of Directors,  
National Stock Exchange of India Limited**

We, Ashishkumar Chauhan, Managing Director & CEO and Yatrik Vin, Group Chief Financial Officer & Head Corporate Affairs of the National Stock Exchange of India Limited hereby certify to the Board that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2024 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee
  - i. significant changes, if any, in internal controls over financial reporting during the year;
  - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai

Date: May 03, 2024

**Ashishkumar Chauhan**

Managing Director & CEO

DIN: 00898469

**Yatrik Vin**

Group Chief Financial  
Officer & Head Corporate Affairs

## COMPLIANCE CERTIFICATE – DISCLOSURE REQUIREMENTS & CORPORATE GOVERNANCE NORMS

To,  
The Board of Directors,  
**National Stock Exchange of India Limited,**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (East), Mumbai 400051

We have examined all relevant records of National Stock Exchange of India Limited for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the Listed Companies for the financial year ended March 31, 2024.

In terms of Regulation 33(1) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the disclosure requirements and corporate governance norms as specified for listed companies have become mutatis mutandis applicable to a recognised Stock Exchange. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with disclosure requirements and corporate governance norms as specified for Listed Companies except:

1. In two instances disclosure of change in Senior Management under Regulation 30 read with Schedule III of Listing Regulations were filed delayed.
2. The Company has applied to SEBI to fill the vacancy which was caused due to expiry of term of office of three Public Interest Directors (PID) in which SEBI's approval is awaited and resulted in less than the required number of directors on the board from November 28, 2023, pursuant to provision of Regulation 17(1)(c) and 17(1E) of Listing Regulations. Further, the Company has received the approval from SEBI for appointment of two PID on April 23, 2024.
3. Nomination and Remuneration Committee (NRC) could not be constituted with the end of tenure of Mr. Girish Chandra Chaturvedi (DIN: 00110996), Chairman and PID; Mr. K Narasimha Murthy (DIN: 00023046), PID; and Ms. Mona Bhide (DIN: 05203026), PID, effective November 27, 2023 (upon completion of period of three months from the date of expiry of coming into force of the SECC Amendment Regulations, 2023). SEBI circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019 which is applicable to NSE, prescribes requirements for composition of NRC. According to the same NRC shall comprise of only PIDs.
4. In few instances where subsidiary company has entered into the transactions with their related parties where Company is not a party, instead of prior approval of audit committee the Company has taken post facto approval.
5. Woman Director position was vacant from November 28, 2023, and the Company received the SEBI approval for appointment of the same on April 23, 2024.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the disclosure requirements and corporate governance norms. It is neither an audit nor an expression of opinion on the financial statements of the Company.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Makarand M. Joshi & Co.**

Company Secretaries

**Makarand M. Joshi**

Partner

FCS: 5533

CP: 3662

PR: 640/2019

UDIN: F005533F000302841

Date: May 03, 2024

Place: Mumbai



# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
**National Stock Exchange of India Limited,**  
Exchange Plaza C-1 Block G,  
Bandra Kurla Complex,  
Bandra East, Mumbai 400051.

We have examined relevant disclosures provided by the Directors (as enlisted in Table A) to **National Stock Exchange of India Limited** having CIN **U67120MH1992PLC069769** and having registered office at Exchange Plaza, C - 1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400051 (hereinafter referred to as 'the Company'), for the purpose of issuing this Certificate, in accordance with Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information, based on (i) documents available on the website of the Ministry of Corporate Affairs (ii) Verification of Directors Identification Number (DIN) status at the website of the Ministry of Corporate Affairs, and (iii) disclosures provided by the Directors (as enlisted in Table A) to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority as on March 31, 2024.

**Table A**

Sr. No	Name of the Director	Director Identification Number	Date of Appointment in the Company
1.	Ashishkumar Manilal Chauhan	00898469	26-07-2022
2.	Sundararajaramo Sudarshan	08636735	17-02-2020
3.	Ravindran Shunmugakani	09778966	17-12-2022
4.	Tablesh Pandey	10119561	31-08-2023
5.	Veneet Nayar*	02007846	20-09-2021

\* Shri. Veneet Nayar (DIN: 02007846) who retired by rotation at the 31<sup>st</sup> Annual General Meeting held on August 23, 2023, was re-appointed by the shareholders at that meeting subject to approval of SEBI. An application has been submitted to SEBI for re-appointment of Shri. Veneet Nayar as Non-Independent Director, approval of which is awaited as on the date of this report.

*General Disclaimer: Our Analysis for this certificate does not cover the verification of criteria pertaining to appointment as Independent director under Section 149 and criteria pertaining to appointment as Managing Director under Section 196 and Schedule V of the Companies Act, 2013.*

**For Makarand M. Joshi & Co.**

Company Secretaries

**Kumudini Bhalerao**

FCS: 6667

CP: 6690

PR: 640/2019

UDIN: F006667F000305889

Date: May 03, 2024

Place: Mumbai

# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

## SECTION A: GENERAL DISCLOSURE

### I. Details of Listed Entity

1	Corporate Identity Number (CIN) of the Company	U67120MH1992PLC069769
2	Name of the Company	National Stock Exchange of India Limited
3	Year of Incorporation	27-11-1992
4	Registered Office address	Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra
5	Corporate Address	Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra
6	Email ID	secretarialdept@nse.co.in
7	Telephone	022-26598100
8	Website	<a href="https://www.nseindia.com/">https://www.nseindia.com/</a>
9	Financial year of which Reporting is being done	FY 23-24
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited is not listed on any stock exchange
11	Paid Up Capital	49.5 Crores
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Dr. Harish Ahuja Head - Sustainability 022 - 26598100
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone
14	Name of assurance provider	TUV India Private Limited
15	Type of assurance obtained	Reasonable

### II. Products/Services

#### 16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Trading Services	Trading services offered by the National Stock Exchange (NSE) encompass a range of activities designed to facilitate efficient and transparent trading of securities in the financial markets. As one of the leading stock exchanges in the country, NSE provides a platform where various market participants, such as brokers, investors, and institutional traders, can buy and sell securities, including stocks, bonds, derivatives, and exchange-traded funds (ETFs). NSE ensures that trading takes place in a fair and orderly way, with strict adherence to regulatory guidelines and market regulations. Through its advanced electronic trading system, NSE enables seamless and real-time execution of trades, allowing investors to take advantage of market opportunities swiftly. Furthermore, NSE offers a diverse range of trading products and instruments, catering to different investment strategies and risk appetites. With its robust infrastructure, extensive market surveillance mechanisms, and commitment to investor protection, NSE plays a pivotal role in fostering liquidity, price discovery, and overall market development in the Indian financial ecosystem.	80.54
2	Colocation Charges	NSE offers colocation services, allowing trading members to place their servers in close physical proximity to the exchange's own trading systems. This service is designed to facilitate faster trade execution by significantly reducing the time it takes for trade orders to travel between the servers and the exchange's systems.	5.91



**Business Responsibility and Sustainability Report (Contd.)**

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
3	Exchange Listing	Exchange listing refers to the process by which a company's shares are listed and traded on a recognised stock exchange, such as the NSE. It is a significant milestone for businesses looking to raise capital, enhance their visibility, and provide liquidity to their shareholders. To get listed on NSE, a company needs to meet specific eligibility criteria, including financial and corporate governance requirements. Once listed, the company's shares can be freely traded by investors, allowing them to buy and sell securities on the exchange. Exchange listing offers numerous benefits, such as increased access to capital markets, improved credibility, and greater opportunities for expansion and growth. Additionally, it provides a platform for companies to demonstrate their performance, attract investment, and foster investor confidence. Overall, exchange listing on the National Stock Exchange plays a vital role in facilitating the growth and development of businesses while simultaneously contributing to the overall functioning and vibrancy of the capital market ecosystem.	1.49

**17. Products/Services sold by the entity (accounting for 90% of the entity's turnover):**

S. No.	Product/Service	Nic Code	% of Total Turnover Contributed
1	Trading Services – Transaction Charges	6611	80.54
2	Colocation Charges Income	6611	5.91
3	Exchange Listing – Listing Income	6611	1.49

**III. Operations****18. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of Plants	Number of Offices	Total
National	Not Applicable	52	52
International	Not Applicable	0	0

**19. Markets served by the entity:****a. Number of locations**

Location	Number
National (No. of states)	28 States 08 Union Territories
International (No. of countries)	0

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

This question is not applicable as NSE does not manufacture anything which needs to be exported to other nations.

**c. A brief on types of customers**

NSE caters to various types of customers who participate in the Indian stock market. Here's a brief overview of the different customer categories:

- Trading Members:** Trading members, also known as brokers or stockbrokers, are entities or individuals registered with NSE as members and authorised to trade on behalf of their clients. They act as intermediaries between the exchange and investors, facilitating the buying and selling of securities on the NSE platform. Trading members can be brokerage firms, banks, or financial institutions.

- Investors:** Investors refer to individuals or institutions that participate in the stock market by buying and selling securities. They aim to generate returns on their investments over the long term. Investors can be classified into different categories based on their investment objectives and strategies, such as:
  - Retail Investors:** These are individual investors who trade in the stock market with their personal funds. They typically invest smaller amounts and may rely on advisory services provided by trading members or research from financial institutions.
  - Institutional Investors:** Institutional investors include entities like mutual funds, insurance companies, pension funds, and banks. They invest larger amounts of money on behalf of their clients or stakeholders and often have dedicated research teams and investment strategies to manage their portfolios.

- Customers:** The term "customers" in the context of NSE generally refers to individuals or entities that engage with trading members and participate in trading activities on the exchange. Customers can be both retail and institutional investors. They may place buy or sell orders for securities, execute trades, and hold securities in their demat (electronic) accounts.

- Listed Companies:** Listed companies act as clients to NSE for a primary listing of their shares, which allows them to raise capital by selling their stocks to investors. NSE provides a platform for companies to list their shares, ensuring transparency and regulatory compliance. NSE plays a crucial role in providing market data and analytics to listed companies. This information helps companies monitor the trading activity and price movements of their shares, enabling them to make informed decisions regarding investor relations, financial reporting, and strategic planning.

**IV. Employees****20. Details as at the end of Financial Year:****a. Employees and workers (including differently-abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	1,330	876	66	454	34
2.	Other than Permanent (E)	2,523	2,096	83	427	17
3.	<b>Total Employees (D + E)</b>	3,853	2,972	77	881	23
<b>WORKERS</b>						
4.	Permanent (F)	NSE has not employed any 'worker' directly.				
5.	Other than Permanent (G)					
6.	<b>Total workers (F + G)</b>					

**b. Differently-abled Employees and workers:**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>DIFFERENTLY-ABLED EMPLOYEES</b>						
1.	Permanent (D)	2	2	100	0	-
2.	Other than Permanent (E)	0	0	-	0	-
3.	<b>Total differently-abled employees (D + E)</b>	2	2	100	0	-
<b>DIFFERENTLY-ABLED WORKERS</b>						
4.	Permanent (F)	NSE has not employed any 'worker' directly.				
5.	Other than permanent (G)					
6.	<b>Total differently-abled workers (F + G)</b>					



## Business Responsibility and Sustainability Report (Contd.)

### 21. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	4	0	0
Key Management Personnel	27	2	7

### 22. Turnover rate for permanent employees and workers

	FY 23-24 (Turnover rate in current FY)			FY 22-23 (Turnover rate in previous FY)			FY 21-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Permanent Employees	14%	15%	14.56%	15.9%	25%	19%	24.5%	18.9%
Permanent Workers	NSE has not employed any 'worker' directly.								

## V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

### 23. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding/subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	NSE Clearing Limited	Subsidiary Company	100% (FY 2022-23: 100%)	Yes
2	NSE Investments Ltd	Subsidiary Company	100% (FY 2022-23: 100%)	Yes
3	NSE IFSC Limited	Subsidiary Company	100% (FY 2022-23: 100%)	No
4	NSE Administration & Supervision Limited	Subsidiary Company (w.e.f. January 9, 2024)	100% (FY 2022-23: this entity was not declared in the last year BRSR)	Yes
5	NSE IFSC Clearing Corporation Limited	Subsidiary's Subsidiary Company	100% (FY 2022-23: 100%)	No
6	NSEIT Limited	Subsidiary's Subsidiary Company	100% (FY 2022-23: 100%)	No
7	NSE Data & Analytics Limited	Subsidiary's Subsidiary Company	100% (FY 2022-23: 100%)	Yes
8	NSE Indices Ltd	Subsidiary's Subsidiary Company	100% (FY 2022-23: 100%)	Yes
9	NSE Infotech Services Limited	Subsidiary's Subsidiary Company	100% (FY 2022-23: 100%)	Yes
10	NSEIT (US) Inc.*	Subsidiary's Subsidiary's Subsidiary Company	100% (FY 2022-23: 100%)	No
11	Aujas Cybersecurity Limited	Subsidiary's Subsidiary's Subsidiary Company	100% (FY 2022-23: 100%)	No
12	NSE Academy Limited	Subsidiary's Subsidiary Company	100% (FY 2022-23: 100%)	Yes
13	NSE Foundation	Subsidiary Company	76% (FY 2022-23: 76%)	Yes
14	National Securities Depository Limited	Associate Company	24% (FY 2022-23: 24%)	No
15	NSDL Database Management Limited	Associate's Subsidiary Company	24% (FY 2022-23: 24%)	No
16	NSDL Payments Bank Limited	Associate's Subsidiary Company	24% (FY 2022-23: 24%)	No

S. No.	Name of the holding/subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
17	BFSI Sector Skill Council of India	Associate Company	49% (FY 2022-23: 49%)	No
18	Power Exchange India Limited	Subsidiary's Associate	29.21% (FY 2022-23: 29.21%)	No
19	Protean e-Governance Technologies Limited	Subsidiary's Associate	20.34% (FY 2022-23: 25.05%)	No
20	Market Simplified India Limited	Subsidiary's Associate	30% (FY 2022-23: 30%)	No
21	Receivables Exchange Of India Limited	Subsidiary's Associate	30% (FY 2022-23: 30%)	No
22	Cogencis Information Services Limited	Subsidiary's Subsidiary's Subsidiary Company	100% (FY 2022-23: 100%)	No
23	Capital Quant Solutions Private Limited	Subsidiary's Subsidiary's Associate	19% (FY 2022-23: 19%)	No
24	Talentsprint Private Limited	Subsidiary's Subsidiary's Subsidiary Company	90.26% (FY 2022-23: 80.82%)	No
25	Talentsprint Inc.	Subsidiary's Subsidiary's Subsidiary Company	100% (FY 2022-23: 100%)	No
26	NSE Sustainability Ratings & Analytics Limited	Subsidiary's Subsidiary's Subsidiary Company (w.e.f. March 30, 2024)	100% (FY 2022-23: this entity was not declared in the last BRSR)	Yes
27	Indian Gas Exchange Limited	Subsidiary's Associate	25.61% (FY 2022-23: 25.61%)	No
28	CXIO Technologies Private Limited	Subsidiary's Subsidiary's Subsidiary Company	100% (FY 2022-23: 92.50%)	No
29	India International Bullion Holding IFSC Ltd	Associate Company	20% (FY 2022-23: 20%)	No
30	India International Bullion Exchange IFSC Ltd	Associate's Subsidiary Company	20% (FY 2022-23: 20%)	No
31	India International Depository IFSC Limited	Associate's Subsidiary Company	20% (FY 2022-23: 20%)	No

## VI. CSR DETAILS

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes
- (ii) Turnover (in ₹): 14,959.49 Crores
- (iii) Net worth (in ₹): 19,361.78 Crores



## Business Responsibility and Sustainability Report (Contd.)

### VII. TRANSPARENCY AND DISCLOSURE COMPLIANCES

#### 25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 23-24			FY 22-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints Filed during the year	Number of complaints pending resolution at close of the year	Remarks
Investors (Other than shareholders)	Procedure to raise a complaint: <a href="https://www.nseindia.com/invest/process-of-making-a-complaint">https://www.nseindia.com/invest/process-of-making-a-complaint</a> Whistle Blower Mechanism <a href="https://www.nseindia.com/regulations/exchange-disclosures-details-of-vigil-mechanism">https://www.nseindia.com/regulations/exchange-disclosures-details-of-vigil-mechanism</a>	16,407	924	These complaints are received by the investors against listed companies and trading members**	13,205	757	These complaints are received by the investors against listed companies and trading members.
Customers		0	0	NIL	0	0	NIL
Shareholders		12	0	NIL	0	0	NIL
Employees and workers		1	0	The Complaint was about unfair treatment recorded by an ex employee which was addressed and resolved as per NSE Policy.	0	0	NIL
Communities		0	0	NIL	0	0	NIL
Value Chain Partners		0	0	NIL	0	0	NIL
Other (please specify)		0	0	NIL	0	0	NIL

\*\* This includes complaints received by investors against listed companies and trading members. Further, SEBI, vide Circular dated July 31, 2023, has expanded the scope of dispute resolution, and it now covers complaints/disputes between Investors/Clients and other specified intermediaries and regulated entities in the securities market in addition to trading members and listed companies. These entities include AIF, Banker to Issue, Custodian of Securities, Investment Advisors, KRAs, Mutual Funds, Portfolio Managers, RTAs, Research Analyst, etc.

#### 26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Economic performance	Opportunity	NSE, being a key player in the stock market, thrives on the performance and stability of the economy.		<b>Positive</b> When the overall economic indicators are positive, such as robust GDP growth, low inflation rates, and a favourable business environment, it tends to attract investors and stimulates market activity. As a result, NSE experiences increased trading volumes, higher liquidity, and improved investor sentiment. This translates into increased transaction volumes, trading commissions, and other revenue streams for NSE. Additionally, a strong economic performance encourages new companies to go public and list their shares on the exchange, further bolstering NSE's financial standing. Therefore, closely monitoring and capitalising on economic performance can yield substantial financial benefits for NSE.
2.	Indirect economic impact	Opportunity	NSE, being a prominent stock exchange, plays a vital role in capital formation and facilitating economic growth and development.		<b>Positive</b> NSE acts as a catalyst for generating liquidity and investment opportunities across economic cycles. This, in turn, provides companies access to capital across banking, finance, manufacturing, and services industries. Further, a vibrant and innovative stock exchange also creates an opportunity both for large corporations and for micro, small and medium enterprises to access diverse sources of capital suited to their economic, environmental and social needs. Thus, the indirect impact of NSE presents an opportunity for creating a sustainable and inclusive capital market.
3.	Technology-enabled infrastructure capabilities	Opportunity	Our technology infrastructure has helped accelerate digital economies and safeguarded trader interests, contributing to the growth and stability of the Indian financial system. Regular investments in upgrading technology systems and infrastructure boost trading capacity, reduce latency, and improve trading efficiency and transparency. This enhances user access and supports future business growth.		<b>Positive</b> As a leading stock exchange, NSE strengthens its infrastructure by investing in emerging technology projects thus maintaining its competitive edge. By leveraging these advancements, NSE enhances its trading volume and revenues. By capitalising on the tech-enabled infrastructure development, NSE can position itself as a key player in the financial sector's growth.



## Business Responsibility and Sustainability Report (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Technology and innovation	Opportunity	As the world becomes increasingly reliant on technology, businesses across various sectors are investing heavily in innovative solutions to enhance their operations and stay competitive. This wave of technological advancement provides an opportunity for NSE to build on digital experiences and deliver exceptional service to its customers.		<b>Positive</b> As technology and innovation becomes crucial for economy and businesses, NSE can position itself as a hub for tech-enabled investments, and launch newer products and solutions attracting both domestic and international investors.
5	Managing business continuity & technology risks	Risk	Failure to adequately secure trading platforms against cyber threats poses a significant technology risk for the exchange, compromising business continuity and market stability. Effective management of business continuity and technology risks can provide NSE with a competitive advantage and strengthen its reputation as a reliable and resilient exchange.	By implementing robust risk management strategies, such as disaster recovery plans and cybersecurity measures, NSE can enhance its operational efficiency and minimise disruptions to trading activities. This can lead to increased investor confidence and attract more market participants, potentially translating into higher trading volumes, transaction fees, and listing revenues.	<b>Negative</b> Any major system outages, cybersecurity breaches, or operational disruptions can result in halted trading, financial losses, reputational damage, and legal liabilities. Such incidents may lead to regulatory sanctions, lawsuits, and loss of investor trust, impacting the exchange's standing and its ability to attract market participants. Additionally, the costs associated with implementing and maintaining robust risk management measures can be substantial, including investments in advanced technology infrastructure, cybersecurity systems, and staff training. Therefore, NSE must carefully balance the opportunities and risks associated with managing business continuity and technology risks to safeguard its financial stability and long-term success.
6	Market integrity and stability	Opportunity	When market participants have confidence in the fairness and transparency of the exchange, they are more likely to engage in trading activities, which helps in generating revenue for NSE. Further, a stable market reduces the likelihood of sudden market crashes or disruptions, which can have severe financial consequences for both the exchange and its participants.	NSE promotes market integrity and stability by enforcing strict regulations, conducting continuous surveillance, investing in robust risk management systems, and offering education and awareness programmes.	<b>Positive</b> Investments in risk management and compliance increase operational costs but avoid potential losses from cyber-attacks, fraud, and disruptions, preserving NSE's reputation and ensuring steady trading volumes and listing growth.
7	Employee well-being and development	Opportunity	Focusing on employee well-being, NSE ensures a healthy, productive, and motivated workforce. This is critical for maintaining high levels of service and operational efficiency and strengthens the organisation's reputation as a responsible employer.		<b>Positive</b> Investing in employee development programmes, such as training and skill-building initiatives, can enhance the expertise and capabilities of the workforce, leading to improved operational efficiency and innovation. Additionally, prioritising employee well-being can reduce absenteeism and healthcare costs while boosting employee morale and job satisfaction. This focus helps NSE establish a reputation as an employer of choice, attracting top talent and positioning the exchange as an industry leader, ultimately contributing to its long-term success.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Promoting diversity, equity and inclusion	Opportunity	Diversity, equity, and inclusion in NSE's workforce bring varied perspectives and ideas that drive innovation and adaptability. This fosters our ability to serve a diverse clientele and stay competitive.		<b>Positive</b> Promoting diversity can enhance NSE's reputation and appeal to a broader range of domestic and international investors who prioritise diversity and inclusivity in their investment strategies. Therefore, investing in diversity is not only the right thing to do but also a strategic move that can yield substantial financial benefits for NSE.
9	Community engagement	Opportunity	NSE has the opportunity to foster meaningful and sustainable relationships, enabling transformational growth and shared prosperity, by actively engaging with the local communities. A well-implemented CSR strategy delivered through the NSE Foundation can create positive social and environmental outcomes, amplifying NSE's reputation and visibility.		<b>Positive</b> Community engagement initiatives can facilitate the identification of new investment opportunities, especially in emerging sectors or local businesses, which can potentially lead to an influx of new listings and market capitalisation. Additionally, by supporting community development projects and educational programmes, NSE can contribute to the overall growth and prosperity of the communities it operates in, creating a positive socioeconomic environment that further stimulates economic activity and, consequently, the financial performance of the exchange.
10	Collaborations & advocacy	Opportunity	Through proactive collaborations and advocating for its interests, NSE can expand its reach, attract new market participants, and enhance its overall standing within the financial industry.		<b>Positive</b> Collaborations with other exchanges, financial institutions, and regulatory bodies can lead to the development of innovative products, cross-learning, increased liquidity, and improved market infrastructure. These partnerships can result in higher trading volumes and transaction fees, ultimately boosting NSE's revenue. Additionally, through effective advocacy, NSE can influence policy decisions and regulatory frameworks that impact the financial markets. By advocating for favourable policies, NSE can create an environment that encourages investment and market growth, attracting both domestic and international investors. This increased investor confidence can translate into higher trading activity, higher listings, and increased revenue streams for NSE.



## Business Responsibility and Sustainability Report (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	Climate change	Opportunity	As the world grapples with the urgent need to transition to a low-carbon economy, companies involved in renewable energy, energy efficiency, and sustainable technologies are poised for massive amounts of capital requirements. NSE can play a pivotal role in facilitating the financing and capital requirements of these sectors. Towards the same, NSE can explore various channels including GSS+ bonds, carbon credits trading, sustainable investment indices, outcome-based funding models, other offerings on the Social Stock Exchange platforms etc. Additionally, NSE can also position itself as a leading Indian corporate that adopts best practices towards reduction in its carbon footprint through various initiatives like installation of renewable energy power plants, Nature based solutions (tree plantation), purchasing green power etc. to achieve net-zero climate mitigation interventions.		<b>Positive</b> The development of innovative market products, increasing market differentiation and potentially opening new revenue streams. There are various such products that are already available in the primary and secondary market offerings such as Labelled Bonds, Instruments for Urban Local Bodies (Green Municipal Bonds) etc. Some additional products on which discussions and work are ongoing include Sustainability Linked Bonds, Social Impact Bonds, other blended finance instruments, etc. Additionally, NSE can establish specialised climate-focused funds that cater to the growing demand for responsible investments. By embracing climate change as an opportunity, NSE can position itself as a leading platform for sustainable finance and contribute to the transition towards a greener economy. NSE's own climate action efforts, such as harnessing renewable energy and conserving water in its operations, enhance its appeal to environmentally conscious investors and position us as a responsible exchange.
12	Responsible resource management	Opportunity	NSE can position itself as a responsible, leading stock exchange which adopts green practices in the management of its resources.		<b>Positive</b> NSE can develop specialised products that can generate new revenue streams and attract investors seeking to align their portfolios with environmental, social, and governance (ESG) principles. By embracing responsible resource management, NSE can not only contribute to a more sustainable future but also capitalise on the financial opportunities arising from the global shift towards sustainable investing.
13	Business ethics	Risk	Strong ethical practices can enhance NSE's reputation and attract investors who prioritise responsible and sustainable investing. Lapses in ethics can lead to compromised investor trust, regulatory scrutiny, and reputational damage.	NSE governance structures promotes ethical behaviour, transparency, fairness, and accountability, which are essential in building trust among market participants and creating a conducive environment for long-term investments.	<b>Positive</b> It is crucial for NSE to prioritise business ethics as both an opportunity and a risk. By fostering a culture of integrity, promoting ethical conduct, and enforcing robust regulatory frameworks, NSE can create an environment that attracts ethical investors and mitigates the risks associated with unethical practices. This approach not only safeguards the financial implications for NSE but also ensures the overall stability and sustainability of the capital market ecosystem.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	NSE has the following certifications: ISO 27001:2013 – Information security management systems ISO 27017:2015 – Information technology security techniques ISO 45001:2018 – Occupational health and safety management systems ISO 14001:2015 – Environmental Management Systems USGBC Platinum Certification for Chennai regional office IGBC Gold Certificate for Kohinoor office building								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	NSE has established internal goals and targets related to economic, environmental, social, and governance aspects in line with the group's sustainability agenda.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NSE regularly monitors the progress of the goals and targets and takes necessary corrective actions.								
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)	NSE is committed to fostering a vibrant and diverse market, extending beyond financial transactions to create meaningful and sustainable relationships with all stakeholders. We continuously strive to uphold the highest standards of ethics and governance to ensure trust in all our endeavours. Our business strategy is dedicated to promoting environmentally sustainable and socially inclusive growth, ensuring all participants benefit from a thriving and resilient market. The information about our value creation process, strategic priorities, and performance is included in the Integrated Report section of the annual report.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Shri. Ashishkumar Chauhan DIN – 00898469 MD & CEO								
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	NSE has constituted a 'Management Committee for ESG' to oversee matters related to organisation-wide ESG goals, initiatives, priorities, and practices. NSE's strategy focuses on setting ambitious but achievable goals, engaging and aligning with stakeholders' expectations, and driving continuous improvement. The goals are developed by considering various stakeholders' perspectives to achieve maximum transparency and impact. They are embedded into NSE's policies and processes to ensure long-term value creation. The company also actively monitors the strategy, ensuring it remains adaptable and responsive to evolving economic, environmental, and social challenges.								

**Business Responsibility and Sustainability Report (Contd.)****10. Details of Review of NGRBCs by the Company**

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (Annually/Half yearly/Quarterly/Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Annual								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Annual								

**11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.**

P1	P2	P3	P4	P5	P6	P7	P8	P9
No	No	No	No	No	No	No	No	No

**12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	This question is not applicable as NSE has policies that cover all the NGRBC principles.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

**SECTION C PRINCIPLE-WISE PERFORMANCE DISCLOSURE****PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE****Essential Indicators****1. Percentage coverage by training and awareness Programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness Programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness Programmes
Board of Directors	8	<ul style="list-style-type: none"> <li>Commodity Derivatives – Agri, changes to SECC Regulations pursuant to the report of the Mahalingam Committee</li> <li>Anti Money Laundering &amp; Combating Financing of Terrorism</li> <li>Trading supported by Blocked Amount through UPI</li> <li>Effectiveness of Market Making in the SME Segment, Cogencis</li> <li>Fixed income valuation.</li> <li>The India Digital Personal Data Protection Act, 2023</li> </ul>	95

Segment	Total number of training and awareness Programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness Programmes
Key Managerial Personnel	7	<ul style="list-style-type: none"> <li>POSH</li> <li>Enterprise Risk Management</li> <li>Code of Ethics and Conflict of Interest</li> <li>Anti Money Laundering (AML)</li> </ul>	89
Employees other than BoD and KMPs	150	<ul style="list-style-type: none"> <li>POSH</li> <li>Enterprise Risk Management</li> <li>Code of Ethics and Conflict of Interest</li> <li>Anti Money Laundering (AML)</li> <li>Health &amp; Safety</li> <li>Information Security Awareness Programme</li> <li>Skill Upgradation</li> </ul>	97
Workers		NSE has not employed any 'worker' directly.	

**2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the Company's website);**

	NGRBC Principle	Name of the Regulatory Enforcement Agencies/ Judicial Institutions	Monetary		Has an Appeal been preferred? (Yes/No)
			Amount (In ₹)	Brief of the Case	
Penalty/Fine			No penalty or fine is imposed on the entity in FY 23-24.		
Settlement			On June 12, 2023 an amount of ₹49,76,80,000/- was paid by the Company on its behalf and on behalf of its employees who were KMPs at the relevant point in time, towards settlement of proceedings under a Show Cause Notice dated August 11, 2021 issued by SEBI on account of trading halt on February 24, 2021 due to failure of Company's trading system in the links with telecom service providers. Final orders of settlement were passed by SEBI on June 20, 2023 and June 28, 2023 respectively.		
Compounding Fee			No compounding fee has been imposed on the entity in FY 23-24.		

**Note:**

There are settlement orders passed by SEBI in the matter of Trading Halt against NSE and its certain past and present employee on June 20, 2023 and June 28, 2023 and as per section 30(2) of SEBI (LODR) Regulations 2015 the disclosure of events or information specified in paragraph A of part A of Schedule III is deemed to be material event and the same shall be disclosed.

	NGRBC Principle	Name of the Regulatory Enforcement Agencies/ Judicial Institutions	Non-Monetary		Has an Appeal been preferred? (Yes/No)
			Brief of the Case		
Imprisonment			No directors, KMPs, Senior Management, or Promoters have been imprisoned in FY 23-24.		



## Business Responsibility and Sustainability Report (Contd.)

Non-Monetary			
NGRBC Principle	Name of the Regulatory Enforcement Agencies/Judicial Institutions	Brief of the Case	Has an Appeal been preferred? (Yes/No)
Punishment	Securities Exchange Board of India	SEBI while passing the settlement order in the matter of Trading Halt, has also imposed certain non-monetary terms of settlement upon certain individual employees of NSE namely Mr. Vikram Limaye (ex-employee), Mr. Shiv Kumar Bhasin (ex-employee), Mr. K.S. Somasundram (present employee) and Mr. Mayur Sindhawad (present employee) in addition to the monetary terms of settlement directing them to: a. commit to and be required to take up and pass specific and appropriate training courses (specified by SEBI), at their own cost, within the next six months and, b. after passing such exams/courses, will commit to pro bono community service of at least 14 days over the next year, furthering the cause of investor education and awareness, by actively contributing to specified programmes that are conducted by and monitored under the aegis of SEBI's Office of Investor Assistance and Education ("OIAE").	No

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case details	Name of the regulatory/enforcement agencies/judicial institutions
During the Financial Year under reference no appeal has been filed by NSE against any order of settlement.	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief, and if available, provide a web-link to the policy.

Yes, NSE has an anti-corruption or anti-bribery policy. Our operations are assessed for risks related to bribery and corruption. Additionally, NSE's Whistle-blower mechanism, HR policies, and Prevention of Money Laundering Act (PMLA) policy provide a comprehensive framework to address any unethical practices, including bribery and corruption. We also have E-learning modules on anti-money laundering (AML) for our employees, which focus on policies, procedures, and technologies aimed at preventing money laundering.

HR Manual/Policy is available on the NSE intranet for employee access.

Please refer to the below link to access the vigil mechanism:

<https://www.nseindia.com/regulations/exchange-disclosures-details-of-vigil-mechanism>

Please refer to the below link to access the whistle-blower policy: [https://nsearchives.nseindia.com/web/sites/default/files/inline-files/Whistle%20Blower%20Policy\\_V6%20-%20for%20website.pdf](https://nsearchives.nseindia.com/web/sites/default/files/inline-files/Whistle%20Blower%20Policy_V6%20-%20for%20website.pdf)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 23-24	FY 22-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	NSE has not employed any 'worker' directly.	

6. Details of complaints with regard to conflict of interest:

	FY 23-24		FY 22-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NIL	0	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NIL	0	NIL

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions on cases of corruption and conflicts of interest.

There were no instances of corruption and conflict of interest.

8. Number of days of accounts payables ((Accounts payable \*365)/Cost of goods/services procured) in the following format:

	FY 23-24	FY 22-23
Number of days of accounts payables	55	61

9. Open-ness of business Provide details of concentration of purchases and sales with trading houses, dealers, and related parties, along-with loans and advances & investments with related parties, in the following format:

Parameter	Metrics	FY 23-24	FY 22-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	-	-
	b. Number of dealers/distributors to whom sales are made	-	-
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	-	-
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	-	-
	b. Sales (Sales to related parties/Total Sales)	-	-
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	-	-
	d. Investments (Investments in related parties/Total Investments made)	7	0.37

## Leadership Indicators

1. Awareness Programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness Programmes held	Topics/principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness Programmes
1	Business Responsibility and Sustainability Reporting (BRSR) – enabling long-term value*	Data is not available
1	Workshop on Investor's Perspective on BRSR*	Data is not available
1	Financial & Sustainability Accounting**	Data is not available

\* Organised with IICA as a Knowledge and event partner

\*\* Organised with ASSOCHAM as a Knowledge and event partner



## Business Responsibility and Sustainability Report (Contd.)

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

The Code of Conduct for Directors and Senior Management Persons of NSE defines professional and ethical standards and ensures compliance with relevant statutory laws, regulations, and internal policies. It mandates that Directors and committee members abstain from involvement in decisions where they have a direct or indirect interest. Public Interest Directors (PIDs) pledge adherence to this Code as Independent Directors.

The Board Evaluation Policy necessitates an annual assessment supervised by the Board, the Nomination and Remuneration Committee, or an independent external entity. This evaluation is crucial for gauging the performance of the Board as both an individual and collective governing body and that of its various committees, as mandated by the Act ("Board Committees"). It scrutinises compliance with the Code of Conduct and Ethics, transparency in disclosing personal interests, and the efficient management of potential conflicts of interest.

Please refer to the below link to access the Code of Conduct for the Directors and Senior Management Personnel:

[https://nsearchives.nseindia.com/global/content/about\\_us/NSE\\_CODE\\_BOARD.pdf](https://nsearchives.nseindia.com/global/content/about_us/NSE_CODE_BOARD.pdf)

Please refer to the below link to access Board Evaluation Policy:

[https://nsearchives.nseindia.com/global/content/about\\_us/performance\\_evaluation\\_criteria.pdf](https://nsearchives.nseindia.com/global/content/about_us/performance_evaluation_criteria.pdf)

### PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

#### Essential Indicator

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.

	FY 23-24	FY 22-23	Details of improvements in environmental and social impacts
R&D	NA	NA	Not Applicable
Capex	0	0	Not Applicable

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes. The supplier empanelment process at NSE encourages vendors to comply with environmental regulations and responsible management practices.

- b. If yes, what percentage of inputs were sourced sustainably?

100% of vendors undergo the vendor empanelment programme.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life for (a) Plastics (including packaging), (b) E-waste, (c) Hazardous waste, and (d) other waste.

Considering the nature of our business, there is limited scope for product reuse or recycling. However, we have the following practices for managing the various waste categories:

- (a) **Plastics** – All facilities utilise compostable plastic garbage bags to collect and dispose of dry and wet waste. At Exchange Plaza, a vendor partner is engaged to compost/recycle the waste in an eco-friendly manner.
- (b) **E-waste** – Our E-waste broadly includes computers, mainframes, scanners, PCs, related peripherals, air conditioners, and similar electronic equipment that is being disposed of through registered E-waste vendors.
- (c) **Hazardous waste** – Given the nature of our services, hazardous waste is not applicable.
- (d) **Food waste** – Food waste generated at the Exchange Plaza building is managed through a vermiculture system installed onsite. The resulting vermicompost is utilised for gardening purposes.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

The question is not applicable to NSE as the entity is in the service industry and does not produce goods for customers.

#### Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
This is not applicable to the NSE. NSE is a stock exchange and does not offer any physical products to customers. Hence, the life-cycle assessment's applicability to NSE's core operations is rather limited.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/Service	Description of the risk/concern	Action Taken
This question can only be answered if NSE has conducted an LCA.		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 23-24	FY 22-23
This is not applicable to the NSE. NSE is a stock exchange and does not manufacture any products. Most categories of waste are appropriately reused, recycled, and disposed of as per the applicable regulatory requirements. The metrics and details of these are furnished in Principle 6 - Essential Indicators 9 and 10.		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 23-24			FY 22-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	The question is not applicable to NSE as the entity is in the service industry and does not produce goods that entail products and their packaging materials.					
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
This question has to be responded to only if a response is provided to the earlier question. Accordingly, this question does not need a response.	





## Business Responsibility and Sustainability Report (Contd.)

### PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

#### Essential Indicators

##### 1. a. Details of measures for the well-being of employees:

Category	% Employees covered by												
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care Facilities		Dental Cover	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)	Number (G)	% (G/A)
<b>Permanent employees</b>													
Male	876	876	100	876	100	0	0	876	100	0	0	876	100
Female	454	454	100	454	100	454	100	0	0	0	0	454	100
<b>Total</b>	<b>1,330</b>	<b>1,330</b>	<b>100</b>	<b>1,330</b>	<b>100</b>	<b>454</b>	<b>34</b>	<b>876</b>	<b>66</b>	<b>0</b>	<b>0</b>	<b>1,330</b>	<b>100</b>
<b>Other than Permanent employees*</b>													
Male	2,096	0	0	0	0	0	0	0	0	0	0	0	0
Female	427	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>2,523</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*NSE takes a declaration from all the vendor partners on fulfilling their statutory obligations.

##### b. Details of measures for the well-being of workers:

Category	% of Workers covered by												
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care Facilities			
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)	Number (G)	% (G/A)
<b>Permanent Workers</b>													
Male	NSE has not employed any 'worker' directly.												
Female													
<b>Total</b>													
<b>Other than Permanent Workers</b>													
Male	NSE has not employed any 'worker' directly.												
Female													
<b>Total</b>													

##### c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 23-24	FY 22-23
Cost incurred on well-being measures as a % of total revenue of the company	0.08	0.09

##### 2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 23-24			FY 22-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NSE has not employed any 'worker' directly.	Y	100%	NSE has not employed any 'worker' directly.	Y
Gratuity	100%		Y	100%		Y
ESI	0%		NA	0%		NA
Others-Superannuation	1%		Y	2%		Y

##### 3. Accessibility of workplaces Are the premises/offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard?

Yes, the premises/offices of NSE are accessible to differently-abled employees.

##### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, NSE is committed to providing equal opportunities for all employees as per its equal opportunity policy and ESG policy. These policies ensure that employment opportunities and all aspects of employment are equally accessible to all qualified individuals without discrimination. As an equal opportunity employer, NSE adheres to all applicable fair employment practices and equal opportunity laws in each state where it operates. NSE strictly prohibits any discrimination against employees or applicants based on language, race, colour, religion, gender, origin, ethnicity, age, disability, marital status, sexual orientation, gender identity, or any other protected category. NSE's commitment to equality spans the entire duration of an employee's career, from recruitment to separation.

Please refer to the below link to access the Diversity & Equal Opportunity Policy:

<https://www.nseindia.com/careers-at-national-stock-exchange/equal-opportunity-employer-policy#:~:text=NSE%20prohibits%20discrimination%20against%20any,other%20category%20protected%20by%20law.>

##### 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	NSE has not employed any 'worker' directly.	
Female	80%	100%		
<b>Total</b>	<b>90%</b>	<b>100%</b>		

##### 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	NSE has not employed any 'worker' directly.
Other than Permanent Workers	NSE has not employed any 'worker' directly.
Permanent Employees	Yes. NSE's Grievance Redressal Procedure provides employees with a channel to voice their concerns or complaints. NSE has constituted the Grievance Redressal Policy and the Grievance Redressal Committee. This committee comprises a diverse group of members to effectively address employee grievances within the organisation.  The Grievance Redressal policy ensures fair and timely resolution of grievances while maintaining confidentiality and respecting the rights of all parties involved.  Employees can formally raise concerns and issues related to management practices or workplace dynamics involving supervisors, managers, subordinates, or peers through a dedicated.  Upon receiving the complaint, the committee investigates it thoroughly and tries to resolve it through mediation or disciplinary action. It also ensures that all concerns are appropriately addressed while maintaining sensitivity to the nature of the issues raised. This ensures a productive and supportive work environment where grievances are addressed in a structured, fair, and impartial manner.  Further, employees have the option to report grievances through whistle-blower mechanism. The company's relevant authority comprehensively investigates all complaints submitted under this policy. The investigation findings are then presented to the appropriate committee for further action.
Other than Permanent Employees	Currently, we don't have a grievance mechanism for our vendor resources.

**Business Responsibility and Sustainability Report (Contd.)****7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 23-24			FY 22-23		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
<b>Total Permanent Workers</b>						
Male	NSE has not employed any 'worker' directly.					
Female						

**8. Details of training given to employees and workers:**

Category	FY 23-24					FY 22-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	876	306	35	580	66	732	601	82	127	17
Female	454	161	35	317	70	383	319	83	68	18
<b>Total</b>	<b>1,330</b>	<b>467</b>	<b>35</b>	<b>897</b>	<b>67</b>	<b>1,115</b>	<b>920</b>	<b>82</b>	<b>195</b>	<b>17</b>
<b>Workers</b>										
Male	NSE has not employed any 'worker' directly.									
Female										
<b>Total</b>										

**9. Details of performance and career development reviews of employees and workers:**

Category	FY 23-24			FY 22-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	876	710	81	732	601	82
Female	454	371	82	383	319	83
<b>Total</b>	<b>1,330</b>	<b>1,081</b>	<b>81</b>	<b>1,115</b>	<b>920</b>	<b>82</b>
<b>Workers</b>						
Male	NSE has not employed any 'worker' directly.					
Female						
<b>Total</b>						

**10. Health and safety management system:****a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?**

Yes. NSE demonstrates its commitment to employee well-being by creating a safe, healthy, and supportive workplace. Both the head office and regional offices are ISO 45001 certified. Our offices are equipped with fire detection and alarm systems, fire safety equipment, emergency escape route maps, emergency signage, life safety measures, and auto rescue devices in elevators. The building is provided with expansion joints, sump pits, blast-proof film on its façade glass, and a compound wall with concertina coils.

The building has physical security guards, a bollard system, a perimeter intruder device, and sniffer dogs. An access control system, CCTV, baggage, and food scanners are deployed. The building has door frame metal detectors, and visitors are frisked with hand-held metal detectors. These security measures are implemented based on their applicability and necessity. Collectively, these measures contribute to ensuring the safety and security of all individuals within the premises.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

NSE has the following processes in place to identify work-related hazards on a routine and non-routine basis:

Sr. No.	Activity	Frequency
1	Fire safety audit	Twice a year
2	Floor familiarisation training	Regular basis
3	Fire drill	Twice a year
4	Physical security staff briefing about safety & security measures	Daily
5	Audit of existing ISO certificates	Periodic
6	Air quality analysis/testing	Periodic
7	Workspace cleaning	Daily
8	Disposal of E-waste	Periodic
9	Health check-up of fire extinguishers	Regular basis

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

NSE has not employed any 'worker' directly.

**d. Do the employees/workers of the entity have access to non-occupational medical healthcare services? (Yes/No)**

Yes. At NSE, we consider employees to be our most valuable asset. Employees are offered a comprehensive suite of health and wellness benefits, including group medical insurance with a family floater option, group personal accident insurance, and group term life insurance. Additionally, annual medical check-ups are provided to employees and their spouses. The Exchange Plaza office building has a gymnasium and yoga facility accessible to all employees. Health awareness sessions, specifically tailored for female employees, are conducted across all offices. The staff welfare committee organises all employees' regular tournaments, such as table tennis, badminton, cricket, and chess. These initiatives foster a culture of wellness, teamwork, and friendly competition among employees.

**Business Responsibility and Sustainability Report (Contd.)****11. Details of safety related incidents in the following format:**

Safety Incident/Number	Category*	FY 23-24	FY 22-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	NSE has not employed any 'worker' directly.	
Total recordable work-related injuries	Employees	0	0
	Workers	NSE has not employed any 'worker' directly.	
No. of fatalities	Employees	0	0
	Workers	NSE has not employed any 'worker' directly.	
High-consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	NSE has not employed any 'worker' directly.	

\*Including in the contract employees.

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

NSE demonstrates its commitment to creating a safe, healthy, and supportive workplace for its employees, prioritising their well-being and security. We offer a wide range of programmes designed to promote a proactive approach to health and safety.

We conduct safety training for all employees, with a focus on fire safety. Every employee, as part of on boarding, receives 1.5 hours of hands-on training on fire safety. All the offices have an RO-based drinking water system, and an FSSAI license is required for all the canteen vendors operating within the premises. At Exchange Plaza, we have on-site medical facilities, which include an on-site doctor, a medical emergency room, and a medical kit in case of any medical emergencies. Employee Assistance Programme (EAP) is a support system which enables employees to deal with a wide range of issues relating to stress, work-life balance, and any other challenges. Employees are offered periodic sessions on work-life balance, healthy habits, resilience building, and achieving a well-rounded lifestyle.

**13. Number of Complaints on the following made by employees and workers:**

	FY 23-24			FY 22-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	0	0	0	0
Health & Safety	0	0	0	0	0	0

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and Safety Practices	100
Working Conditions	100

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks concerns arising from assessments of health & safety practices and working conditions.**

No risks/concerns were identified during the assessments of health & safety practices and working conditions at NSE's offices.

**Leadership Indicators****1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Yes, Life Insurance is provided to all our employees.

All NSE employees are covered by a Group Term Life Policy that insures against death from any cause, natural or accidental. In the event of death by accident, it is covered under the Group Personal Accident Policy. In the case of natural death, it is covered under the Group Term Life Policy. For permanent or partial disability, coverage is provided by the Group Personal Accident Term Policy.

We do not have workers; hence, it is not applicable.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

At NSE, we prioritise transparent business practices across our value chain. The supplier empanelment form requires the vendors to share copies of all necessary documents to ensure that all statutory dues are deducted and deposited correctly. Additionally, vendors are required to submit a certificate from a practicing Chartered Accountant confirming that the company has complied with relevant statutory regulations.

**3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/workers	No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
		FY 23-24	FY 22-23
Employees	This question can only be answered if there have been any high-consequence work-related injuries, ill-health incidents, or fatalities, as specified in question P3-E-11.	FY 23-24	FY 22-23
Workers		NSE has not employed any 'worker' directly.	

**4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)**

No, NSE does not have any transition assistance programmes.

**5. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	0
Working conditions	0

**6. Provide details of any corrective actions taken or underway to address significant risks concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

This question can only be answered if NSE has responded to the previous question (P3-L-5).

**PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS****Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the entity.**

At NSE, we believe that our stakeholders are an integral part of our business and play an important role in guiding the overall business strategy. It is imperative to understand their perceptions to identify the changing risk and opportunity landscape associated with our business. We have developed distinct modes of interactions to engage with various



## Business Responsibility and Sustainability Report (Contd.)

stakeholder groups and discuss key business issues pertaining to our business's Environment, Social, and Governance (ESG) dimensions. Stakeholder Engagement and Materiality Assessment (SEMA) has helped us to develop an impactful stakeholder engagement plan, thus enabling us to strengthen the value we create for them. This, in turn, has also helped the National Stock Exchange of India Limited to keep our stakeholders abreast of significant changes in our business strategy and operations. Year on year, we try to increase our engagement with different stakeholder groups to reinforce trust among our stakeholders. The various stakeholders we have identified through SEMA are as follows:

### 1. Government of India:

The government plays a crucial role in regulating and overseeing the functioning of financial markets. Engaging with the government ensures alignment with regulatory requirements and policy changes and fosters a conducive business environment. The government's support and cooperation are critical for NSE's operations, making it a high-priority stakeholder.

### 2. State Governments:

We sign numerous MoUs with state governments, especially around our SME offerings, conducting investor awareness programmes in collaboration with various ministries/departments of governments of various states, and our Social Stock Exchange initiative. State Governments are considered high-priority stakeholders.

### 3. Regulatory bodies (SEBI & RBI):

Regulatory bodies like the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI) directly oversee and regulate the securities and banking sectors. NSE must engage with these bodies closely to comply with regulations, seek approvals for new initiatives, and ensure adherence to market integrity and investor protection. Consequently, regulatory bodies are high-priority stakeholders.

### 4. Customers (trading members, data vendors, listed companies, investors):

Customers form the core of NSE's business. Engaging with trading members, data vendors, listed and to be listed companies, and investors is vital for understanding their needs, resolving issues, and providing efficient services. NSE should priorities customer engagement to maintain their trust and satisfaction, as they drive liquidity and participation in the market.

### 5. Partner service providers:

Partner service providers, including technology, telecommunications, and consulting firms, are instrumental in supporting NSE's infrastructure, operations, and technology advancements. Collaborating with these partners ensures reliable systems, innovative solutions, and efficient services. While their priority may not be as high as customers or regulators, they remain crucial stakeholders.

### 6. Investors and shareholders:

Investors and shareholders contribute capital and have a vested interest in NSE's performance. Keeping them informed, addressing concerns, and ensuring transparency is important to maintain their confidence. Although their priority may be lower compared to regulators and customers, NSE should engage with investors and shareholders regularly.

### 7. Market service providers:

Market service providers, such as clearing banks, custodians, and data vendors, are key participants in the financial ecosystem. Engaging with them helps ensure smooth clearing and settlement processes, data availability, and efficient market infrastructure. While their priority may not be as high as customers or regulators, NSE should maintain a cordial relationship with them.

### 8. Other exchanges and depositories:

Engaging with other exchanges and depositories fosters collaboration, knowledge sharing, and coordination in the global financial ecosystem. While their priority may not be as high as regulators or customers, establishing relationships with other exchanges and depositories can lead to mutual benefits.

### 9. Society:

Engaging with society, including students, local communities, and NGO partners, is essential for promoting financial literacy, awareness, and inclusivity. While their priority may not be as high as customers or regulators, NSE should actively participate in initiatives that benefit society and support financial education.

### 10. Academic institutions, Researchers, and think tanks:

Engaging with academic institutions, researchers, and think tanks can contribute to market research, innovation, and policy development. Although their priority may be lower compared to customers and regulators, collaborating with these stakeholders can enhance NSE's knowledge base and thought leadership.

### 11. Media and journalists:

The media and journalists play a significant role in shaping public opinion and disseminating information about the financial markets. Engaging with them is crucial for transparent communication and addressing market-related concerns. While their priority may not be as high as regulators or customers, NSE should maintain an open and constructive relationship with the media.

### 12. NSE senior management & executive team:

Internal stakeholders, such as senior management and the executive team, are responsible for NSE's strategic decision-making and overall performance. Engaging with them ensures alignment with the organisation's objectives, effective communication, and shared vision.

### 13. Employees from different teams:

Employees from strategic, tactical, operational, legal, and other teams contribute to NSE's daily operations and growth. Engaging with them is essential for employee satisfaction, talent development, and organisational effectiveness.

### 14. Employees engaged in specific functions:

Employees involved in critical functions like technology, regulatory affairs, data vending, and index service should be engaged to understand their needs, challenges, and suggestions for improvement. Engaging these employees helps enhance operational efficiency and service quality.

## 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

S. No.	Stakeholder Group	Identified as Vulnerable & Marginalised Group	Channels of Communication	Frequency of Engagement	Purpose and Scope of Engagement
1	Government of India	No	<ul style="list-style-type: none"> <li>Meetings, official correspondence</li> <li>Email</li> <li>Policy Consultation Forums</li> </ul>	Regularly	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Policy changes, financial market development strategies</li> </ul>
2	Regulatory Bodies	No	<ul style="list-style-type: none"> <li>Periodic meetings with SEBI officials</li> <li>Meetings</li> <li>Official correspondence</li> <li>Email</li> </ul>	Quarterly	<ul style="list-style-type: none"> <li>Compliance with regulations</li> <li>Updates on market dynamics</li> <li>Collaborative initiatives for market stability</li> <li>Active engagement with SEBI on the Unified Information Infrastructure (UII) initiative.</li> </ul>
3	Customers	No	<ul style="list-style-type: none"> <li>One-on-one/group meetings/webinars</li> <li>Member help-desk</li> <li>Phone calls and emails</li> <li>Periodic regulatory filings by members</li> </ul>	Regularly	<ul style="list-style-type: none"> <li>Market updates</li> <li>Compliance guidelines</li> <li>Feedback collection</li> <li>Awareness programmes</li> </ul>

**Business Responsibility and Sustainability Report (Contd.)**

S. No.	Stakeholder Group	Identified as Vulnerable & Marginalised Group	Channels of Communication	Frequency of Engagement	Purpose and Scope of Engagement
4	Key Partner Service Providers	No	<ul style="list-style-type: none"> <li>Email</li> <li>Workshops</li> <li>Webinars</li> <li>Meetings and regular calls</li> </ul>	Regularly	<ul style="list-style-type: none"> <li>Service improvements</li> <li>Technological updates</li> <li>Feedback sessions</li> <li>strategic collaborations</li> </ul>
5	Investors	No	<ul style="list-style-type: none"> <li>Email</li> <li>Annual general meetings</li> <li>NSE website</li> <li>Circulars</li> </ul>	Regularly/ Quarterly	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Corporate governance</li> <li>Strategic decisions</li> <li>Feedback collection</li> <li>Information about Members and Authorised Persons (AP)</li> </ul>
6	Communities	Yes	<ul style="list-style-type: none"> <li>Community Meetings</li> </ul>	Periodically	<ul style="list-style-type: none"> <li>Financial literacy</li> <li>Inclusion initiatives</li> <li>Feedback on societal impact</li> </ul>
7	Employees	No	<ul style="list-style-type: none"> <li>Email</li> <li>Intranet</li> <li>Team meetings</li> <li>Training sessions</li> </ul>	Regularly	<ul style="list-style-type: none"> <li>Operational updates</li> <li>Skill development</li> <li>Feedback</li> <li>Team building</li> <li>Employee engagement Survey</li> </ul>

**Leadership Indicators**

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

NSE ensures that stakeholders have access to essential information regarding decisions that impact them while carefully balancing the need for transparency with the protection of sensitive business information. Stakeholder engagement is a continuous activity and is embedded into the operations of the business, managed by specific business functions responsible for maintaining these relationships. KMPs also participate in these engagements based on strategic needs, highlighting the importance placed on these interactions. Additionally, the Board of Directors is informed about the outcomes of these engagements for seeking its guidance and inputs to ensure that stakeholder feedback is integrated into the company's decision-making processes.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, stakeholder consultation at NSE is instrumental in supporting the identification and management of ESG (Environment, Social, and Governance) topics. We have established diverse channels for engagement across these dimensions. In FY-2022-23, we conducted a Materiality Assessment with the participation of our leadership team. This initiative enabled us to identify key material topics influencing and impacting our operations and stakeholders.

The NSE Foundation, the CSR arm of the NSE group, collaborates with various NSE group entities, NGOs, and communities to identify, select, and implement initiatives in social and environmental sustainability. Based on suggestions from local municipal corporations, NSE has switched to compostable bags. Renewable energy and rainwater harvesting initiatives have also been implemented after extensive deliberations among internal stakeholders.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.

NSE Foundation, a section 8 Company and a subsidiary of NSE, engages in a range of initiatives aimed at supporting different segments of society, particularly focusing on those who are marginalised. The Foundation was incorporated in March 2018 as a common CSR function to undertake CSR activities on behalf of the NSE group Companies in line with the Group CSR Policy to create a consolidated impact and avoid duplication of activities among the group companies. NSE Foundation currently undertakes CSR projects in the focus areas of Health and Equitable Education for Rural & Tribal Children.

**PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS****Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity in the following format:

Category	FY 23-24			FY 22-23		
	Total (A)	No. of employees workers covered (B)	% (B/A)	Total (C)	No. of employees workers covered	% (D/C)
<b>Employees</b>						
Permanent	1,330	1,262	95	1,115	824	74
Other than permanent	2,523	0	0	0	0	0
<b>Total Employees</b>	<b>3,853</b>	<b>1,262</b>	<b>95</b>	<b>1,115</b>	<b>824</b>	<b>74</b>
<b>Workers</b>						
Permanent	NSE has not employed any 'worker' directly.					
Other than permanent						
<b>Total Workers</b>						

2. Details of Minimum wages paid to Employees and workers in the following format

Category	FY 23-24					FY 22-23				
	Total (A)	Equal to minimum wages		More than minimum wages		Total (D)	Equal to minimum wages		More than minimum wages	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Permanent	1,330	0	0	1,330	100	1,115	0	0	1,115	100
Male	876	0	0	876	100	732	0	0	732	100
Female	454	0	0	454	100	383	0	0	383	100
Other than Permanent*	2,523	0	0	0	0	0	0	0	0	0
Male	2,096	0	0	0	0	0	0	0	0	0
Female	427	0	0	0	0	0	0	0	0	0
<b>Workers</b>										
Permanent	NSE has not employed any 'worker' directly.									
Male										
Female										
Other than Permanent										
Male										
Female										

\*NSE takes a CA certificate from all the vendor partners on fulfilling their statutory obligations.

**Business Responsibility and Sustainability Report (Contd.)****3. Details of remuneration/salary/wages.****a. Median remuneration/wages:**

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	4	38,87,500	0	-
Key Managerial Personnel	25	1,71,17,549	2	87,93,761
Employees other than BoD and KMP	851	16,65,043	452	10,90,359
Workers	NSE has not employed any 'worker' directly.			

**b. Gross wages paid to females as % of total wages paid by the entity, in the following formats:**

	FY 23-24	FY 22-23
Gross wages paid to females as % of total wages	23%	24%

**4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, our Grievance Redressal Committee serves as the focal point for addressing all human rights issues within the company. The Internal Compliance Committee (ICC) acts as a focal point for POSH complaints. All employees have access to HR policies through a dedicated HR portal. Employees are provided a comprehensive overview of HR policies during their induction and on-boarding process. Employees are encouraged to raise any grievances related to human rights violations, ensuring a proactive approach to addressing such concerns.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

At NSE, we respect human rights for all individuals and are committed to conducting operations with honesty, integrity, and transparency while prioritising the well-being and rights of employees. A Grievance Redressal mechanism is established to address all forms of human rights violations. This mechanism provides a structured platform for employees to formally raise grievances and discuss problems or concerns regarding discrimination, harassment, and unfair labour practices. Led by a senior member, the Grievance Redressal Committee conducts impartial investigations to ensure fairness and thoroughness in addressing filed grievances. Additionally, employees can report any instances of human rights violations through the whistle-blower mechanism. This mechanism safeguards the confidentiality of the complainant, and appropriate actions are taken based on the investigation.

**6. Number of Complaints on the following made by employees and workers:**

	FY 23-24			FY 22-23		
	Filed during the year	Pending resolution at the End of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NIL	0	0	NIL
Discrimination at workplace	0	0	NIL	0	0	NIL
Child Labour	0	0	NIL	0	0	NIL
Forced Labour/Involuntary Labour	0	0	NIL	0	0	NIL
Wages	0	0	NIL	0	0	NIL
Other human rights-related issues	0	0	NIL	0	0	NIL

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 23-24	FY 22-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013(POSH)	0	0
Complaints on POSH as a % of female employees/workers	0	0
Complaints on POSH upheld	0	0

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

At NSE, we prioritise creating a workplace where everyone feels valued, respected, and safe. To achieve this, we have implemented Prevention of Sexual Harassment (POSH) policy. This policy outlines clear guidelines and procedures for preventing, prohibiting, and addressing any instances of sexual harassment, ensuring a work environment that is free from such misconduct. Our Internal Complaints Committee (ICC) plays a vital role in upholding this commitment. The ICC conducts thorough investigations and ensures fair and prompt resolutions. Furthermore, the ICC safeguards complainants by guaranteeing a safe space to report their experiences and prohibiting any retaliation for coming forward. By implementing these practices, NSE demonstrates its unwavering commitment to fostering a work environment where all employees feel secure, respected, and empowered to reach their full potential.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Procurement process of NSE involves vendors aligning with the Supplier Code of Conduct, which prioritises human rights. The Code encourages vendors to comply with ESG clauses, including those related to human rights. This process helps establish a foundation for ethical business practices within the supply chain and cultivates a culture of respect for human rights across the NSE operations.

**10. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	0

**11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.**

No risks/concerns had arisen from the assessments at question 10 above.

**Leadership Indicators****1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints**

No complaints regarding human rights violations have been reported across the organisation, so no modifications to business processes were necessary.

**2. Details of the scope and coverage of any Human rights due diligence conducted.**

NSE has not conducted any human rights due-diligence.

**3. Is the premise/office of the entity accessible to differently-abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, NSE has provisions in place, such as wheelchairs, lifts, and security/housekeeping personnel assisting differently-abled visitors, which make the entity's premises/office accessible to differently-abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.



## Business Responsibility and Sustainability Report (Contd.)

### 4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	0
Discrimination at workplace	0
Child labour	0
Forced Labour/Inventory Labour	0
Wages	0
Others – please specify	0

### 5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

This question can only be answered if NSE has responded to the previous question (P5-L-4).

## PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

### Essential Indicators

#### 1. Details of total energy consumption (Giga Joules) and energy intensity in the following format:

Parameter	FY 23-24	FY 22-23
<b>From renewable sources</b>		
Total electricity consumption (A)	39,085	38,543
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
<b>Total energy consumption from renewable sources (A+B+C)</b>	<b>39,085</b>	<b>38,543</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	2,03,888	1,70,494
Total fuel consumption (E)	786	535
Energy consumption through other sources (F)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>2,04,674</b>	<b>1,71,029</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>2,43,759</b>	<b>2,09,573</b>
<b>Energy intensity per rupee of turnover</b> GJ/crores (Total energy consumed/Revenue from operations)	16.29	16.51
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> GJ/crores (Total energy consumed/Revenue from operations adjusted for PPP)	372.82	377.79
<b>Energy intensity in terms of physical output</b>	NSE does not generate any physical output in terms of product.	
Energy intensity (optional) – the relevant metric may be selected by the entity	Nil	Nil

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes

TUV India Private Limited

#### 2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The question is not applicable as NSE is not an obligated entity and does not fall under the PAT scheme of the Government of India.

### 3. Provide details of the following disclosures related to water in the following format:

Parameter	FY 23-24	FY 22-23
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	56,306	48,985
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>56,306</b>	<b>48,985</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>56,306</b>	<b>48,985</b>
<b>Water intensity per rupee of turnover kL/crores</b> (Total Water consumption/Revenue from operations)	3.76	3.86
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) kL/crores</b> (Total water consumption/Revenue from operations adjusted for PPP)	86.12	88.30
<b>Water intensity in terms of physical output</b>	NSE does not generate any physical output in terms of product.	
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	Nil	Nil

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes

TUV India Private Limited

#### 4. Provide the following details related to water discharged:

Parameter	FY 23-24	FY 22-23
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	0	0
With Treatment – please Specify level of treatment	0	0
(ii) To Groundwater		
No treatment	0	0
With treatment – please specify level of treatment.	0	0
(iii) To Seawater		
No treatment	0	0
With treatment – please specify level of treatment.	0	0
(iv) Sent to third-parties		
No treatment	0	0
With treatment – please specify level of treatment.	0	0
(v) Others		
No treatment (municipal sewage)	34,505	27,357
With treatment – Please specify level of treatment.	0	0
<b>Total water discharged (in kilolitres)</b>	<b>34,505</b>	<b>27,357</b>

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes

TUV India Private Limited



## Business Responsibility and Sustainability Report (Contd.)

### 5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

NSE offices at the Exchange Plaza building and Chennai are equipped with a Sewage Treatment Plant (STP), enabling the recycling of water for domestic use. Post-treatment, the water is re-purposed for the cooling towers in the air conditioning system and for gardening purposes. This practice significantly reduces our freshwater consumption and contributes to water conservation efforts. This initiative enabled NSE to conserve around 21,801 kilolitres of water in FY 23-24.

### 6. Please provide details of air emissions (other than GHG emissions) by the entity in the following format:

Parameter	Please specify unit	FY 23-24	FY 22-23
NOx	-	NSE is a stock exchange and its operations do not have any continuous sources of air emissions. The DG sets are used solely during power outages, so the air emissions of pollutants (excluding GHGs) are not material.	
SOx	-		
Particulate matter (PM)	-		
Persistent organic pollutants (POP)	-		
Volatile organic compounds (VOC)	-		
Hazardous air pollutants (HAP)	-		
Others – please specify	-		

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

### 7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 23-24	FY 22-23
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	59	40
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	40,551	33,909
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	MtCO <sub>2</sub> e/crores	2.71	2.67
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	MtCO <sub>2</sub> e/crores	62.11	61.20
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>		NSE does not generate any physical output in terms of product.	
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity		Nil	Nil

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes

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### 8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

NSE has minimised its reliance on conventional energy by strategically investing in renewable resources like solar and wind energy.

The solar power plant, with a capacity of 20 KW, has been installed in Mumbai and Chennai locations, which harnesses solar power to cater to a part of the lighting load at Exchange Plaza in Mumbai and BCP premises in Chennai. The Wind Plant commissioned in 2014 by NSE at Satara, Maharashtra, currently has a capacity of 5 MW (4 nos. of 1.25 MW). As per the Maharashtra government's renewable energy policy, the electricity generated by this plant is supplied to the grid, which offsets NSE's power consumption.

NSE has also adopted several energy efficiency initiatives to reduce power consumption and enhance operational efficiency. This includes the installation of lighting transformers and LED lights across office areas to regulate power supply and extend luminary life. A thermal energy storage system integrated into the air-conditioning system was put in place to manage load during peak hours by using chilled water stored overnight. Occupancy sensors have been placed throughout the office to control lighting based on actual usage. Additionally, the Building Management System (BMS) ensures air-conditioning units operate only as needed, and automatic power factor control units improve the overall power factor of the building, securing cost-saving incentives from the power supplier. These measures collectively enhance the building's energy efficiency. Further, we use environmentally friendly gas in fire-fighting equipment and air conditioning systems (i.e. R134a, R407a & R410a). These measures demonstrate our commitment to reducing our environmental footprint.

### 9. Provide details related to waste management by the entity in the following format:

Parameter	FY 23-24	FY 22-23
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	0.03	0
E-waste (B)	20.20	19.07
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	8.46	88.59
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	19.66	0.22
<b>Total (A + B + C + D + E + F + G + H)</b>	<b>48.35</b>	<b>107.89</b>
Waste intensity per rupee of turnover Mt/crores (Total waste generated/Revenue from operations)	0.003	0.009
Waste intensity per rupee of turnover adjusted Purchasing for Power Parity (PPP) Mt/crores (Total waste generated/Revenue from operations adjusted for PPP)	0.07	0.19
Waste intensity in terms of physical output	NSE does not generate any physical output in terms of product.	
Waste intensity (optional) – the relevant metric may be selected by the entity	Nil	Nil
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	28.67	107.67
(ii) Re-used	0	0
(iii) Other recovery operations (Vermicompost)	19.66	0.22
<b>Total</b>	<b>48.33</b>	<b>107.89</b>





## Business Responsibility and Sustainability Report (Contd.)

Parameter	FY 23-24	FY 22-23
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0.03	0
<b>Total</b>	<b>0.03</b>	<b>0</b>

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes

TUV India Private Limited

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We, at NSE, are committed to embedding the three “R’s” approach to waste management viz. ‘Reduce, Reuse and Recycle’. We have implemented systems and processes to accurately monitor the amount and types of waste our operations generate. This monitoring helps us identify areas for waste reduction and efficiency improvements.

Given the nature of our business, we primarily generate a significant amount of domestic and E-waste. NSE’s E-waste policy ensures the responsible recycling of E-waste through vendors who are authorised by the Central Pollution Control Board (CPCB) and the Maharashtra Pollution Control Board (MPCB). We have implemented a comprehensive Document Management System (DMS) portal for storing and managing all approval notes. This digital approach eliminates the need for paper-based approvals, significantly reducing paper waste within our offices. Further, compostable materials such as food waste from the canteen, garden organics, and paper are processed through an in-house vermicomposting setup.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	NSE does not have offices in/around ecologically sensitive areas.		

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
NSE did not conduct environmental impact assessments during the financial years because no projects require such assessments.					

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances in the following format:

S. No.	Specify the law/regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	No such non-compliances have been noticed.			

### Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

- (i) Name of the area  
(ii) Nature of operations  
(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 23-24	FY 22-23
<b>Water withdrawal by source (in Kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	0	0
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>0</b>	<b>0</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>0</b>	<b>0</b>
<b>Water intensity per rupee of turnover</b> (Water consumed/turnover)	0	0
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	0	0
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) Into Groundwater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) Into Seawater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(v) Others		
No treatment	0	0
With treatment – please specify level of treatment	0	0
<b>Total water discharged (in kilolitres)</b>	<b>0</b>	<b>0</b>

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes.

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**Business Responsibility and Sustainability Report (Contd.)****2. Provide the details of total Scope 3 emissions & its intensity in the following format:**

Parameter	Unit	FY 23-24	FY 22-23
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	0	0
<b>Total Scope 3 emissions per rupee of turnover</b>	-	0	0
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity	-	0	0

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

**3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

This question can only be answered if NSE has responded to the question (P6-E-11).

**4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Wind Power Plant	NSE has a 5 MW wind power plant in Satara, Maharashtra that contributes electricity to the local grid. This offsets the power consumption at any location within the grid	The wind power plant has generated 1,08,35,683 KWh electricity units in the FY 23-24.
2	Solar Power Plant	20 KW solar power plants have been installed at Exchange Plaza and BCP Premises in Chennai. These plants harness solar power to meet part of the buildings' lighting needs.	NSE has diverted 21,232 KWh from the grid to solar energy in the FY 23-24.
3	Lighting Transformer and LED Lights	Lighting transformers have been installed in the lighting feeders to regulate the incoming power supply. This reduces excess power consumption and extends the life of the luminaries. Additionally, LED lights have been installed throughout the office area.	These measures have saved around 34,917 KWh units in the FY 23-24.
4	Thermal Energy Storage System	NSE implemented a thermal storage system at Exchange Plaza to reduce peak energy demand. AC chillers now operate at night, generating chilled water stored in tanks. During the day, this chilled water is used for air conditioning, shifting energy consumption away from peak hours. This allowed NSE to surrender excess contracted power.	NSE has saved 14,366 Demand KVA in the FY 23-24.
5	Occupancy Sensors	Motion/Occupancy Sensors have been installed throughout the office to operate the lights automatically based on occupancy in the respective areas.	The value of this initiative in terms of outcome cannot be precisely measured.
6	Building Management System	A Building Management System (BMS) was installed from the start to optimise building operations. The BMS automatically controls air conditioning units based on pre-set schedules, maintaining comfortable temperatures while conserving electricity.	The value of this initiative in terms of outcome cannot be precisely measured.
7	Automatic Power Factor Control Units	Automatic power factor correction units improve building efficiency by balancing electrical loads, resulting in electricity bill discounts from the power supplier.	The value of this initiative in terms of outcome cannot be precisely measured.
8	Water Recycling – Sewerage Treatment Plant	STP plants of 150KL and 12KL capacity are installed at the BKC & Chennai office, respectively. We reuse treated water for cooling towers, gardens, and flushing.	NSE has saved 21,801 KL of Water in FY 23-24.
9	Rain Water Harvesting System	Anticipating future water needs, Exchange Plaza installed a rainwater harvesting system to collect rainwater and replenish the building's groundwater.	NSE saved approximately 28,599 kL through rainwater harvesting.
10	Vermiculture Plant	Food scraps, garden waste, paper, and cardboard are composted in a vermiculture system, resulting in nutrient-rich compost that is used for gardening.	NSE has generated around 165 kg of manure in the FY 23-24.

**5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.**

Yes, NSE has a comprehensive Business Continuity Management (BCM) policy to ensure business continuity and market stability. This policy is underpinned by a strong governance structure, detailed procedures, thorough testing, and training programmes. Our infrastructure is designed to manage and recover from disruptions effectively. The BCM policy is developed to address a range of emergencies, in alignment with SEBI's 'Business Continuity Management and Disaster Recovery' guidelines. To effectively oversee and implement the BCM framework, NSE has established governance structures at both the Board and Management levels, including dedicated teams like the Crisis Management Team (CMT), tasked with executing the plan during emergencies. The BCP is reviewed by the Standing Committee on Technology (SCOT) on a quarterly basis.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

No significant impact has been reported by the value chain partners of NSE.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

NSE has not conducted any assessments for value chain partners.

**PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT****Essential Indicators****1. a. Number of affiliations with trade and industry chambers/associations.**

NSE has 14 national and one international affiliation with various trade and industry chambers/associations.

**b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.**

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	Confederation of Indian Industry (CII)	National
2	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
3	International Options Market Association (IOMA)	National
4	PHD Chamber of Commerce and Industry	National
5	Small & Medium Business Development Chamber of India	National
6	The Associated Chambers of Commerce and Industry of India	National
7	The Associated Chambers of Commerce of India (ASSOCHAM)	National
8	The Foundation for Millennium Sustainable Development Goals	National
9	World Federation of Exchanges (WFE)	National
10	Futures Industry Association (FIA)	National
11	International Organisation of Securities Commissions (IOSCO)	National
12	World Gold Council (WGC)	National
13	Indian Bullion and Jewellers Association (IBJA)	National
14	All India Gem and Jewellery Domestic Council (GJC)	National

\* International affiliation - NSE is a member of Sustainable Stock Exchanges, a UN partnership programme of UN Trade & Development, UN Global Compact, UNEP Finance Initiative, and the UN Principle of Responsible Investment.

**Business Responsibility and Sustainability Report (Contd.)**

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
0	0	0
0	0	0

**Leadership Indicator**

1. Details of public policy positions advocated by the entity.

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/Others – please specify)	Web Link, if available
	<p>NSE recognises its pivotal role as a leading exchange within the economic and social ecosystem. Committed to responsible stakeholder engagement and policy advocacy, we aim to foster a transparent, sustainable, and inclusive capital market. Our approach involves establishing structured communication channels with all stakeholders, including listed companies, intermediaries, investors, regulators, policymakers, and the public. Through regular engagement forums and dialogues, we promote collaboration and address stakeholder concerns while actively seeking feedback on policies to ensure a participatory approach to market development.</p> <p>In advancing sustainable and equitable national policies, NSE engages with governing bodies of the financial, securities, and exchange sectors. We spearhead and participate in policy-linked deliberations through panels, roundtable conferences, and seminars involving market participants, industry representatives, financial ministry officials, and regulators. Additionally, our global engagements include participation in dialogues on sustainability, economic development, and equitable growth through memberships in initiatives such as the Sustainable Stock Exchanges Initiative, the World Federation of Exchanges, and IOSCO.</p> <p>Furthermore, NSE's outreach programmes (IAPs) are extensive, covering 33 states and Union Territories and conducted in 18 languages, ensuring broad geographical and linguistic inclusivity.</p>				

**PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT****Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

S. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
1	<b>The Remedial Education Programme, Karauli, Rajasthan</b> – This programme enhanced student learning outcomes in language and numeracy. 531 government school teachers were trained in activity-based learning and the use of innovative teaching-learning materials. To counteract pandemic disruptions, 92 Village Level Learning Centres (VLLCs) were established, and children's groups were formed in 170 government schools to promote health, hygiene, and life skills. The remedial pedagogy was implemented by 116 Shikshan Mitras	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14/2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
2	<b>Rehli Shiksha Pahal Programme (RSPP), Sagar, Madhya Pradesh</b> – The initiative impacted 8,000 students and 4,900 community members. Around 36% of third grade students and 24% of fifth grade students achieved grade-level reading. About 91% of teachers adopted Activity-Based Learning, and community involvement increased, with 46% of panchayat members becoming aware of educational challenges. The initiative also witnessed a steady re-enrolment in the schools and introduced home-based learning during the pandemic	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14/2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>

S. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
3	<b>Project EQUIP (Education Quality Improvement project), Ramanathapuram, Tamil Nadu</b> – This educational initiative in Mandapam block, enhanced learning outcomes for 12,384 rural students through learning materials and videos in Math, English, and Tamil. Around 71% of students attended school and after-school centres. The programme reached 66 schools and 60 centers, involving 345 teachers and 200 tutors to support the initiative. Further, 93% of teachers and 97% of parents observed a positive impact on student engagement and understanding.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14/2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
4	<b>Girl Child Education Programme, Purulia and Bankura, West Bengal</b> – The Programme was implemented in the tribal-dominated districts of Purulia and Bankura. Despite the large distance between each hamlet, it enrolled 3,070 girls in 100 Learning Centres. Further, the Programme achieved a 70% attendance rate among enrolled students. Around 96% of students appreciated the customised teaching, with 33% improving academically. The Programme witnessed a shift in community attitudes, with 84% of parents supporting equal education for their daughters and 80% aspiring for their professional careers.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14/2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
5	<b>Shikshadeep Prkalpa, Birbhum, West Bengal</b> – The initiative improved literacy and numeracy for 8,860 children. Around 70% of teachers noted enhanced student performance, with 90% seeing higher enrolment. The initiative maintained educational continuity for 1,960 students during COVID-19, with 67% of parents confirming ongoing learning at home	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14/2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
6	<b>ShikshaDeep Prkalpa-Suri II: Creating sustainable community-led SLCs (Supplementary Learning Centres), Birbhum, West Bengal</b> – This Programme in Suri II block improved foundational learning for children aged 5-11, with 89% achieving proficiency in Bengali, 70% in English, and 95% in Mathematics. Post-COVID, all students returned to school, supported by 150+ trained Shikshan Mitras. The community sustained 41 out of 75 learning centres, reflecting its commitment towards educational advancement.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14/2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
7	<b>Atikranta-An initiative towards transformation, Birbhum, West Bengal</b> – The initiative was designed to improve education access for 1,920 children across 27 schools to enhance their literacy and numeracy outcomes. Learning assessment indicated that grade-level proficiency of students increased from 8% at baseline to 49% by endline. Over half (51%) received personalised support, while 83.17% were trained in WASH practices. The initiative also trained 20 Shikshan Mitras and educated parents on various educational, career and safety related topics, ensuring community-wide engagement in the learning process.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14/2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>



## Business Responsibility and Sustainability Report (Contd.)

S. No	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
8	<b>NSE Foundation Urban Learning Improvement Programme, Chennai, Tamil Nadu</b> – The project was launched with a focus on improving language and numeracy across 25 schools impacting 2,312 students. Post-intervention, 79% of students could subtract compared to 0% (none) at baseline. Similarly, 44% could read a paragraph or story compared to 14% at baseline. The Programme's success hinged on a network of youth leaders trained in pedagogy who organised learning camps and community events, with Math and English fairs further bolstering student skills.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
9	<b>Creating And Enabling A Learning Environment For Academic Excellence, New Delhi</b> – The education Programme targeted primary students across 25 schools, enhancing Hindi reading and writing skills. Post intervention, 95% students achieved beginner level competency in reading and writing skills, up from 56% and 51% respectively. Numeracy skills also improved, with 82% reaching beginner level compared to 52% at baseline. WASH facilities were upgraded in all schools along with formation of 25 WASH committees. Behavioural changes amongst students included doubling personal hygiene practices to 80% and increasing hand-washing before meals to 90%.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
10	<b>“Ankuram” Foundational Learning Enhancement in Primary Grades [I-V] in Government Schools in Todabhim block of Karauli district Rajasthan, Karauli, Rajasthan</b> – This foundational learning initiative was undertaken in 200 schools, reaching 11,622 children. Around 602 teacher training sessions and 192 review meetings were organised as part of the Programme. The initiative also developed 40 model Anganwadi Centres, benefiting 7,884 children in early education. Capacity building and trainings were organised for around 1,600 SMC members and 240 local educators.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
11	<b>NSE Foundation Block Educational Transformation Karauli B E T Karauli Project Gyanodaya, Rajasthan</b> – The Programme targeted 75 schools to improve student learning outcomes. The Integrated Audio Learning programme reached 10,200 students, and 227 teachers were trained to improve education delivery. Further, 10,681 students benefited from home visits. The initiative reported a 15-25% improvement in learning outcomes and conducted 249 SMC meetings across 95 schools to foster community engagement.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>

S. No	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
12	<b>Solid and Liquid Waste Management (SLWM) Strategy and Plan for Talode (Pilot Town), and implementation of SLWM Interventions to help Talode achieve its goal of becoming ODF++, Nandurbar, Maharashtra</b> – The Solid and Liquid Waste Management (SLWM) project aimed to make the Talode town ODF, impacting 35,000 people. It involved strategy development, stakeholder meetings with local authorities, and surveys in assessing and improving waste management, especially faecal sludge management. Key activities included handing over project designs to local authorities, assessment of sanitation facilities, and creation of a situation assessment report. The project organised participatory planning with community consultations to address solid waste management challenges effectively.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
13	<b>Integrated Safe Drinking Water Project in partnership with Jal Jeevan Mission [JJM], Nandurbar, Maharashtra</b> – The initiative was undertaken in partnership with the Jal Jeevan Mission. As a key knowledge partner, the objective of the project was to assist JJM in providing functional household tap connections to 850 habitations, focusing on drought-affected areas. Around 60-70% of locals attended project-related activities regularly. The formation of Water User Groups (WUG) saw equal female participation as group members. Further, about 50-60% of members understood WUG operations, 60-70% were informed about future maintenance, and 70% were aware of the Village Water and Sanitation Committee's (VWSC) roles.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
14	<b>Technical support to 2 Aspirational Districts for effective implementation of Jal Jeevan Mission and Swachh Bharat Mission, Karauli, Rajasthan and Ramanathapuram, Tamil Nadu</b> – This Programme targeted 10 GPs in the Karauli district and 20 GPs in the Ramanathapuram district with the intent to enhance government capacity to implement JJM and SBM 2.0, benefiting underserved rural communities. Around 43% of SHG members, 34% of VWSC members, and 23% of youth collectives participated in capacity-building sessions. Findings indicate that 74% of respondents understood the importance of water quality testing, 90% were aware of VWSC roles, 50% used retrofitting services for drinking water sources, and 63% engaged in water security training, leading to improved water governance and sustainability.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>



## Business Responsibility and Sustainability Report (Contd.)

S. No	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
15	<b>School Health Programme, Mumbai, Maharashtra</b> – The project, inspired by ‘Swachh Bharat: Swachh Vidyalaya’, improved WASH facilities in 9 Mumbai schools and conducted BCC activities in 30 schools, benefiting over 5,000 students. Around, 97% of students found new toilets and water purifiers better and more functional, 91% adopted daily WASH practices, and 78% of teachers reported fewer absences due to water-borne illnesses.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
16	<b>Integrated Solid and Liquid Waste Management, Karauli, Rajasthan</b> – The initiative aimed to improve waste management through decentralisation and institutionalisation of management practices through promoting public-private partnerships. About 127 stakeholder meetings were conducted to secure government support for deploying waste management measures. 420 and 510 households in municipal and gram panchayat wards, respectively, practiced waste segregation. Around 4,250 households were willing to pay for waste management, while 70 households took up home composting. The project fostered community engagement, leading to the formation of local champions and committees for sustainable waste practices.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
17	<b>Bhu-Jal Dhaara (A Livelihood Improvement Project Through Integrated Watershed Development), Karauli, Rajasthan</b> – The Programme is intended to enhance livelihoods and manage water resources in 60 villages, with a goal of a 30% income increase. Challenges included low VWDC engagement, etc. Despite this, phase 1 saw environmental awareness initiatives in 30 villages and funding for 1,100 hectares of watershed area secured, indicating progress in sustainable agriculture and watershed management efforts.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
18	<b>Scoping study for Liquid and solid waste management for rejuvenation of Bhadravati River stretch along Karauli Town, Rajasthan</b> – The scoping study was undertaken with the intent to develop a comprehensive ‘River Rejuvenation Strategy and Schematic Plan’ for rejuvenation of the Bhadravati River and improve waste management. Key findings include: <ul style="list-style-type: none"> <li>There is a weekly generation of 3-6 kilolitres of faecal sludge, and only 2 out of 8 drying beds are functional.</li> <li>There is a daily wastewater flow of 3.66 million litres into the river, with high BOD and COD levels (high organic pollutants).</li> <li>20 metric tons of solid waste are produced daily, with inefficient collection due to inadequate vehicles.</li> <li>92% of households have toilets, yet many lack proper construction, and 60% lack desludging access. The study underscores the need for robust waste management solutions.</li> </ul>	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>

S. No	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
19	<b>Making Sapotra Block of Karauli district Open Defecation Free through School, AWC, Community centered WASH interventions, Karauli, Rajasthan</b> – The Programme improved water, sanitation, and hygiene (WASH) facilities, impacting 5,000 households and 9,600 students. Its achievements include over 91% of schools gaining functional drinking water facilities, 95% promoting hand hygiene with improved tap-to-student ratios, and 90% of households receiving piped water. Awareness of handwashing techniques rose to 95%, reducing water-borne diseases. Functional toilets in homes reached 87%, schools saw a rise from 19% to over 95%, and awareness of WASH committees remained at 21% among students.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
20	<b>Promotion of Thiruppullani as Swachh and Swasth Block, Ramanathapuram, Tamil Nadu</b> – This WASH initiative renovated facilities in 65 schools, 51 Anganwadis, and 6 PHCs, directly aiding 34,500 people. Infrastructure improvements included 18 new wells and upgrades to 30 existing wells. Post-intervention, 81% had functional water access, 72% boiled water, and 92% practiced handwashing. Water facilities are now within 500 meters for 84% of respondents. Menstrual Hygiene Management (MHM) understanding improved for 55% of female students.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
21	<b>Sustainable Community ODF Programme, Ramanathapuram, Tamil Nadu</b> – The project renovated WASH facilities, impacting 20,000 people. It retrofitted sanitation units and promoted hygiene education. Around 97% of respondents reported that they had stopped open defecation, with a 79% drop in related illnesses. School sanitation satisfaction increased to 96%, boosting female attendance. Handwashing awareness reached 99% among students, while active WASHMAN Committee participation stood at 44%, a positive indication for sustainable sanitation practices.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
22	<b>Technical Support for AGRASAR groups, Pan India</b> – The initiative established a support team to integrate the elderly groups into government plans across 16 Indian states, focusing on livelihoods and engagement. It involved training and capacity building through State Rural Livelihood Mission (SRLMs) and National Rural Livelihood Mission (NRLM), with the Technical Support Unit (TSU) team working closely with the Ministry of Social Justice and Empowerment (MoSJE) and Ministry of Rural Development (MoRD). Key outcomes include the formation of 7,388 new Elderly Self-Help Groups (ESHGs) post-intervention, reflecting increased acceptance of elders in livelihood activities. However, the target of 23,382 ESHGs was not met, partly due to the elderly’s hesitance towards entrepreneurship.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>



## Business Responsibility and Sustainability Report (Contd.)

S. No	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
23	<b>An initiative to support healthy ageing in the rural communities, Karauli, Rajasthan</b> – The Programme targeted the elderly in about 280 villages. It established 212 ESHGs, with 85.8% engaging in savings and 34% in inter-lending. Further, the Programme held 2,433 meetings, formed 212 youth groups, and involved 230 PRI members, enhancing community support. It also organised 120 cataract surgeries, distributed 200 walking sticks, and linked 368 elders to social security schemes.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14/2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
24	<b>Samrakshana: Garnering Resilience through Elders for Elders Network, Ramanathapuram, Tamil Nadu</b> – This project enhanced elderly care by forming 161 ESHGs and providing healthcare access through Mobile Medical Units (MMUs), benefiting 9,192 individuals. MMU services reached over 11,000, with 90% accessing medical services, including surgeries. Financial inclusion was facilitated, with 94% of elders receiving seed capital, leading to 59% starting businesses. Health insurance coverage rose to 71%. The initiative also fostered respect and independence among the elderly.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14/2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
25	<b>Training of Care Givers for Senior Citizens with mental ailments, Bengaluru, Karnataka</b> – The initiative trained 425 caregivers in geriatric mental health, with 241 earning NIMHANS certification. An LMS portal was launched for training. Further, NIMHANS' Sakalawara campus added a sound-proof lab and a skill lab for educational content and nursing demonstrations. The programme, in collaboration with 12 agencies, expanded its reach, enhancing the proficiency of caregivers in addressing elderly patients' mental health challenges.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14/2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
26	<b>Strengthening primary health care services by managing Mobile Medical Units (MMU) &amp; Government PHC, Kiphire, Nagaland</b> – The project aimed to deploy Mobile Medical Units (MMUs) and establish model Primary Health Centres (PHCs). The first year saw the Programme surpass vehicle and outpatient service targets for 5,600 patients. The provision of local healthcare and transport to local health centres led to a reduction in ambulance costs.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14/2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>

S. No	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
27	<b>Rice fortification for better nutrition outcomes, Nagaland</b> – This Programme combated anaemia by distributing fortified rice, aligning with national nutrition schemes, and reaching 65,429 PDS, 2,30,968 ICDS, and 1,43,914 PM Poshan beneficiaries. It promoted nutrition awareness to make fortified rice a community staple. The initiative also strengthened state systems and encouraged fortified rice adoption through awareness campaigns, particularly among students and women, enhancing nutrition education and outcomes.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14/2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
28	<b>Suswasthya- Strengthening health and nutrition services for women, children, and adolescents and upscaling the best practices in other 18 blocks through capacity building and advocacy, Birbhum, West Bengal</b> – The initiative enhanced maternal and child health, reaching 6,328 children. It achieved 93% early pregnancy registration, 80% access to antenatal care, and 98% institutional births. Around 74% of high-risk pregnancies resulted in newborns weighing over 2.5 kg, while 83% of infants were exclusively breastfed. The project also improved awareness of health schemes, nutritional practices, and adolescent health education, indicating a positive shift in community health behaviour.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14/2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
29	<b>Empower Women and Girls – for improving Maternal, Child and Adolescent Health and Nutrition, Karauli, Rajasthan</b> – The Programme improved health and nutrition across 95 villages, focusing on capacity building and awareness. It covered 93 Village Organisations (VOs) and reached 5,105 adolescent girls. The Programme supported 54 Godbharai ceremonies and contacted 1,497 pregnant women in its second year. Additionally, 406 Swasthya Sakhis were identified, with 180 receiving training, enhancing community health practices, and engaging with public health entitlements.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14/2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
30	<b>Lifeline Express, Birbhum, West Bengal</b> – The health initiative achieved its goal by serving 7,774 patients, providing diverse medical services and free healthcare to 98.7% of them. Around 65% of patients underwent surgeries, and health awareness improved post-intervention. Further, awareness campaigns reached 56% of the community, and 42% of patients benefited from post-operative transportation, with 30% traveling 5-10 km for services.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14/2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>



## Business Responsibility and Sustainability Report (Contd.)

S. No	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
31	<b>SWIFT Growth (Sustainable Water Institutions for Tangible Growth), Ramanathapuram, Tamil Nadu</b> – The environment sustainability project focused on community empowerment and agricultural enhancement, impacting 9,430 households. It established 42 Vayalagams (village-level institutions), renovated 22 water bodies, and supported soil fertility and tree planting initiatives. The project facilitated ₹24.50 Crores in loans for 84 farmer groups and conducted 27 insurance literacy programmes. A call center was also established, offering information on government entitlements and agricultural knowledge.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
32	<b>Water, Agriculture and Food Security (WAFS) Project, Ramanathapuram, Tamil Nadu</b> – The Programme enhanced water and food security by developing water resources and resilient agriculture. It renovated 15 Ooranis (village ponds), rehabilitated 18 irrigation tanks, and constructed 100 farm ponds, improving water availability and agricultural efficiency. The project reclaimed 353 acres of land, converted 277 acres into orchards, and established an organic farmer producer company with 276 members, fostering sustainable livelihoods and community empowerment.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
33	<b>Sustainable springshed and agriculture development, Kiphire, Nagaland</b> – The project aspired to enhance ecological balance and agricultural prosperity with the intent to benefit 1,500 households. It focused on natural resource preservation, water and spring-shed development, and agricultural support. Key achievements include forming 74 producer groups, rejuvenating 11 springs, aiding 434 households, and supporting 74 farmers in vegetable cultivation. Additionally, 5 field-based trainings were conducted, providing seeds to 757 farmers across two seasons, fostering sustainable community practices and agricultural enhancement.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
34	<b>Rebuilding Schools Affected by Nisarga Cyclone, Ratnagiri, Maharashtra</b> – This disaster relief Programme rehabilitated 10 cyclone-affected schools, enhancing WaSH facilities and classrooms. Upgrades included new water facilities, electrical fittings, and improved sanitation, with 94.4% of schools reporting clean water access. Students benefited from better lighting, ventilation, and educational wall paintings, while teachers observed a decrease in accidents due to safety improvements.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>

S. No	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
35	<b>Assam Flood Response 2020 Restoration of WASH in Schools, Jorhat and Golaghat, Assam</b> – NSE Foundation's collaboration with district administration led to the restoration of WASH facilities in 23 schools, enhancing infrastructure and hygiene practices. The initiative resulted in a 98% increase in student attendance, a 95% improvement in health behaviours, and enhanced cleanliness standards.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
36	<b>Robotic Solutions for cleaning of Septic Tanks, Chennai, Tamil Nadu</b> – Under the project, 'HomoSEP', a robot to safely clean hard sludge from septic tanks, reducing health risks for Safai Karamcharis was developed. The project trained 400 workers and deployed eight prototypes, with plans to clean 4,000 tanks in the first year. Adjustments were made to the robots' size for broader application, and while field trials were successful, ongoing support and financial linkages are suggested to enhance cooperatives' income and robot maintenance.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25 <sup>th</sup> August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>

### 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
NSE has no projects for which ongoing Rehabilitation and Resettlement (R&R) is required.						

### 3. Describe the mechanisms to receive and redress grievances of the community.

Currently, NSE does not have a mechanism to receive and redress the community's grievances.

### 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 23-24	FY 22-23
Directly sourced from MSMEs/small producers	1	1
Directly from within India	97	96

### 5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations as a % of total wage cost.

Location	FY 23-24	FY 22-23
Rural	0	0
Semi-Urban	0	0
Urban	1	1
Metropolitan	99	99

\* The nature of business necessitates NSE to have its offices predominantly in metropolitan cities.

**Business Responsibility and Sustainability Report (Contd.)****Leadership Indicators**

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
No negative social impact was identified. Hence, no corrective action was required to be taken.	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In ₹)
			No CSR initiative was undertaken in any of the aspirational districts as identified by government bodies.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)  
No, NSE does not have a preferential procurement policy.

- (b) From which marginalised/vulnerable groups do you procure?

This question can only be answered if NSE has responded "Yes" to the previous question (P8-L-3a).

- (c) What percentage of total procurement (by value) does it constitute?

This question can only be answered if NSE has responded "Yes" to the previous question (P8-L-3a).

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year) based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
	NSE is a stock exchange, and its operations don't have any known benefits from the intellectual properties based on traditional knowledge.			

5. Details of corrective actions taken or underway based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of Authority	Brief of the Case	Corrective action taken
		This question can only be answered if NSE has responded to the above question (P8-L-4).

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Multispecialty OPD block with 60-bed bone marrow transplant unit	New project	Not applicable as the project is underway.
2	Equitable Education for Rural & Tribal Children	New project	800+ students from tribal and marginalised communities.

**PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER****Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

In line with the SEBI circular, NSE introduced the Online Dispute Resolution (ODR)—the "SMARTODR" platform. The ODR mechanism has expanded the scope of dispute resolution and covers various complaints/disputes, such as non-receipt of dividends, incorrect share transfers, unauthorised trading, and more. These complaints/disputes can be between investors/clients and other specific intermediaries/regulated entities in the securities market, in addition to trading members and listed companies (including their registrar and share transfer agents).

The ODR Mechanism's dispute resolution process is designed to ensure fairness and transparency. It operates on two levels of resolution: Conciliation and Arbitration. All complaints/disputes lodged through the SMART ODR Portal are mandated to follow the process of online conciliation first. In the event of unsuccessful conciliation, the matter may be escalated to online Arbitration. If the investor/client/market participant remains dissatisfied with the arbitration award, they have the right to appeal to a competent Court of law under section 34 of the Arbitration and Conciliation Act, 1996, ensuring their protection and rights.

The Exchange has impaneled reputable ODR institutions such as SAMA, Webnyay, Jupitice, CADRE, and CORD to undertake time-bound online conciliation/arbitration for complaints/disputes. These institutions, along with the current panel of 119 arbitrators and 115 GRC Members, have been onboarded with the ODR mechanism. The ODR institutions, under the guidance of MIIs and SEBI, will train the Conciliators/Arbitrators, ensuring a high level of expertise and professionalism in the resolution process.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Measured
Safe and responsible usage	Not Measured
Recycling and/or safe disposal	Recycling and safe disposal are not applicable in the context of the business.

3. Number of consumers complaints in respect of the following:

	FY 23-24			FY 22-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	NIL	0	0	NIL
Advertising	0	0	NIL	0	0	NIL
Cyber-security	0	0	NIL	0	0	NIL
Delivery of essential services	0	0	NIL	0	0	NIL
Restrictive Trade Practices	0	0	NIL	0	0	NIL
Unfair Trade Practices	0	0	NIL	0	0	NIL
Other	11	11	The present matters are sub-judice.	0	0	NIL



**Business Responsibility and Sustainability Report (Contd.)****4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	NSE does not manufacture any products, and therefore, there have been no instances of product recalls related to safety issues.	
Forced recalls		

**5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy**

Yes, NSE has a Cyber Security and Cyber Resilience policy which also covers data protection/cyber security policy in place to mitigate risks related controls. Due to confidentiality issues, we do not share the Cyber Security and Cyber Resilience policy in the public domain. Additionally, our practices are aligned to ISO 27001:2013 Information Security Management Systems and ISO 27017:2015 Information Technology Systems.

The Risk Management Committee (RMC) is responsible for periodically reviewing the status of Cyber Security implementation and examining Cyber Security incidents to ensure ongoing vigilance and effectiveness.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty action taken by regulatory authorities on safety of products services.**

Given that no such incidents have happened, the corrective actions are not applicable.

**7. Provide the following information relating to data breaches:****a. Number of instances of data breaches**

Nil

**b. Percentage of data breaches involving personally identifiable information of customers**

This question needs to be answered only if there have been instances of data breaches. Since we have zero instances of data breaches, this question does not need a response.

**c. Impact, if any, of the data breaches**

This question needs to be answered only if there have been instances of data breaches. Since we have nil instances of data breaches, this question does not need a response.

**Leadership Indicators****1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

NSE provides comprehensive information on its products and services through its official website. Customers can see all information about products and services at <https://www.nseindia.com/nse-indices/products-services>.

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

NSE is committed to informing and educating consumers about safe and responsible usage of its products and services. Recognising the importance of financial literacy, NSE has implemented several measures:

**1. Investor Awareness Programmes:**

NSE conducts a comprehensive array of investor awareness programmes, utilising both physical sessions and webinars. These initiatives are designed to educate investors about the various aspects of capital markets, including the benefits and inherent risks associated with investments.

**2. Outreach:**

In FY 23-24, NSE successfully organised 5,889 investor awareness programmes. These sessions have collectively reached out to approximately 3.64 Lakhs participants (including 3,169 webinars and 2,720 on-ground seminars), significantly contributing to increasing the financial literacy rate among the investing public. The programmes specifically aim to create awareness about the capital markets and provide valuable insights into the do's and don'ts of investing. By focusing on practical tips for being an informed investor, NSE ensures that participants are well-equipped with the knowledge needed to make responsible investment decisions.

Through these dedicated efforts, NSE strives to build a well-informed investor community capable of navigating the complexities of the capital markets with confidence and prudence.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

NSE's customers are informed of disruption in service, if any, through SMS, website notice, social media, etc.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity, or the entity as a whole? (Yes/No)**

Yes. NSE creates awareness not only about the product but also about its risk profile and suitability for the investor category.



# INDEPENDENT ASSURANCE STATEMENT

To,  
The Board of Directors,  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, C-1, Block-G, Bandra Kurla Complex Bandra, East,  
Mumbai, Maharashtra – 400051

National Stock Exchange of India Ltd. (NSEIL) engaged TUV India Private Limited (TUVI) to conduct reasonable level independent external assurance of Business Responsibility and Sustainability Reporting (herein after abbreviated as “BRSR”) Core disclosures (*09 attributes as per Annexure I - Format of BRSR Core*) following the (*BRSR Core – Framework for assurance and ESG disclosures for value chain*) stipulated in SEBI circular *SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12/07/2023*, for the reporting period April 01, 2023 to March 31, 2024. The BRSR is based on the National Guidelines on Responsible Business Conduct (NGRBC), *SEBI circular: SEBI/HO/CFD/CMD-2/P/CIR/2021/562, dated 10/05/2021* followed by the *notification number SEBI/LAD-NRO/GN/2023/131, dated 14/06/2023* pertaining to BRSR requirement. This assurance engagement was conducted in reference with BRSR, the terms of our engagement and ISAE 3000 (Revised) requirement.

## Management’s Responsibility

NSEIL has prepared BRSR and is responsible for the collection, analysis, authenticity of data and disclosure of the information presented in the BRSR (web-based and print), including website maintenance, integrity, and for ensuring its quality and accuracy with reference to the criteria stated in the BRSR, such that it is free of misstatements (intentional or unintentional, qualitative or quantitative, including omissions). NSEIL will be responsible for providing complete and true information and data. Further NSEIL is responsible for archiving and reproducing the disclosed data to the stakeholders and regulators upon request.

## Scope and Boundary

The scope of work includes the assurance of the following *09 attributes as per Annexure I - Format of BRSR Core* disclosed in the BRSR report. The BRSR core requirements encompass essential disclosures pertaining to organisation’s Environmental, Social and Governance (ESG). In particular, the assurance engagement included the following:

- Review of *09 attributes as per Annexure I - Format of BRSR Core* submitted by NSEIL
- Review of the quality of information
- Review of evidence (on a random samples) for all 9 attributes and its KPI desired for reasonable level of assurance

TUVI has verified the below *09 attributes as per Annexure I - Format of BRSR Core* disclosed in the BRSR

Attributes	KPI
Green-house gas (GHG) footprint <i>Boundary:</i> <i>Scope 1 Boundary – Consumption from NSEIL including all regional offices</i> <i>Scope 2 Boundary – Consumption from NSEIL including all regional offices</i>	Total Scope 1 emissions (with breakup by type) - GHG (CO <sub>2</sub> e) Emission in MT - Direct emissions from organisation’s owned- or controlled sources (Estimated KPI, Reference applied is direct measurement) Total Scope 2 emissions in MT - Indirect emissions from the generation of energy that is purchased from a utility provider (Estimated KPI, Reference applied is Utility Bills) GHG Emission Intensity (Scope 1+2), Total Scope 1 and Scope 2 emissions (MT) / Total Revenue from Operations adjusted for PPP (Reference applied is Revenue based)
Water footprint <i>Boundary:</i> <i>– Consumption from NSEIL including all regional offices.</i>	Total water consumption (in kL) (Estimated KPI) (Reference is water meter Logbooks) Water consumption intensity - kL / Total Revenue from Operations adjusted for PPP Water Discharge by destination and levels of Treatment (kL) (Estimated KPI, Reference is water meter Logbooks)
Energy footprint <i>Boundary:</i> <i>Refer attribute “Green-house gas (GHG) footprint”</i>	Total energy consumed in GJ (Estimated KPI, Reference applied is Utility Bills) % of energy consumed from renewable sources - In % terms Energy intensity -GJ/ Rupee adjusted for PPP

Attributes	KPI
Embracing circularity - details related to waste management by the entity <i>Boundary:</i> <i>– NSEIL including all regional offices</i>	Plastic waste (A) (MT) (Reported Nil) E-waste (B) (MT) (Reported, Reference applied is weighing records) Bio-medical waste (C) (MT) (Reported as not applicable) Battery waste (D) (MT) (Reference applied is weighing records) Engine oil (E) (Reported Nil) Oil containers (F) (Reported Nil) Engineering spares (G) (MT) (Reported as not applicable) Mixed metal (H) (MT) (Reported as not applicable) Mixed Organic (I) (MT) (Reported as not applicable) Total waste generated (A + B + C + D + E + F+G+H+I) (MT) (Reported) Waste intensity: MT / Rupee adjusted for PPP Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (MT) Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (Intensity) ✓kg of Waste Recycled Recovered /Total Waste generated For each category of waste generated, total waste disposed by nature of disposal method (MT) For each category of waste generated, total waste disposed by nature of disposal method (Intensity) ✓kg of Waste Recycled Recovered /Total Waste generated
Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the co - In % terms (Reported, Reference applied is financial records) Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company’s construction sites) (Reference applied is Incident reports) 1) Number of Permanent Disabilities (Reported as Nil) 2) Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) (Reported as Nil) 3) No. of fatalities (Reported as Nil)
Enabling Gender Diversity in Business	Complaints on POSH 1) Total Complaints on Sexual Harassment (POSH) reported 2) Complaints on POSH as a % of female employees / workers 3) Complaints on POSH upheld
Enabling Inclusive Development	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India - In % terms – As % of total purchases by value (Reported, Reference applied is procurement records) Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost - In % terms – As % of total wage cost (Reported)
Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events - In % terms (Reported, Reference applied is incident reports) Number of days of accounts payable - (Accounts payable *365) / Cost of goods/services procured (Reported, Reference applied is Finance records)



## Independent Assurance Statement (Contd.)

Attributes	KPI	
Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties (Reported, Reference applied is Finance records)	1) Purchases from trading houses as % of total purchases
		2) Number of trading houses where purchases are made from
		3) Purchases from top 10 trading houses as % of total purchases from trading houses
	Sales to dealers / distributors as % of total sales	1) Sales to dealers / distributors as % of total sales
		2) Number of dealers / distributors to whom sales are made
		3) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors
	Share of RPTs (as respective %age) in -	• Purchases
		• Sales
		• Loans & advances
		• Investments

**Note:**

**Energy:** The energy consumption data was sourced from the available data in the system. For regional offices including exchange plaza, electricity data is available for all months.

**Water:** The water data is available with daily logging system and is referred from water meters in agreement with local water providing authority. NSE offices at the Exchange Plaza building and Chennai are equipped with a Sewage Treatment Plant (STP), enabling the recycling of water for domestic use. Post-treatment, the water is repurposed for the cooling towers in the air conditioning system and for gardening purposes

**Waste:** NSEIL generates a significant amount of domestic and E-waste. NSE's E-waste policy ensures the responsible recycling of E-waste through vendors who are authorised by the Central Pollution Control Board (CPCB) and the Maharashtra Pollution Control Board (MPCB). NSE have implemented a comprehensive Document Management System (DMS) portal for storing and managing all approval notes. This digital approach eliminates the need for paper-based approvals, significantly reducing paper waste within offices. Further, compostable materials such as food waste from the canteen, garden organics, and paper are processed through an in-house vermicomposting setup.

The reporting boundaries for the above attributes include below Regional office locations

*NSE - Corporate Office: National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051*

*Western Regional Office: National Stock Exchange of India Ltd., 6<sup>th</sup> floor, Kohinoor City, Tower – 1, Commercial – II, Kirod Road, Off. L. B. S. Marg, Kurla (W), Mumbai – 400 070*

*National Stock Exchange of India Ltd.: Office No. 304/305, GCP Business Centre, Opposite Memnagar Fire Station, Navrangpura, Ahmedabad – 380009*

*National Stock Exchange of India Ltd.: Old No. 7, New No. 2, Nawab Garden, Murugappa Road, Kotturpuram, Chennai – 600 085.*

*National Stock Exchange of India Ltd.: 4<sup>th</sup> Floor, Jeevan Vihar Building, Parliament Street, New Delhi – 110 001*

*National Stock Exchange of India Ltd: 5<sup>th</sup> Floor, Awfis Space Solutions, Prestige Phoenix, 1405, Uma Nagar, Beside Metro Rail Station, Begumpet, Hyderabad, Telangana – 500016*

*National Stock Exchange of India Ltd.: 1<sup>st</sup> Floor, Park View Apartments, 99, Rash Behari Avenue, Kolkata – 700 029*

*An on-site verification was conducted at NSEIL exchange plaza from 12 to 14 June, then 20 June 2024.*

**Onsite Verification:** National Stock Exchange of India Ltd.: Exchange Plaza, C-1, Block-G, Bandra Kurla Complex Bandra, East, Mumbai, Maharashtra – 400051

The assurance activities were carried out together with a desk review as per reporting boundary.

### Limitations

TUVI did not perform any assurance procedures on the prospective information disclosed in the Report, including targets, expectations, and ambitions. Consequently, TUVI draws no conclusion on the prospective information. During the assurance process, TUVI did not come across any limitation to the agreed scope of the assurance engagement. TUVI did not verify any ESG goals and claim through this assignment. TUVI disclaims any liability or co-responsibility 1) for any decision a person or entity would make based on this assurance statement and 2) for any damages in case of erroneous data is reported. While TUVI verified the data with maximum sample desired for reasonable level of assurance; the responsibility for the authenticity of submitted data entirely lies with NSEIL TUVI has taken reference of the financial figures from the audited financial statements. NSEIL will be responsible for the appropriate application of the financial data. The application of this assurance statement is limited w.r.t SEBI *circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12/07/2023*.

### Our Responsibility

TUVI's responsibility in relation to this engagement is to perform a reasonable level of assurance and to express a conclusion based on the work performed. Our engagement did not include an assessment of the adequacy or the effectiveness of NSEIL's strategy, management of ESG-related issues or the sufficiency of the Report against BRSR reporting principles, other than those mentioned in the scope of the assurance. TUVI's responsibility regarding this verification is in reference to the agreed scope of work, which includes assurance of non-financial quantitative and qualitative information (*09 attributes as per Annexure I - Format of BRSR Core*) disclosed by NSEIL. Reporting Organisation is responsible for archiving the related data for a reasonable time period. TUVI is responsible for

- Planning to obtain the reasonable assurance for BRSR attributes so that it is free from material misstatement,
- Forming an independent opinion, based on the sampled evidence,
- Reporting the opinion to The Board of Directors of NSEIL.

This assurance statement is prepared by considering that the data and information presented by 'NSEIL' are free from material misstatement.

### Verification Methodology

During the assurance engagement, TUVI adopted a risk-based approach, focusing on verification efforts with respect to disclosures. TUVI has verified the disclosures and assessed the robustness of the underlying data management system, information flows, and controls. In doing so:

- TUVI examined and reviewed the documents, data, and other information made available by NSEIL for *09 attributes as per Annexure I - Format of BRSR Core* (non-financial disclosures) followed by taking reference of the financial figures from the audited financial statement.
- TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of NSEIL
- TUVI performed sample-based reviews of the mechanisms for implementing the sustainability-related policies and data management (qualitative and quantitative)
- TUVI reviewed the adherence to reporting requirements of BRSR Core framework

### Opportunities for Improvement

The following are the opportunities for improvement reported to NSEIL. However, they are generally consistent with NSEIL management's objectives and programs. NSEIL already identified below topics to achieve the Sustainable Goals of organisation.

- NSEIL may perform the assessment of scope 2 emissions of regional offices;
- NSEIL may implement technology enabled tool for capturing environmental and social data of regional offices.



## Independent Assurance Statement (Contd.)

### Conflict of Interest

In the context of BRSR requirements set by SEBI, addressing conflict of interest is crucial to maintain high integrity and independence of assurance engagements. As per SEBI guidelines, assurance providers need to disclose any potential conflict of interest that could compromise the independence or neutrality of their assessments. TUVI diligently identifies any relationships, affiliations, or financial interests that could potentially cause conflict of interest. We proactively implement measures to mitigate or manage these conflicts, ensuring independence and impartiality in our assurance engagements. We provide clear and transparent disclosures about any identified conflicts of interest in our assurance statement. We recognise that failure to address conflict of interest adequately could undermine the credibility of the assurance process and the reliability of the reported information. Therefore, we strictly adhere to SEBI guidelines and take necessary measures to avoid, disclose, or mitigate conflicts of interest effectively.

### Our Conclusion

In our opinion, based on the scope of this assurance engagement, the disclosures on BRSR Core KPI described in the BRSR report along with the referenced information provides a fair representation of the 9 attributes, and meets the general content and quality requirements of the BRSR. TUVI confirms its competency to conduct the assurance engagement for the BRSR as per SEBI guidelines. Our team possesses expertise in ESG verification, assurance methodologies, and regulatory frameworks. We ensure independence, employ robust methodologies, and maintain continuous improvement to deliver reliable assessments.

Disclosures: TUVI is of the opinion that the reported disclosures generally meet the BRSR requirements. NSEIL refers to General Disclosure to report contextual information about NSEIL, while the Management & Process disclose the management approach for each indicator (*09 attributes as per Annexure I - Format of BRSR Core*).

Reasonable Assurance: As per SEBI, reasonable assurance requirements including scope of Assurance, Assurance methodologies (risk-based approach and data validation techniques), mitigating conflicts of interests, documentation on evidence and communication on findings, TUVI can effectively validate the accuracy and reliability of the information presented in the BRSR, instilling confidence in stakeholders and promoting transparency and credibility in ESG reporting practices.

### NSEIL BRSR complies with the below requirements

- a) Governance, leadership and oversight: The messages of top management, the business model to promote inclusive growth and equitable development, action and strategies, focus on services, risk management, protection and restoration of environment, and priorities are disclosed appropriately.
- b) Connectivity of information: NSEIL discloses *09 attributes as per Annexure I - Format of BRSR Core* and their inter-relatedness and dependencies with factors that affect the organisation's ability to create value over time.
- c) Stakeholder responsiveness: The Report covers mechanisms of communication with key stakeholders to identify major concerns to derive and prioritise the short, medium and long-term strategies. The Report provides insights into the organisation's relationships (nature and quality) with its key stakeholders. In addition, the Report provides a fair representation of the extent to which the organisation understands, considers and responds to the legitimate needs and interests of key stakeholders.
- d) Materiality: The material issues within 9 attributes and corresponding KPI as per BRSR requirement are reported properly.
- e) Conciseness: The Report reproduces the requisite information and communicates clear information in as few words as possible. The disclosures are expressed briefly and to the point sentences, graphs, pictorial, tabular representation is applied. At the same time, due care is taken to maintain continuity of information flow in the BRSR.
- f) Reliability and completeness: NSEIL has established internal data aggregation and evaluation systems to derive the performance. NSEIL confirms that, all data provided to TUVI, has been reviewed by concern authorities. The data and information was verified by TUVI's assurance team (on sample basis) during the BRSR verification and found to be fairly accurate. All data, is reported transparently, in a neutral tone and without material error.
- g) Consistency and comparability: The information presented in the BRSR is on yearly, found reliable and complete. Thus, the principle of consistency and comparability is established.

**Independence and Code of Conduct:** TUVI follows IESBA (International Ethics Standards Board for Accountants) Code which, adopts a threats and safeguards approach to independence. We recognise the importance of maintaining independence in our engagements and actively manage threats such as self-interest, self-review, advocacy, and familiarity. The assessment team was safeguarded from any type of intimidation. By adhering to these principles, we uphold the trust and confidence of our clients and stakeholders. In line with the requirements of the SEBI [circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12/07/2023](#), TUVI confirms that there is no conflict of interest with NSEIL. TUVI solely focuses on delivering verification and assurance services and does not engage in the sale of service or the provision of any non-audit/non-assurance services, including consulting.

Quality control: The assurance team complies with quality control standards, ensuring that the engagement partner possesses requisite expertise and the assigned team collectively has the necessary competence to perform engagements in reference with standards and regulations. Assurance team follows the fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control, TUVI maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Our Assurance Team and Independence

TUVI is an independent, neutral third-party providing ESG Assurance services with qualified environmental and social specialists. TUVI states its independence and impartiality and confirms that there is "no conflict of interest" regarding this assurance engagement. In the reporting year, TUVI did not work with NSEIL on any engagement that could compromise the independence or impartiality of our findings, conclusions, and observations. TUVI was not involved in the preparation of any content or data included in the BRSR, except for this assurance statement. TUVI maintains complete impartiality towards any individuals interviewed during the assurance engagement.

For and on behalf of TUV India Private Limited

**Manojkumar Borekar**

Product Head – Sustainability Assurance Service

TUV India Private Limited

Date: 10/07/2024

Place: Mumbai, India

Project Reference No. 8122850653



# INDEPENDENT AUDITOR'S REPORT

To the Members of

**National Stock Exchange of India Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

- We have audited the accompanying consolidated financial statements 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") and its associate companies (refer Note 39 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2024, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the Statement of consolidated Cash Flows for the year then ended, and notes to the consolidated financial statements, material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate companies as at March 31, 2024, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

- We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group

and its associate companies in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 16 of the Other Matters section below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

- We draw your attention to Note 35(b) to the consolidated financial statements, relating to the orders passed by the Securities and Exchange Board of India ("SEBI") 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 Conflict of Interest matters and the adjudication orders in relation to these matters. The above matters continue to be under appeal with the Hon'ble Securities Appellate Tribunal or the Hon'ble Supreme Court. The future outcome of the above matters is uncertain at this stage. Based on the legal opinion obtained by the Holding Company, except for the penalty amount of ₹100 Crores as mentioned in Note 35(b) to the consolidated financial statements, no provision for any liability has been recognised towards the above matters. Our opinion is not modified in respect of this matter.

### Key Audit Matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Key audit matter

Assessment of provisions made, and contingent liabilities disclosed with regard to legal and regulatory matters

[Refer Note 35 to the consolidated financial statements]

As of March 31, 2024, the Holding Company has ongoing regulatory proceedings, inspections and inquiries with various regulatory authorities including SEBI (other than that described in the Emphasis of matter paragraph above), case filed by a competitor against the Holding Company pending with Competition Appellate Tribunal and various other ongoing litigations, including claims by its broker members.

#### How our audit addressed the key audit matter

Our audit procedures included the following—

- Understanding and evaluating the design and testing the operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the consolidated financial statements in respect of these matters.
- Examining the details of litigations in respect of legal, SEBI and other regulatory proceedings, inspections, inquiries obtained from Holding Company's Management.

#### Key audit matter

The Holding Company has assessed the above pending matters related to litigations, regulatory proceedings, inspections and inquiries and has made provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its consolidated financial statements.

This area is considered as a key audit matter, as evaluation of these matters requires Holding Company's Management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outcome of ongoing proceedings and outflow of economic resources, if any, and the recognition of provisions, disclosure of contingent liabilities and related disclosures to be made in the consolidated financial statements.

#### How our audit addressed the key audit matter

- Examining orders and/or communications with regulatory authorities during the year and Holding Company's Management responses and reports thereto.
- Inspecting the supporting documents to evaluate Management's assessment of probability of outcome of ongoing proceedings, the magnitude of potential loss, if any, and testing related provisions and disclosures made in the consolidated financial statements.
- Examining expert's legal advice/opinion obtained by the Holding Company's Management for evaluating significant certain legal and regulatory matters.
- Evaluating competence and capabilities of the Holding Company's Management's independent external experts.
- Assessing the adequacy of disclosures related to these matters in the consolidated financial statements.

Based on our above procedures, the provisions recognised by the Holding Company, and contingent liabilities disclosed with regard to legal and regulatory matters, appear to be reasonable.

- The following Key Audit Matters were included in the audit report dated April 30, 2024, containing an unmodified audit opinion on the consolidated financial statements of NSE Clearing Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants reproduced by us as under:

#### Key audit matter

##### Legal, Regulatory Proceedings and uncertain tax positions

As of March 31, 2024, the NSE Clearing Limited has ongoing regulatory proceeding with SEBI in respect of a matter as disclosed in Note 35(c)\* to the Consolidated financial statements of NSE Clearing Limited and various ongoing litigations on legal matters and proceedings with tax authorities involving uncertain direct and indirect tax positions. There are various direct and indirect tax cases against the NSE Clearing Limited, including disallowance of certain expenses under income tax, applicability of service tax on certain services etc.

NSE Clearing Limited has assessed the above pending matters related to litigations, regulatory proceedings and has disclosed the contingent liabilities, wherever applicable, in its consolidated financial statements.

Refer note 32, 33 and 35 to the Consolidated financial statements of NSE Clearing Limited\*.

This is a key audit matter, as evaluation of these matters requires management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outflow of economic resources, if any, provisions and related disclosures to be made in the Consolidated financial statements of NSE Clearing Limited.

#### How our audit addressed the key audit matter

Our audit procedures related to legal, regulatory proceedings and uncertain tax positions included—

- Evaluating the design and operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the consolidated financial statements in respect of these matters;
- Obtaining details of litigations on legal, regulatory proceedings and uncertain direct and indirect tax positions.
- Reviewing orders and management responses thereto.
- Inspecting the supporting documents to evaluate management's assessment of probability of outcome of ongoing proceedings, the magnitude of potential loss, if any, and testing related provisions and disclosures made in the consolidated financial statements;
- Reviewing expert's legal advice/opinion obtained by the NSE Clearing Limited's management for evaluating certain legal, regulatory proceedings and tax matters; and
- Evaluating competence and capabilities of the experts. Based on the above procedure, we noted that the NSE Clearing Limited has reviewed the above pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its consolidated financial statements.

\*These notes are included in Note 35 to the consolidated financial statements.



## Independent Auditor's Report (Contd.)

### Other Information

7. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our and other auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate companies in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate companies are responsible for assessing the ability of the Group and of its associate companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. The respective Board of Directors of the companies included in the Group and of its associate companies are responsible for overseeing the financial reporting process of the Group and of its associate companies.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, 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 Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate companies and jointly controlled entities/joint ventures 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 statements 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 associate companies and jointly controlled entities/joint ventures to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate companies to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, 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.
13. We communicate with those charged with governance of the Holding Company and such other entities included

in the consolidated financial statements 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.

14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

16. We did not audit the financial statements of one subsidiary and consolidated financial statements of two subsidiaries whose financial statements reflect total assets of ₹40,395.00 Crores and net assets of ₹7,096.84 Crores as at March 31, 2024, total revenue of ₹2,865.91 Crores, total comprehensive income (comprising of profit/loss and other comprehensive income) of ₹1,880.13 Crores and net cash flows amounting to ₹17,298.76 Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive loss (comprising of loss and other comprehensive income) of ₹(1.02) crore for the year ended March 31, 2024 as considered in the consolidated financial statements, in respect of one associate company whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and associate company and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries and associate company, is based solely on the reports of the other auditors.



## Independent Auditor's Report (Contd.)

17. We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of ₹2 Crores and net assets of ₹0.31 crore as at March 31, 2024, total revenue of ₹ Nil, total comprehensive loss (comprising of loss and other comprehensive income) of ₹(0.69) crore and net cash flows amounting to ₹0.27 crore for the period from January 09, 2024 (date of incorporation) to March 31, 2024, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit/loss and other comprehensive income) of ₹98.56 Crores for the year ended March 31, 2024 as considered in the consolidated financial statements, in respect of five associate companies whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiary and associate companies and our report in terms of sub-section (3) of Section 143 including Rule 11 of the Companies (Audit and Auditors) Rules, 2014 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries and associate companies, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, 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 certified by the Management.

### Report on Other Legal and Regulatory Requirements

18. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matter specified in paragraph 3(xxii) of CARO 2020.

19. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Statement of consolidated Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its associate companies— Refer Note 35 to the consolidated financial statements.
- ii. The Group and its associate companies were not required to recognise a provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Group and its associate companies did not have any derivative contracts as at March 31, 2024.
- iii. During the year ended March 31, 2024, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and associate companies incorporated in India.
- iv. (a) The respective Managements of the Holding Company and its subsidiaries and associate companies which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate companies respectively that, to the best of their knowledge and belief as disclosed in Note 54(vi) to the financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and associate companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly

or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries and associate companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Holding Company and its subsidiaries and associate companies which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate companies respectively that, to the best of their knowledge and belief, as disclosed in the Note 54(vi) to the financial statements, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries and associate companies] from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associate companies shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries and associate companies which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.



## Independent Auditor's Report (Contd.)

20. The dividend declared and paid during the year by the Holding Company, its subsidiary companies and associate company, is in compliance with Section 123 of the Act.
21. Based on our examination, which included test checks and that performed by the respective auditors of the subsidiaries and associate company which are companies incorporated in India whose financial statements have been audited under the Act, the Group and its associate company have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not notice any instance of the audit trail feature being tampered with.
22. The Group and its associate company have paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

**For Price Waterhouse & Co. Chartered Accountants LLP.**

Firm Registration Number: 304026E/E - 300009

**Amit Borkar**

Partner

Membership Number: 109846

UDIN: 24109846BKGXSJ8995

Place: Pune

Date: May 03, 2024

## Annexure A to Independent Auditor's Report

Referred to in paragraph 19(f) of the Independent Auditor's Report of even date to the members of National Stock Exchange of India Limited on the consolidated financial statements for the year ended March 31, 2024

### Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to financial statements of National Stock Exchange of India Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require

that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

### Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.





## Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

## Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to three subsidiary companies and one associate company which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.
10. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements does not include the reporting of one subsidiary and five associate companies, which are companies incorporated in India whose audit reports are not available. In our opinion and according to information and explanations given to us by the Holding Company's Management, the financial information of these five associate companies is not material to the Group. Our opinion is not modified in respect of this matter.

### For Price Waterhouse & Co. Chartered Accountants LLP

Firm Registration Number: 304026E/E - 300009

#### Amit Borkar

Partner

Membership Number: 109846

UDIN: 24109846BKGXSJ8995

Place: Pune

Date: May 03, 2024

## Annexure B to Independent Auditor's Report

Referred to in paragraph 18 of the Independent Auditor's Report of even date to the members of National Stock Exchange of India Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2024

As required by paragraph 3(xxii) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone and consolidated financial statements, respectively of the respective companies included in the Consolidated Financial Statements of the Holding Company:

S. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditors' report	Paragraph number and comment in the respective CARO report reproduced below
1.	NSE IFSC Limited	U65100GJ2016PLC094517	Subsidiary Company	April 23, 2024	3.(xvii). The Company has not incurred cash loss during the financial year 2023-24 covered by our audit but it had incurred cash loss of ₹6,790.63 Lakhs (USD 84.37 Lakhs) for the immediately preceding financial year 2022-23.
2.	India International Bullion Holding IFSC Limited	U67100GJ2021PLC123076	Associate Company	April 22, 2024	3.(xvii). During the period under reporting company had incurred cash profit of ₹0.50 million (USD- 6,100) in the financial year, loss in PY- ₹13.10 million (USD 162,970). 3.(xxi). There is no qualification or adverse remarks by auditors in the CARO reports of the companies included in the consolidated financial statements. The Regulatory Authority IFSCA had earlier mandated combined Net worth of Bullion Exchange and Bullion Clearing of USD 20 million by March 2024 on extended period which is not complied with. However, the same has been extended to 31 <sup>st</sup> July 2024. Further The Regulatory Authority IFSCA had earlier mandated Net worth of India International Depository IFSC Ltd of USD 3 million which is also not complied with. However, the companies have approached the Regulatory Authority for the necessary directions and allow further time to meet the regulatory requirements.

The statutory audit report on the financial statements for the year/period ended March 31, 2024 of NSE Administration and Supervision Limited a subsidiary of the Holding Company, National Securities Depository Limited an associate company of the Holding Company and Protean eGov Technologies Limited, Receivables Exchange of India Limited, Indian Gas Exchange Limited and Capital Quant Solutions Private Limited step down associate companies of the Holding Company have not been issued until the date of this report. Accordingly, no comments for the said subsidiary and associate companies have been included for the purpose of reporting under this clause.

### For Price Waterhouse & Co. Chartered Accountants LLP.

Firm Registration Number: 304026E/E - 300009

#### Amit Borkar

Partner

Membership Number: 109846

UDIN: 24109846BKGXSJ8995

Place: Pune

Date: May 03, 2024



# CONSOLIDATED BALANCE SHEET

as at March 31, 2024

Particulars	Notes	(₹ in Crores)	
		As at 31.03.2024	As at 31.03.2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2 a	1,004.28	936.35
Right of use assets	2 b	168.46	185.39
Capital work-in-progress	2 a	31.89	53.42
Goodwill	3	206.86	206.86
Other intangible assets	3	62.47	70.93
Intangible assets under development	3	50.17	45.07
Investment in associates accounted for using the equity method	39	685.85	649.44
Financial assets			
- Investments	4	14,128.07	9,148.79
- Other financial assets			
Non-current bank balances	5	3,821.63	952.90
Others	5	154.85	27.38
Income tax assets (net)	21	1,046.31	538.38
Deferred tax assets (net)	19 c	5.28	11.32
Other non-current assets	7	702.69	773.13
<b>Total non-current assets</b>		<b>22,068.81</b>	<b>13,599.36</b>
<b>Current assets</b>			
Financial assets			
- Investments	9	10,470.99	8,156.51
- Trade receivables	10	1,864.66	1,589.21
- Cash and cash equivalents*	11	23,303.12	5,897.51
- Bank balances other than cash and cash equivalents*	12	5,807.92	5,685.67
* Includes ₹21,327.11 Crores (Previous Year: ₹4,053.13 Crores) pertaining to settlement obligation and margin money from members			
- Other financial assets	6	459.80	141.51
Other current assets	8	636.20	708.36
<b>Total current assets</b>		<b>42,542.69</b>	<b>22,178.77</b>
Assets classified as held for sale	53	852.50	786.21
<b>TOTAL ASSETS</b>		<b>65,464.00</b>	<b>36,564.34</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	13 a	49.50	49.50
Other equity	13 b	23,924.91	20,428.98
<b>Equity attributable to owners of National Stock Exchange of India Limited</b>		<b>23,974.41</b>	<b>20,478.48</b>
Non controlling interest	13 b	(0.53)	1.91
<b>Total Equity</b>		<b>23,973.88</b>	<b>20,480.38</b>
<b>SETTLEMENT GUARANTEE FUND</b>			
- Core settlement guarantee fund paid	37	8,857.24	4,809.13
- Core settlement guarantee fund payable		52.98	224.48
- Settlement guarantee fund paid - commodity derivatives	37	-	250.00
		<b>8,910.22</b>	<b>5,283.61</b>
<b>INVESTOR PROTECTION FUND</b>	41 a	0.23	0.19

# CONSOLIDATED BALANCE SHEET

as at March 31, 2024

Particulars	Notes	(₹ in Crores)	
		As at 31.03.2024	As at 31.03.2023
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Lease liabilities	38	95.63	112.88
- Other financial liabilities	15	17.36	16.35
Provisions	17 a	45.99	52.14
Deferred tax liabilities (net)	19 c	305.51	158.35
Contract liabilities	17 b	82.46	69.34
Other non-current liabilities	22	5.41	5.41
<b>Total non-current liabilities</b>		<b>552.36</b>	<b>414.47</b>
<b>Current liabilities</b>			
Financial liabilities			
- Lease liabilities	38	29.00	23.44
- Deposits	24	3,264.87	2,881.11
- Trade payables	14		
Total outstanding dues of micro enterprises and small enterprises		5.83	1.88
Total outstanding dues of creditors other than micro enterprises and small enterprises		326.92	260.28
- Other financial liabilities*	16	22,344.87	4,602.90
* Includes ₹21,327.11 Crores (Previous Year: ₹4,053.13 Crores) pertaining to settlement obligation and margin money from members		<b>25,971.49</b>	<b>7,769.61</b>
Provisions	18 a	105.23	86.26
Contract liabilities	18 b	6.17	3.86
Income tax liabilities (net)	20	102.90	508.01
Other current liabilities	23	5,472.20	1,596.41
Liabilities directly associated with assets classified as held for sale	53	369.32	421.54
<b>Total current liabilities</b>		<b>32,027.31</b>	<b>10,385.69</b>
<b>TOTAL LIABILITIES</b>		<b>32,579.67</b>	<b>10,800.16</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
Summary of material and other accounting policies	1		
The above consolidated balance sheet should be read in conjunction with the accompanying notes			

This is the consolidated balance sheet referred to in our report of even date

**For Price Waterhouse & Co. Chartered Accountants LLP****For and on behalf of the Board of Directors**Chartered Accountants  
Firm's Registration no: 304026E/E-300009**Amit Borkar**  
Partner  
Membership No.: 109846**S Ravindran**  
Director  
[DIN: 09778966]**S Sudarshan**  
Director  
[DIN: 08636735]Place: Pune  
Date: May 3, 2024**Tablesh Pandey**  
Director  
[DIN: 10119561]**Ashishkumar Chauhan**  
Managing Director & CEO  
[DIN: 00898469]**Yatrik Vin**  
Group CFO & Head Corporate Affairs**Rohit Gupta**  
Company SecretaryPlace: Mumbai  
Date: May 3, 2024

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

for the year ended March 31, 2024

Particulars	Notes	(₹ in Crores)	
		For the year ended 31.03.2024	For the year ended 31.03.2023
<b>CONTINUING OPERATIONS</b>			
<b>INCOME</b>			
Revenue from operations	25	14,780.01	11,856.23
Other income	26	1,653.60	909.13
<b>Total income</b>		<b>16,433.61</b>	<b>12,765.36</b>
<b>EXPENSES</b>			
Employee benefits expenses	27	460.39	366.05
Regulatory fees (Refer note 28.3)		980.57	477.94
Depreciation and amortisation expenses	2(a), 2(b), 3	439.55	384.06
Other expenses	28	1,728.39	1,380.78
<b>Total expenses (excluding contribution to Core settlement guarantee fund (Core SGF))</b>		<b>3,608.90</b>	<b>2,608.83</b>
<b>Profit before contribution to Core SGF, Share of net profits of associates accounted for using equity method and Tax from Continuing Operations</b>		<b>12,824.71</b>	<b>10,156.53</b>
Share of net profits of associates accounted for using equity method	39(b)	100.54	88.50
<b>Profit before Contribution to Core SGF and Tax from Continuing Operations</b>		<b>12,925.25</b>	<b>10,245.03</b>
Contribution to Core SGF	37(c)	(1,740.97)	(203.45)
<b>Profit before Tax from Continuing Operations</b>		<b>11,184.28</b>	<b>10,041.58</b>
Less: Income tax expense			
Current tax	19 (a)	2,626.16	2,521.01
Deferred tax	19 (a)	151.64	18.69
<b>Total tax expenses</b>		<b>2,777.80</b>	<b>2,539.70</b>
<b>Profit from Continuing Operations</b>		<b>8,406.48</b>	<b>7,501.88</b>
<b>Discontinued Operations</b>			
(Loss) from discontinued operations before tax	53	(79.58)	(127.97)
Tax expense of discontinued operations	53	(21.16)	(17.92)
<b>(Loss) from discontinued operations</b>	53	<b>(100.74)</b>	<b>(145.89)</b>
<b>Net Profit after tax (A)</b>		<b>8,305.74</b>	<b>7,355.99</b>
<b>Other comprehensive income</b>			
Items that will be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments	13 b	20.82	(28.86)
Changes in foreign currency translation reserve	13 b	2.44	7.28
Changes in foreign currency translation reserve pertaining to discontinued operations	53	0.09	0.26
Income tax relating to items that will be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments	13 b	(5.24)	7.26
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	13 b	(3.23)	0.99
Remeasurements of post-employment benefit obligations pertaining to discontinued operations	53	(3.76)	(3.20)
Share of other comprehensive income of associates accounted for using the equity method	13 b	(3.00)	2.06
Changes in fair value of FVOCI equity instruments	13 b	(7.12)	(7.04)
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	13 b	0.74	(0.11)
Remeasurements of post-employment benefit obligations pertaining to discontinued operations	53	0.95	0.80

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

for the year ended March 31, 2024

Particulars	Notes	(₹ in Crores)	
		For the year ended 31.03.2024	For the year ended 31.03.2023
Share of other comprehensive income of associates accounted for using the equity method	13 b	-	(0.01)
Changes in fair value of FVOCI equity instruments	13 b	2.94	2.52
<b>Total other comprehensive income/(loss) for the year, net of taxes (B)</b>		<b>5.63</b>	<b>(18.05)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>8,311.37</b>	<b>7,337.94</b>
<b>Profit is attributable to:</b>			
Owners of National Stock Exchange of India Limited		8,305.66	7,354.81
Non-Controlling Interests		0.08	1.18
<b>Other comprehensive income is attributable to:</b>			
Owners of National Stock Exchange of India Limited		5.66	(18.04)
Non-Controlling Interests		(0.03)	(0.01)
<b>Total comprehensive income is attributable to:</b>			
Owners of National Stock Exchange of India Limited		8,311.32	7,336.77
Non-Controlling Interests		0.05	1.17
<b>Total comprehensive income attributable to owners of National Stock Exchange of India Limited arises from</b>			
Continuing Operations		8,414.83	7,485.97
Discontinued Operations		(103.51)	(149.20)
<b>Earnings per equity share for profit from continuing operations attributable to owners of National Stock Exchange of India Limited ( FV ₹1 each)</b>			
Basic & Diluted (₹)	29	169.83	151.55
<b>Earnings per equity share for profit/losses from discontinued operations attributable to owners of National Stock Exchange of India Limited ( FV ₹1 each)</b>			
Basic & Diluted (₹)	29	(2.04)	(2.97)
<b>Earnings per equity share for profit from continuing and discontinued operations attributable to owners of National Stock Exchange of India Limited ( FV ₹1 each)</b>			
Basic & Diluted (₹)	29	167.79	148.58
Summary of material and other accounting policies			
The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes			

This is the consolidated statement of profit &amp; loss referred to in our report of even date

**For Price Waterhouse & Co. Chartered Accountants LLP****For and on behalf of the Board of Directors**Chartered Accountants  
Firm's Registration no: 304026E/E-300009**Amit Borkar**  
Partner  
Membership No.: 109846Place: Pune  
Date: May 3, 2024**S Ravindran**  
Director  
[DIN: 09778966]**Tablesh Pandey**  
Director  
[DIN: 10119561]**Yatrik Vin**  
Group CFO & Head Corporate AffairsPlace: Mumbai  
Date: May 3, 2024**S Sudarshan**  
Director  
[DIN: 08636735]**Ashishkumar Chauhan**  
Managing Director & CEO  
[DIN: 00898469]**Rohit Gupte**  
Company Secretary

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the year ended March 31, 2024

	(₹ in Crores)
<b>(A) Equity share capital</b>	
Balance as at 01.04.2022	49.50
Changes in equity share capital during the year	-
Balance as at 31.03.2023	49.50
Changes in equity share capital during the year	-
Balance as at 31.03.2024	49.50

**(B) Other Equity**

Particulars	Reserves and Surplus							Total Re-serves and Surplus	Other Reserves				Total other Equity	Non Con-trolling Interests	Total other Equity
	Securi-ties pre-mium reserve	Retained earnings *	Risk reserve	Liquidity Enhance-ment Scheme Incentive Reserve	Reserve Fund	Other re-serves**			Debt instru-ments through Other Compre-hensive Income	Equity instru-ments through Other Compre-hensive Income	Foreign Currency Trans-lation Reserve	Total other reserves			
<b>Balance as at 01.04.2022</b>	35.50	14,628.58	-	1.00	535.18	63.89	15,264.15	1.40	82.75	12.63	96.78	15,360.93	7.85	15,368.78	
Profit for the year	-	7,354.81	-	-	-	-	7,354.81	-	-	-	-	7,354.81	1.18	7,355.99	
Other Comprehensive income/(loss)	-	0.54	-	-	-	-	0.54	(21.60)	(4.52)	7.54	(18.58)	(18.04)	(0.01)	(18.05)	
Redemption liability	-	4.80	-	-	-	-	4.80	-	-	-	-	4.80	-	4.80	
Share based payment	-	0.58	-	-	-	-	0.58	-	-	-	-	0.58	0.80	1.38	
Contribution to Core Settlement Guarantee Fund (Core SGF) (net of tax)	-	(200.47)	-	-	-	-	(200.47)	-	-	-	-	(200.47)	-	(200.47)	
Transfer to Risk reserve	-	(6,583.00)	6,583.00	-	-	-	-	-	-	-	-	-	-	-	
Transfer to Liquidity Enhancement Scheme Incentive Reserve	-	(13.32)	-	13.32	-	-	-	-	-	-	-	-	-	-	
Liquidity Enhancement Scheme Incentive paid/payable	-	13.32	-	(13.32)	-	-	-	-	-	-	-	-	-	-	
Transfer to Reserve Fund	-	(55.93)	-	-	55.93	-	-	-	-	-	-	-	-	-	
<b>Transaction with owners in their capacity as owners</b>															
Dividend paid	-	(2,079.00)	-	-	-	-	(2,079.00)	-	-	-	-	(2,079.00)	-	(2,079.00)	
Change in non controlling interest of a subsidiary	-	5.37	-	-	-	-	5.37	-	-	-	-	5.37	(7.91)	(2.54)	
<b>Balance as at 31.03.2023</b>	35.50	13,076.28	6,583.00	1.00	591.11	63.89	20,350.78	(20.20)	78.23	20.17	78.20	20,428.98	1.91	20,430.89	

**(B) Other Equity (Contd.)**

Particulars	Reserves and Surplus						Total Re-serves and Surplus	Other Reserves				Total other Equity	Non Con-trolling Interests	Total other Equity	
	Securi-ties pre-mium reserve	Retained earnings *	Risk reserve	Liquidity Enhance-ment Scheme Incentive Reserve	Reserve Fund	Other re-serves**		Debt instru-ments through Other Compre-hensive Income	Equity instru-ments through Other Compre-hensive Income	Foreign Currency Trans-lation Reserve	Total other reserves				
<b>Balance as at 01.04.2023</b>	35.50	13,076.28	6,583.00	1.00	591.11	63.89	20,350.78	(20.20)	78.23	20.17	78.20	20,428.98	1.91	20,430.89	
Profit for the year	-	8,305.66	-	-	-	-	8,305.66	-	-	-	-	8,305.66	0.08	8,305.74	
Other Comprehensive income/(loss)	-	(8.27)	-	-	-	-	(8.27)	15.58	(4.18)	2.53	13.93	5.66	(0.03)	5.63	
Redemption liability	-	1.55	-	-	-	-	1.55	-	-	-	-	1.55	0.94	2.49	
Share based payment	-	(1.38)	-	-	-	-	(1.38)	-	-	-	-	(1.38)	(0.27)	(1.65)	
Contribution to Core Settlement Guarantee Fund (Core SGF) (net of tax)	-	(1,103.36)	-	-	-	-	(1,103.36)	-	-	-	-	(1,103.36)	-	(1,103.36)	
Contribution to Commodity Settlement Guarantee Fund	-	250.00	-	-	-	-	250.00	-	-	-	-	250.00	-	250.00	
Transfer to Risk reserve	-	(1,950.00)	1,950.00	-	-	-	-	-	-	-	-	-	-	-	
Transfer to Liquidity Enhancement Scheme Incentive Reserve	-	(3.12)	-	3.12	-	-	-	-	-	-	-	-	-	-	
Liquidity Enhancement Scheme Incentive paid/payable	-	4.33	-	(4.33)	-	-	-	-	-	-	-	-	-	-	
Transfer to Reserve Fund	-	(100.82)	-	-	100.82	-	-	-	-	-	-	-	-	-	
<b>Transaction with owners in their capacity as owners</b>															
Dividend paid	-	(3,960.00)	-	-	-	-	(3,960.00)	-	-	-	-	(3,960.00)	-	(3,960.00)	
Change in non controlling interest of a subsidiary	-	(2.20)	-	-	-	-	(2.20)	-	-	-	-	(2.20)	(3.16)	(5.36)	
<b>Balance as at 31.03.2024</b>	35.50	14,508.67	8,533.00	(0.21)	691.93	63.89	23,832.78	(4.62)	74.05	22.70	92.13	23,924.91	(0.53)	23,924.38	

\* Includes General Reserves

\*\* Includes capital reserve on consolidation

\*\* Includes capital redemption reserve

\*\* Includes staff welfare reserve

\*\* Includes investor compensation reserve



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024

### Other Equity

#### Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

#### Risk reserve:

The Board of Directors of National Stock Exchange of India Limited has appropriated amount from retained earnings to a separate reserve within equity towards adequate risk capital management.

#### Liquidity enhancement scheme incentive reserve:

One of the subsidiary has created Liquidity enhancement scheme incentive reserve in accordance with the IFSC Authority circular dated March 31, 2022, which has issued guidelines for Liquidity Enhancement Scheme. Accordingly the subsidiary has created a reserve specifically to meet incentives/expenses of the Liquidity Enhancement Scheme.

#### Reserve Fund:

One of the subsidiary has created reserve fund under section 45-IC (1) of Reserve Bank of India Act 1934, wherein every Non Banking Financial Company is required to transfer 20% of its post tax profit to a corpus termed as Reserve Fund.

#### Other Reserves:

The Group has in the past created Other Reserves for investor compensation activities, staff welfare activities, capital redemption reserve and capital reserve arising on consolidation

#### Debt instruments through Other Comprehensive Income:

The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in debt instruments through other comprehensive income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Consolidated Statement of Profit and Loss.

#### Equity instruments through Other Comprehensive Income

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

#### Foreign Currency Translation Reserve:

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

This is the consolidated statement of changes in equity referred to in our report of even date

For Price Waterhouse & Co. Chartered Accountants LLP For and on behalf of the Board of Directors

Chartered Accountants  
Firm's Registration no: 304026E/E-300009

**Amit Borkar**  
Partner  
Membership No.: 109846

Place: Pune  
Date: May 3, 2024

**S Ravindran**  
Director  
[DIN: 09778966]

**Tablesh Pandey**  
Director  
[DIN: 10119561]

**Yatrik Vin**  
Group CFO & Head Corporate Affairs

Place: Mumbai  
Date: May 3, 2024

**S Sudarshan**  
Director  
[DIN: 08636735]

**Ashishkumar Chauhan**  
Managing Director & CEO  
[DIN: 00898469]

**Rohit Gupte**  
Company Secretary

## STATEMENT OF CONSOLIDATED CASH FLOWS

for the year ended March 31, 2024

(₹ in Crores)

	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>PROFIT BEFORE TAX FROM</b>		
Continuing Operations	11,184.28	10,041.58
Discontinued Operations	(79.58)	(127.97)
<b>PROFIT BEFORE TAX INCLUDING DISCONTINUED OPERATIONS</b>	<b>11,104.70</b>	<b>9,913.61</b>
<b>Adjustments for</b>		
Depreciation and amortisation expense	471.64	415.92
Interest income from financial assets at amortised cost	(561.11)	(301.26)
Income from investments	(814.88)	(328.54)
Interest income from investments designated at FVOCI	(233.14)	(114.86)
Rental income	(1.48)	(1.32)
Dividend income from equity investments designated at FVOCI	(3.72)	(0.39)
Net gain on financial assets mandatorily measured at FVPL	(630.35)	(359.94)
Net gain on sale of financial assets mandatorily measured at FVPL	(134.63)	(105.11)
Profit on sale of investment in associates	(81.43)	-
Net (gain)/loss on disposal of property, plant and equipment	3.55	0.65
Doubtful debts written off	8.25	14.59
Impairment in value of investment	39.99	-
Provision for doubtful debts	0.40	0.06
Reversal/(Provision) for Impairment/write off of Intangible assets under development	-	60.81
Share of net profit of associates accounted by using equity method	(100.54)	(88.50)
Provision for contribution to Core settlement guarantee fund	52.98	224.48
Interest on lease liabilities	11.74	8.61
<b>Change In operating assets and liabilities</b>		
(Increase)/Decrease in trade receivables	(297.82)	(216.19)
Increase/(Decrease) in trade payables	70.52	54.18
(Increase)/Decrease in other financial assets	(19.36)	(0.86)
(Increase)/Decrease in other assets	120.20	(150.80)
Increase/(Decrease) in other financial liabilities	17,298.56	(4,631.68)
Increase/(Decrease) in provisions	31.15	0.29
Increase/(Decrease) in other liabilities	3,885.46	(1,395.12)
(Refund)/Proceeds of deposits	383.76	557.48
Change in core settlement guarantee fund	3,082.98	536.20
<b>CASH GENERATED FROM OPERATIONS</b>	<b>33,687.42</b>	<b>4,092.32</b>
Income taxes paid	(3,943.12)	(2,357.83)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES - TOTAL (A)</b>	<b>29,744.30</b>	<b>1,734.49</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Payment) for property, plant and equipment and intangibles assets	(470.30)	(406.42)
Proceeds from property, plant and equipment and intangibles assets	1.06	2.75
Proceeds from rental income	1.48	1.32
(Payment)/proceeds from investments (Net)*	(6,153.20)	(4,031.12)
Profit on sale of investment in associates	127.74	-
Proceeds from investments in deposits with financial institutions (Net)	-	115.38
(Payment) for investment in associates	(40.00)	(10.00)
(Payment)/proceeds from fixed deposits/Bank balances other than cash & cash equivalents (Net)#	(3,001.95)	350.99
Interest received	1,180.32	744.84
Dividend received (including dividend from associate companies)	18.54	15.21
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES - TOTAL (B)</b>	<b>(8,336.31)</b>	<b>(3,217.04)</b>

**STATEMENT OF CONSOLIDATED CASH FLOWS**

for the year ended March 31, 2024

	(₹ in Crores)	
	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(3,959.00)	(2,079.00)
Acquisition of non controlling interest in subsidiary	-	(2.54)
Payment of lease liabilities	(22.95)	(9.83)
Interest on lease liabilities	(11.74)	(8.61)
<b>NET CASH OUTFLOW FROM FINANCING ACTIVITIES - TOTAL (C)</b>	<b>(3,993.69)</b>	<b>(2,099.98)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>	<b>17,414.30</b>	<b>(3,582.53)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>5,974.65</b>	<b>9,557.18</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>23,388.95</b>	<b>5,974.65</b>
* Includes amount received from members towards settlement obligation and margin money.		
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>17,414.30</b>	<b>(3,582.53)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR COMPRISES OF</b>		
Cash and cash equivalents from continuing operations	23,303.12	5,897.51
Cash and cash equivalents classified as held for sale	85.83	77.14
	<b>23,388.95</b>	<b>5,974.65</b>
<b>Non-cash from investing and financing activities</b>		
- Acquisition of Right-of-use assets.	12.24	53.51
<b>Reconciliation of cash and cash equivalents as per the statement of cash flows</b>		
Cash and cash equivalents as per above comprise of the following		
Balances with banks:-		
In current accounts	22,553.38	5,392.43
Deposits with original maturity of less than three months	835.56	542.83
Government Securities with original maturity of less than three months	-	39.38
Cash on hand	0.01	0.01
<b>Balances per statement of cash flows</b>	<b>23,388.95</b>	<b>5,974.65</b>

\*This includes net redemptions/sales of investments of ₹0.31 Crores and ₹0.22 Crores by NSE Foundation for year ended March 31, 2024 and March 31, 2023 respectively for specified purposes.

#This includes net redemptions/sales of fixed deposits of ₹2.98 Crores and ₹13.90 Crores by NSE Foundation for year ended March 31, 2024 and March 31, 2023 respectively for specified purposes.

The above statement of consolidated cash flows has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Indian Accounting Standards) Rules, 2015.

The above statement of consolidated cash flows should be read in conjunction with the accompanying notes.

**For Price Waterhouse & Co. Chartered Accountants LLP** For and on behalf of the Board of Directors  
Chartered Accountants  
Firm's Registration no: 304026E/E-300009

**Amit Borkar**  
Partner  
Membership No.: 109846

Place: Pune  
Date: May 3, 2024

**S Ravindran**  
Director  
[DIN: 09778966]

**Tablesh Pandey**  
Director  
[DIN: 10119561]

**Yatrik Vin**  
Group CFO & Head Corporate Affairs

Place: Mumbai  
Date: May 3, 2024

**S Sudarshan**  
Director  
[DIN: 08636735]

**Ashishkumar Chauhan**  
Managing Director & CEO  
[DIN: 00898469]

**Rohit Gupta**  
Company Secretary

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended March 31, 2024

**Background and Material Accounting Policies****Background**

The National Stock Exchange of India Limited ("NSE" or "the Parent Company") established in 1992 is the first demutualised electronic exchange in India. NSE was the first exchange in the country to provide a modern, fully automated screen-based electronic trading system which offered easy trading facility to the investors spread across the country. NSE offers trading in equity, equity derivatives, debt, currency derivatives and commodity derivatives segments.

The consolidated financial statements relates to the Parent Company and its subsidiary companies (collectively referred to as "the Group").

**Note 1:****(i) Material accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements ("financial statements"). These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation****(i) Compliance with Ind AS**

These consolidated financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Group has determined current and non-current classification of its assets and liabilities in the financial statements as per Ind AS 1 – 'Presentation of financial statements'. Based on its assessment, the company has ascertained its normal operating cycle as 12 months for the purpose of current and non-current classification of its assets and liabilities.

These financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below.

**(ii) Historical cost convention**

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value, and

- defined benefit plans - plan assets measured at fair value.
- assets held for sale – measured at fair value less cost to sell.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

**(iii) Adoption of new Accounting Standards**

The Ministry of Corporate Affairs has vide notification dated March 31, 2023, notified Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards, and are effective from April 1, 2023.

- Disclosure of accounting policies – amendments to Ind AS 1
- Definition of accounting estimates – amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

future periods. Specifically, no changes would be necessary as consequence of amendments to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

### (b) Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

#### The areas involving critical estimates or judgements are:

Estimation of fair value of unlisted securities  
Note 40

Estimation of contingent liabilities refer Note 35

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

### (c) Revenue recognition

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods or services. The Group recognises revenue in the period in which it satisfies its performance obligation by transferring promised goods or services to the customer. The sources of revenue and Group's accounting policy are as follows:

- (i) Transaction charges – revenue in respect of trading transactions on exchanges is recognised in accordance with the Group's fee scales at a point in time as an when the transaction is completed.
- (ii) Listing fees - Revenue for listings fees is recognised when the listing event has taken place and processing fees in relation to listing is recognised on a straight-line basis over the period to which they relate.

- (iii) Book building fees – revenue is recognised at a point in time on completion of the book building process.
- (iv) Data Centre & Connectivity Charges - revenue is recognised over the period of the contract with the customer. The revenue is calculated based on the specified charges for data centre racks and is recognised in the period in which the performance obligation is satisfied.
- (v) Clearing & Settlement Services - revenue in respect of clearing and settlement of transactions executed on exchanges is recognised in accordance with the fee scales at a point in time as an when the transaction is completed.
- (vi) Revenue from Technology services comprises Application Development and Maintenance services, E-learning Solutions, Online examination services, Infrastructure Management Services, IT security services and IT cloud services. Revenue from time and material and job contracts is recognised using the output method measured by units delivered, efforts expended, number of transactions processed, etc. Revenue related to fixed price maintenance and support services contracts, where the Group is standing ready to provide services is recognised based on time elapsed on a straight line basis over the period of performance. In respect of other fixed-price contracts, revenue is recognised over a period of time using percentage-of-completion method of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations. Revenue from online examination services is recognised on the basis of exams conducted and where there are multiple performance obligations, revenue is recognised using percentage-of-completion method of accounting with contract costs incurred determining the degree of completion of the performance obligation. Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer. The solutions offered by the Group may include supply of third-party equipment or software. In such cases, revenue for supply of such third party equipment or software are recorded at gross or net basis depending on

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

whether the Group is acting as the principal or as an agent. The Group recognises revenue at the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

- (vii) Subscription and other fees related to data feed & terminal services and licensing services – revenue is recognised over a period of time to which the fee relates.
- (viii) Other services – all other revenue is recognised in the period in which the performance obligation is satisfied over a period of time or point in time.
- (ix) Revenue is being recognised as and when there is reasonable certainty of ultimate realisation.
- (x) Sale of goods - Revenue from the sale of goods is recognised when a Group entity sells a product to the customer.
- (xi) Financing Component - The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

The Group considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Group expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting allowances and incentives such as discounts, volume rebates etc. Revenue excludes any taxes and duties collected on behalf of the government.

In respect of members who have been declared as defaulters by the Group, all amounts (dues) remaining to be recovered from such defaulters, net of available security and insurance cover available if any, till the date of being declared as defaulters are written off as bad debts. All subsequent recoveries are accounted when received.

In respect of Listed companies and other trade receivables where no such deposit is available with the exchange, as per the current practice, the amounts which are outstanding for more than 2 years are subject to 100% impairment. For amounts lying uncollected beyond a period of 3 years are written off. All subsequent recoveries are accounted when received.

### (d) Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- the fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition- by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred. The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business consideration is achieved in stages, the acquisition date carrying value of the acquirers previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

### (e) Leases

The Group's lease asset classes primarily consist of leases for land, buildings and equipments. The Group assesses whether a contract contains a lease, at inception of the contract. Ind AS 116 defines a lease as a contract, or a part of a contract, that conveys the right of use an asset (the underlying asset) for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease payments are discounted using the interest rate implicit in the lease. If the rate can not be readily determined, which is generally the case for leased in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received.
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing.
- Make adjustments specific to the lease.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, the Company use that rate as a starting point to determine the incremental borrowing rate.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

See note 1(ii)(g) for the other accounting policies relevant to leases.

### (f) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business and reflects Group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially based on the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

### (g) Investments and other financial assets

- **Classification of financial assets at amortised cost:** The Group classifies its financial assets at amortised cost only if both of the following criteria are met:
  - Asset is held with a business model whose objective is to collect the contractual cash flows
  - The contractual terms give rise to cash flows that are solely payments of principal and interest

Financial assets classified at amortised cost comprise of trade receivables, bonds, debentures and government securities.

- **Classification of financial assets at fair value through other comprehensive income (FVOCI):** Financial assets at FVOCI comprise:

- Equity securities (listed or unlisted) which are not held for trading, and for which the Company has irrevocably elected at initial recognition to recognise changes in fair value through OCI rather than profit or loss. These are strategic investments and the Group considers this classification to be more relevant.
- Debt securities where the contractual cash flows are solely principal and interest and the objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets.
- **Classification of financial assets at fair value through profit or loss (FVPL):** The Group classifies the following financial assets at FVPL:
  - Debt investments (Mutual funds) that do not qualify for measurement at either amortised cost of FVOCI.
  - Equity instruments for which the entity has not elected to recognise fair value gains and losses through OCI.

See note 1(ii)(j) for the other accounting policies relevant to investments and financial assets.

### (h) Property, plant and equipment (including Capital Work In Progress)

Freehold land is carried at historical cost of acquisition. All other items of property, plant and equipment are stated at historical cost less depreciation.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Building	60 years
Furniture and fixture	5 to 10 years
Office equipment	4 to 5 years
Electrical equipment	10 years
Computer systems - office automation and others	3 to 4 years
Telecommunication systems	4 years
Trading systems	4 years
Clearing & Settlement Systems	4 years

The useful lives for computer systems office automation, computer systems – others, telecommunication systems, trading systems and clearing & settlement systems have been determined based on technical evaluation done by the management's expert which are lower than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted on a prospective basis if appropriate, at the end of each reporting period.

See note 1(ii)(n) for the other accounting policies relevant to Property, plant and equipment (including Capital Work in Progress).

### (i) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is accounted as investment property. Investment property is measured initially at its cost, including related transaction costs.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have an estimated useful life of 60 years. The useful life has been determined based on technical evaluation performed by the management expert.

### (j) Intangible assets

#### (i) Goodwill:

Goodwill on acquisitions of business and subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.





## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

**(ii) Other intangible assets:**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Research expenditure and development expenditure that do not meet the criteria in (ii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Computer software is amortised over a period of 4 years.

**(k) Core Settlement Guarantee Fund**

The Group contributes to Settlement Guarantee Fund/Core Settlement Guarantee Fund in accordance with Securities Exchange Board of India ('SEBI') (Stock Exchanges and Clearing Corporations) Regulation 2012. National Stock

Exchange of India Limited (the Parent company) contributes amounts pertaining to Minimum Required Corpus to the Core Settlement Guarantee Fund, which is determined as per SEBI guidelines. The contribution to Settlement Guarantee Fund/Core Settlement Guarantee Fund by the Parent Company is recorded as an expense in the Consolidated Statement of Profit and Loss and contribution by its clearing corporation subsidiary is recorded as an appropriation from Group's retained earnings and such amounts are separately disclosed as Core Settlement Guarantee Fund in the Consolidated balance sheet.

Trades executed on the exchange platform are cleared and settled by the clearing corporations under interoperability framework prescribed by SEBI. Post interoperability, the exchange is required to proportionately contribute to Core SGF of the clearing corporations, namely NSE Clearing Limited (NCL), Indian Clearing Corporation Limited (ICCL) and Metropolitan Clearing Corporation of India Limited (MCCIL) which clears and settles the trades of the exchange. Such contributions are also recorded as an expense and separately disclosed in the balance sheet. As per SEBI guidelines, the Group invests balances in Core Settlement Guarantee Fund in prescribed category of securities which are earmarked/restricted and income earned on such investments are attributed directly and credited to the fund balance. Fines and penalties recovered by the Group from members are also directly attributed and credited to the fund balance.

The Group records a loss in its Statement of Profit and Loss in case of a default event, as per the default waterfall defined under the SEBI regulations, including by utilisation of the Core Settlement Guarantee Fund balance. (Refer note 37).

**(ii) Other accounting policies**

This note provides a list of other accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group and its subsidiaries.

**(a) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Crores as per the requirement of Schedule III, unless otherwise stated.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

**(b) Principles of consolidation and equity accounting****i) Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

**ii) Associates**

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

**iii) Joint Arrangements**

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

**iv) Equity method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note (h) below

**Changes in ownership interests**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statement of profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

### (c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### (d) Foreign currency translation and transactions

#### (i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian currency (INR), which is the Group's functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognised in statement of profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

#### (iii) Group Companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet;
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to statement of profit or loss, as part of the gain or loss on sale.

#### (e) Inventory

The Inventory is valued at cost or net realisable value whichever is lower. Cost of inventories include all other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### (f) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Uncertain tax positions are reflected in the overall measurement of the Group's tax expense and are based on the most likely amount

or expected value that is to be disallowed by the taxing authorities whichever better predict the resolution of uncertainty. Uncertain tax balances are monitored and updated as and when new information becomes available, typically upon examination or action by the taxing authorities or through statute expiration.

The Group considers when a particular amount payable for interest and penalties on income taxes is determined to be within the scope of Ind AS 37, it is presented as part of financing cost or other expenses, respectively unless when there is an overall settlement with tax authority and the interest and penalties cannot be identified separately in which case it is determined to be part of income taxes and accounted under Ind AS 12.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### (g) Leases

##### As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at that date at which the lease asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments.

- fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable by the Company under residual value guarantees.
- The exercise price of a purchase option if the Company is reasonable certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

### As a lessor

Lease for which the Group is a lessor is classified as finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognised on straight line basis over the term of the relevant lease.

Entity's specific details about the Company's leasing policy are provided in note 1(i)(e)

### (h) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### (i) Cash and cash equivalents

Cash and Cash equivalents includes cash on hand, deposits held at call with financial institutions, government securities and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These do not include bank balances earmarked/restricted for specific purposes.

### (j) Investments & other financial assets

#### (i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

#### (ii) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the Group commits to purchase or sale the financial asset.

#### (iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised under other income. Interest income from these financial assets is included in other income using the effective interest rate method.
- Fair value through profit or loss (FVPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss under other income in the period in which it arises. Interest or dividend income, if any from these financial assets is separately included in other income.

### Equity investments (other than investments in associates and joint venture)

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other

comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income in the statement of profit and loss.

Purchase and sale of investments are accounted at trade date.

### (iv) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### De-recognition of financial assets

A financial asset is de-recognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

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for the year ended March 31, 2024

### (v) Income recognition

#### Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method and is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

#### Dividends

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

Entity's specific details about the Company's investments and other financial assets are provided in note 1(i)(g).

### (k) Financial liabilities

#### (i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### (ii) Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

#### (iii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

### (iv) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### (l) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

### (m) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

### (n) Property, Plant and Equipment

The Company's accounting policy for land is explained in note 1(i)(h) above. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

In case of subsidiary company NSEIT Limited, fixed assets are depreciated as per the useful life specified under schedule II to Companies Act 2013 except the furniture and fixtures, electrical installation and office equipment including civil improvements at leased premises which are depreciated over the lease period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Depreciation on assets purchased/disposed off during the year is provided on pro rata basis with reference to the date of additions/deductions.

Fixed assets whose aggregate cost is ₹5,000 or less are depreciated fully in the year of acquisition.

### (o) Investment properties

Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

### (p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### (q) Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

At the end of each reporting period, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at a future date. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### (r) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not disclosed in case the possibility of an outflow of resources embodying economic benefits is remote.

### (s) Employee benefits

#### i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in statement of profit and loss in the period in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### ii. Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet since the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.



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for the year ended March 31, 2024

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for the year ended March 31, 2024

### iii. Post-employment obligations

The Group operates the following post-employment schemes:

1. defined benefit plans such as gratuity
2. defined contribution plans such as superannuation and provident fund.

#### Gratuity obligations

The Group has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to yields on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### iv. Defined contribution plans

The Group pays provident fund contributions to publicly administered Provident Funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

### Superannuation

Superannuation benefits for employees designated as chief managers and above are covered by Group policies with the Life Insurance Corporation of India. Group's contribution payable for the year is charged to profit and loss. There are no other obligations other than the annual contribution payable.

### v. Bonus plans

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

In case of the Parent Company and one of the subsidiary company, SEBI has laid down certain norms in terms of the compensation policy for the key management personnel which are as under:

- A. The variable pay component will not exceed one third of the total pay.
- B. 50% of the variable pay will be paid on a deferred basis after three years.

### (t) Contributed equity

#### Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### (u) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### a. Earnings per share

##### i. Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

### ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### (v) Non-Current assets held for Sale

Non-current assets (or disposal Groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal Group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair

value less costs to sell of an asset (or disposal Group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal Group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal Group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended March 31, 2024

**Note 2 (a): Property, plant and equipment**

	Freehold land	Owned building (Refer note 2.1)	Office equipments	Electrical equipment & installations	Furniture & Fixtures	Trading systems	Computer systems-office automation	Computer systems-others	Tele-communication systems	Clearing and settlement system	Vehicles	Total	Capital work in progress
<b>Gross carrying amount</b>													
Cost as at 01.04.2022	32.21	187.21	136.41	137.68	78.09	136.12	50.00	763.10	513.83	90.26	-	2,124.91	90.54
Additions	-	0.17	8.60	10.87	3.27	35.78	8.49	166.21	57.28	15.61	0.73	307.01	202.84
Disposals	-	(0.15)	(1.73)	-	(0.16)	-	(0.02)	(10.50)	(0.71)	-	-	(13.27)	-
Amount pertaining to disposal group classified as held for sale	-	(2.80)	(6.47)	(0.02)	(2.78)	-	(0.03)	(24.24)	(0.03)	-	-	(36.37)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	(239.96)
Currency Fluctuation	-	-	0.37	0.26	2.02	-	0.05	4.92	0.86	-	-	8.48	-
<b>Closing gross carrying amount</b>	<b>32.21</b>	<b>184.43</b>	<b>137.18</b>	<b>148.79</b>	<b>80.44</b>	<b>171.90</b>	<b>58.49</b>	<b>899.49</b>	<b>571.23</b>	<b>105.87</b>	<b>0.73</b>	<b>2,390.76</b>	<b>53.42</b>
<b>Accumulated depreciation</b>													
Accumulated depreciation as at 01.04.2022	-	54.48	110.86	94.49	58.43	100.37	40.75	397.34	264.73	38.62	-	1,160.07	-
Depreciation charge for the year for Continuing Operations	-	3.25	12.64	8.66	6.31	16.52	5.73	161.98	93.18	20.00	0.05	328.32	-
Depreciation charge for the year for Discontinuing Operations	-	0.20	0.56	-	0.05	-	-	3.44	0.41	-	-	4.66	-
Disposals	-	(0.15)	(1.70)	-	(0.13)	-	(0.02)	(7.81)	(0.71)	-	-	(10.52)	-
Accumulated depreciation related to amount pertaining to disposal group classified as held for sale	-	(2.09)	(5.39)	(0.03)	(2.73)	-	(0.53)	(20.80)	(0.03)	-	-	(31.60)	-
Currency Fluctuation	-	-	0.30	0.09	0.09	-	0.03	2.38	0.59	-	-	3.48	-
<b>Closing Accumulated depreciation</b>	<b>-</b>	<b>55.69</b>	<b>117.27</b>	<b>103.21</b>	<b>62.02</b>	<b>116.89</b>	<b>45.96</b>	<b>536.53</b>	<b>358.17</b>	<b>58.62</b>	<b>0.05</b>	<b>1,454.41</b>	<b>-</b>
<b>Net carrying amount as at 31.03.2023</b>	<b>32.21</b>	<b>128.74</b>	<b>19.91</b>	<b>45.58</b>	<b>18.42</b>	<b>55.01</b>	<b>12.53</b>	<b>362.96</b>	<b>213.06</b>	<b>47.25</b>	<b>0.68</b>	<b>936.35</b>	<b>53.42</b>
<b>Gross carrying amount</b>													
Cost as at 01.04.2023	32.21	184.43	137.18	148.79	80.44	171.90	58.49	899.49	571.23	105.87	0.73	2,390.76	53.42
Additions	-	4.11	12.49	13.45	7.50	22.36	11.89	162.65	196.19	18.56	0.30	449.50	381.86
Disposals	(0.23)	-	(0.14)	(6.99)	(0.17)	(45.75)	(0.68)	(22.36)	(14.59)	-	-	(90.91)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	(403.47)
Currency Fluctuation	-	-	0.07	0.05	0.06	-	(0.02)	1.32	(0.09)	-	-	1.40	0.08
<b>Closing gross carrying amount</b>	<b>31.98</b>	<b>188.54</b>	<b>149.60</b>	<b>155.30</b>	<b>87.83</b>	<b>148.51</b>	<b>69.68</b>	<b>1,041.10</b>	<b>752.74</b>	<b>124.43</b>	<b>1.03</b>	<b>2,750.74</b>	<b>31.89</b>
<b>Accumulated depreciation</b>													
Accumulated depreciation as at 01.04.2023	-	55.69	117.27	103.21	62.02	116.89	45.96	536.53	358.17	58.62	0.05	1,454.41	-
Depreciation charge for the year	-	3.33	11.33	9.59	6.21	21.38	7.98	174.28	120.49	22.49	0.23	377.31	-
Disposals	-	-	(0.10)	(2.76)	(0.16)	(45.75)	(0.58)	(22.35)	(14.59)	-	-	(86.29)	-
Currency Fluctuation	-	-	0.03	0.01	0.06	(0.01)	0.01	0.77	0.16	-	-	1.03	-
<b>Closing Accumulated depreciation</b>	<b>-</b>	<b>59.02</b>	<b>128.53</b>	<b>110.05</b>	<b>68.13</b>	<b>92.51</b>	<b>53.37</b>	<b>689.23</b>	<b>464.23</b>	<b>81.11</b>	<b>0.28</b>	<b>1,746.46</b>	<b>-</b>
<b>Net carrying amount as at 31.03.2024</b>	<b>31.98</b>	<b>129.52</b>	<b>21.07</b>	<b>45.25</b>	<b>19.70</b>	<b>56.00</b>	<b>16.31</b>	<b>351.87</b>	<b>288.51</b>	<b>43.32</b>	<b>0.75</b>	<b>1,004.28</b>	<b>31.89</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended March 31, 2024

**Note 2.1: Includes investment property for which cost and fair value details are as follows:**

Particulars	31.03.2024	31.03.2023
Net carrying amount of investment property	5.29	5.45
Fair value of investment property (Refer Note 2.3)	55.34	63.51
Depreciation	0.15	0.15
Rental income	1.48	1.32
Direct operating expenses	0.61	-

**Note 2.2:** Capital and other Contractual Commitment (Refer Note 34)**Note 2.3: Estimation of fair value**

The fair value of the Company's Investment properties as at March 31, 2024 and as at March 31, 2023, have been arrived at on the basis of valuation carried out at the respective dates by an external, independent valuer registered with the authority which governs the valuer in India. The fair value measurement for all the investments properties has been categorised as Level 2 based on the inputs to the valuation technique used. Considering the type of the assets, market approach (sales comparable method) to estimate the fair value of the subject properties is adopted. (Refer note 54 (x))

**Note 2.4: Ageing of Capital Work In Progress**

Description	Amount of Capital Work In Progress as on March 31, 2024				Amount of Capital Work In Progress as on March 31, 2023			
	Less than 1 year	2 - 3 years	More than 3 years	Total	Less than 1 year	2 - 3 years	More than 3 years	Total
	(i) Projects in progress	31.89	-	-	31.89	53.03	0.39	-
(ii) Projects temporarily suspended	-	-	-	-	-	-	-	-

**Note 2.5: For capital-work-in progress (CWIP), whose completion is overdue or exceeded its cost compared to its original plan the projectwise details of when the project is expected to be completed is given below**

Description	To be completed (Ageing as on March 31, 2024)				To be completed (Ageing as on March 31, 2023)			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
	(i) Development of meters of windmill	-	-	-	-	-	-	-





# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

## Note 2 (b): Right of use assets

Particulars	Original cost				Accumulated Depreciation				Net Carrying Amount
	As at April 1, 2022	Assets included in a disposal group classified as held for sale	Additions	Disposals/ Adjustments	As at March 31, 2023	As at April 1, 2022	Additions	Depreciation related to assets included in a disposal group classified as held for sale	As at March 31, 2023
Leasehold land	107.62	-	-	-	107.62	34.21	1.30	-	72.11
Computer	2.61	(2.61)	4.55	-	4.55	0.49	0.57	(0.49)	3.98
Buildings	145.29	(51.77)	48.96	0.60	143.08	55.00	12.28	(33.57)	109.30
<b>Total</b>	<b>255.52</b>	<b>(54.38)</b>	<b>53.51</b>	<b>0.60</b>	<b>255.25</b>	<b>89.70</b>	<b>14.15</b>	<b>(34.06)</b>	<b>185.39</b>

Particulars	Original cost				Accumulated Depreciation				Net Carrying Amount
	As at April 1, 2023	Additions	Termination/ Adjustments	As at March 31, 2024	As at April 1, 2023	Additions	Termination/ Adjustments	As at March 31, 2024	As at March 31, 2024
Leasehold land	107.62	3.74	-	111.36	35.51	1.30	-	36.81	74.55
Computer	4.55	-	-	4.55	0.57	0.45	-	1.02	3.53
Buildings	143.08	8.50	(0.61)	150.97	33.78	26.78	0.03	60.59	90.38
<b>Total</b>	<b>255.25</b>	<b>12.24</b>	<b>(0.61)</b>	<b>266.88</b>	<b>69.86</b>	<b>28.53</b>	<b>0.03</b>	<b>98.42</b>	<b>168.46</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at March 31, 2024

## Note 3: Intangible assets

	Goodwill	Other intangible assets		Intangible assets under development
		Computer software	Software copyrights	
<b>Gross carrying amount</b>				
Cost as at 01.04.2022	410.89	451.46	2.93	454.39
Additions	-	59.37	2.04	61.41
Disposals/written off	(0.69)	(1.79)	-	(1.79)
Impairment of intangible assets under development (Refer note 3.5 & 28)	-	(15.91)	-	(15.91)
Transfers	-	-	-	(34.80)
Assets included in a disposal group classified as held for sale (Refer Note no. 46, 53)	(203.34)	(46.36)	(4.97)	(51.33)
Currency Fluctuation	-	0.73	-	0.73
<b>Closing gross carrying amount</b>	<b>206.86</b>	<b>447.50</b>	<b>(0.00)</b>	<b>447.50</b>
<b>Accumulated amortisation</b>				
Accumulated amortisation as at 01.04.2022	-	363.00	2.60	365.60
Amortisation charge during the year for Continuing Operations	-	41.59	-	41.59
Amortisation charge during the year for Discontinuing Operations	-	9.24	0.70	9.94
Disposals	-	(1.79)	-	(1.79)
Impairment of intangible assets under development (Refer note 3.5 & 28)	-	(4.61)	-	(4.61)
Currency Fluctuation	-	0.44	-	0.44
Accumulated amortisation pertaining to Assets included in a disposal group classified as held for sale	-	(31.30)	(3.30)	(34.60)
<b>Closing Accumulated amortisation</b>	<b>-</b>	<b>376.57</b>	<b>(0.00)</b>	<b>376.57</b>
<b>Net carrying amount as at 31.03.2023</b>	<b>206.86</b>	<b>70.93</b>	<b>0.00</b>	<b>70.93</b>
<b>Gross carrying amount</b>				
Cost as at 01.04.2023	206.86	447.50	-	447.50
Additions	-	24.95	-	24.95
Disposals/written off	-	-	-	(6.39)
Transfers	-	-	-	(22.19)
Currency Fluctuation	-	0.47	-	0.47
<b>Closing gross carrying amount</b>	<b>206.86</b>	<b>472.92</b>	<b>-</b>	<b>472.92</b>
<b>Accumulated amortisation</b>				
Accumulated amortisation as at 01.04.2023	-	376.57	-	376.57
Amortisation charge during the year	-	33.71	-	33.71
Disposals	-	-	-	-
Currency Fluctuation	-	0.17	-	0.17
<b>Closing Accumulated amortisation</b>	<b>-</b>	<b>410.45</b>	<b>-</b>	<b>410.45</b>
<b>Net carrying amount as at 31.03.2024</b>	<b>206.86</b>	<b>62.47</b>	<b>-</b>	<b>50.17</b>

**Note 3.1:** Capital and other Contractual Commitment Refer Note 34

### Note 3.2: Significant estimate: Useful life of intangible assets

As at 31 March 2024, the net carrying amount of computer software was ₹62.47 Crores (March 31, 2023: ₹70.93 Crores). The Group estimates the useful life of the computer software to be four years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than four years, depending on technical innovations and competitor actions.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at March 31, 2024

### Note 3.3: Impairment of goodwill

For the purpose of impairment testing, goodwill is allocated to a cash generating unit, representing the lowest level within the Group at which goodwill is monitored for internal management purposes and which is not higher than the Group's operating segment. The goodwill of ₹65.59 Crores (March 31, 2023: ₹65.59 Crores) relates to the index licensing services business of the Group, ₹1.76 Crores (March 31, 2023: ₹1.76 Crores) relates to datafeed services, ₹139.51 Crores (March 31, 2023: ₹139.51 Crores) relates to data terminal services businesses of the Group. The recoverable amount of the cash generating unit has been determined based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

The Group has carried out annual goodwill impairment assesment as at March 31, 2024 and March 31, 2023. The carrying amount does not exceed the recoverable amount of the cash generating units. Accordingly, there were no impairment recorded for the year ended March 31, 2024 and March 31, 2023.

The Management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating units.

### Note 3.4: Ageing of Intangible assets under development

(₹ in Crores)

Description	Amount of Intangible assets under development as on March 31, 2024				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Projects in progress	23.35	6.28	19.16	1.38	50.17
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>23.35</b>	<b>6.28</b>	<b>19.16</b>	<b>1.38</b>	<b>50.17</b>

(₹ in Crores)

Description	Amount of Intangible assets under development as on March 31, 2023				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Projects in progress	17.34	25.87	1.20	0.66	45.07
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>17.34</b>	<b>25.87</b>	<b>1.20</b>	<b>0.66</b>	<b>45.07</b>

**Note: 3.4:** For computer software under development, whose completion is overdue or exceeded its cost compared to its original plan, the projectwise details of when the project is expected to be completed is given below as of March 31, 2024.

Description	To be completed in (Ageing as on March 31, 2024)				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Projects in progress</b>					
i) Blockchain Development	-	-	0.86	-	0.86

Description	To be completed in (Ageing as on March 31, 2023)				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Projects in progress</b>					
i) Blockchain Development	-	0.86	-	-	0.86

**Note 3.5:** During the previous year, the Group had carried out the impairment assessment of intangible assets including intangible assets under development. Basis the assessment, the Group had impaired/written off certain intangible assets including intangible assets under development during the previous year as these assets are not expected to be used.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at March 31, 2024

### 4 Non Current Investments

(₹ in Crores)

Particulars	31.03.2024	31.03.2023
Investments in quoted equity instruments at FVOCI	1.67	0.76
Investments in unquoted equity instruments at FVOCI	104.74	122.78
Investments in quoted tax free bonds at amortised cost (Refer note 4.3)	555.41	559.94
Investments in quoted taxable bonds at amortised cost (Refer note 4.3)	2,587.10	753.49
Investments in quoted government securities at FVOCI (Refer note 4.3)	2,387.75	2,724.57
Investments in quoted government securities at amortised cost (Refer note 4.1,4.3 and 16)	6,552.92	3,236.17
Investments in unquoted mutual funds at FVPL (Refer note 4.2)	1,938.48	1,751.08
<b>Total</b>	<b>14,128.07</b>	<b>9,148.79</b>
Aggregate Book value - Quoted Investments	12,084.86	7,274.93
Aggregate Book Value - Unquoted Investments	2,043.23	1,873.86
Aggregate Market Value of Quoted Investments	12,117.63	7,276.53

- Earmarked amount of ₹5,217.67 Crores (Previous Year: ₹3,236.17 Crores) pertaining to Core SGF is included in investments in quoted government securities at amortised cost.
- Includes ₹82.30 Crores (previous year ₹110.70 Crores) set aside towards acquisition of balance stake of Talentsprint Private Limited as directed by SEBI while granting the approval for said acquisition.
- These investments includes ₹6,661.98 Crores as of March 31, 2024 [March 31, 2023: ₹ Nil] towards Risk reserve.

### 5 Other financial assets (non-current)

(₹ in Crores)

Particulars	31.03.2024	31.03.2023
<b>Non-current bank balances</b>		
Fixed deposits with maturity for more than 12 months (Refer note 5.2)	2,503.43	858.05
Earmarked fixed deposits with maturity for more than 12 months (Refer note 5.1)	117.02	49.11
Earmarked fixed deposits with maturity for more than 12 months towards Core Settlement Guarantee Fund	1,201.18	11.91
Earmarked fixed deposits with maturity for more than 12 months towards Core Settlement Guarantee Fund - Commodity Derivatives	-	33.83
<b>Total (a)</b>	<b>3,821.63</b>	<b>952.90</b>
<b>Others</b>		
Security deposit for utilities and premises	14.52	9.04
Interest accrued on bank deposits	103.86	18.08
Interest accrued on bank deposits towards Core Settlement Guarantee Fund	36.47	0.26
Other receivables	-	-
<b>Total (b)</b>	<b>154.85</b>	<b>27.38</b>
<b>Total</b>	<b>3,976.48</b>	<b>980.28</b>

- Earmarked deposits are restricted and includes deposits towards listing entities, defaulter members, investor services fund and other restricted deposits.
- This amount of ₹815.56 Crores as at March 31, 2024 (March 31, 2023: Nil) pertains to Risk reserve.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

**6 Other financial assets (current)**

Particulars	(₹ in Crores)	
	31.03.2024	31.03.2023
Security deposit for utilities and premises	0.71	0.80
Interest accrued on bank deposits	415.40	104.98
Interest accrued on bank deposits towards Core Settlement Guarantee Fund	23.92	27.51
Receivables from related party (Refer Note 32)	-	0.19
Other receivables	19.77	8.03
<b>Total</b>	<b>459.80</b>	<b>141.51</b>

**7 Other non-current assets**

Particulars	(₹ in Crores)	
	31.03.2024	31.03.2023
Capital advances	0.92	15.44
Prepaid expenses	14.70	39.62
Securities Transaction Tax paid (Refer note 7.1)	10.60	10.60
Deposit with SEBI - Colocation (Refer Note 35(b))	676.47	707.47
<b>Total</b>	<b>702.69</b>	<b>773.13</b>

7.1 Securities Transaction Tax ("STT") paid represents amounts recovered by tax authorities towards STT, interest and penalty thereon recoverable from few members and ad-hoc STT, interest and penalty thereon which is disputed by the Company. The Company has recovered an amount of ₹5.41 Crores against the STT paid to tax authorities from the respective members and which is held as deposit and disclosed under other non current liabilities. (Refer note no. 22).

**8 Other current assets**

Particulars	(₹ in Crores)	
	31.03.2024	31.03.2023
Other Advance recoverable	14.57	14.04
Balances with statutory authorities	430.21	236.43
Prepaid expenses	178.84	139.39
Deposit with SEBI - Colocation (Refer Note 35(b))	-	300.00
Other receivables	12.58	18.50
<b>Total</b>	<b>636.20</b>	<b>708.36</b>

**9 Current Investments**

Particulars	(₹ in Crores)	
	31.03.2024	31.03.2023
Investments in quoted tax free bonds at amortised cost	-	29.58
Investment in quoted Taxable Bonds bonds at amortised cost (Refer note 9.6)	66.11	265.93
Investment in quoted Commercial Paper at amortised cost	-	99.09
Investment in quoted Certificate of Deposits at amortised cost	-	321.36
Investments in quoted government securities at FVOCI (Refer note 9.6)	365.41	86.22
Investments in quoted government securities at amortised cost (Refer note 9.1)	1,092.12	776.40
Investments in quoted mutual funds at FVPL (Refer note 9.6)	907.82	838.55
Investments in unquoted mutual funds at FVPL (Refer note 9.2, 9.3 and 9.4)	8,039.53	5,739.38
Investment in Quoted debentures at amortised cost	61.23	66.37
Less: Impairment losses on financial assets (Refer note 9.5)	(61.23)	(66.37)
<b>Total</b>	<b>10,470.99</b>	<b>8,156.51</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

Particulars	(₹ in Crores)	
	31.03.2024	31.03.2023
Aggregate Book value - Quoted Investments	2,431.46	2,417.13
Aggregate Book Value - Unquoted Investments	8,039.53	5,739.38
Aggregate Market Value of Quoted Investments	2,433.39	2,408.41
Aggregate amount of impairment in the value of investments (refer note 9.5)	61.23	66.37

- Earmarked amount of ₹1,092.12 Crores pertaining to Core SGF is included in investments in quoted government securities at amortised cost as at March 31, 2024 and ₹776.40 Crores as at March 31, 2023
- Earmarked amount of ₹412.36 Crores pertaining to Core SGF is included in investments in unquoted mutual funds at FVPL as at March 31, 2024 and ₹NIL as at March 31, 2023
- Earmarked amount of ₹NIL to SGF-Commodity Segment is included in investments in unquoted mutual funds at FVPL as at March 31, 2024 and ₹148.57 Crores as at March 31, 2023
- The investments in mutual funds includes ₹20.74 Crores (March 31, 2023: ₹18.09 Crores) invested from contribution received from issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund" as per SEBI circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020.
- The Group's investment in Non Convertible Debenture of IL&FS Group amounting to ₹80.13 Crores have been classified as credit impaired in the financial year 2018-19 on account of significant financial difficulty of the issuer, disappearance of an active market for their securities and credit rating downgrade from "AAA" to "D". Accordingly, Group recognised impairment loss of ₹80.13 Crores on such financial assets in the profit and loss account in the financial year 2018-19. During the current year, the Group has received an amount of ₹5.14 Crores (March 31, 2023: ₹13.77 Crores) which is disclosed under other expenses "reversal of impairment losses on financial assets".
- These investments includes ₹431.42 Crores as of March 31, 2024 [March 31, 2023: ₹ Nil] towards Risk reserve.

**10 Trade receivables**

Particulars	(₹ in Crores)	
	31.03.2024	31.03.2023
Trade Receivables- Unbilled (Refer note 10.2)	1,733.84	1,453.97
Trade Receivables - Billed	140.83	151.60
Less: Loss Allowance	(10.01)	(16.36)
<b>Total</b>	<b>1,864.66</b>	<b>1,589.21</b>
<b>Break up of security details</b>		
Undisputed Trade Receivables – Secured considered good (Refer note 10.1 & 10.2)	1,676.04	1,556.12
Undisputed Trade Receivables – Unsecured considered good	188.42	33.09
Undisputed Trade Receivables – which have significant increase in credit risk	1.76	-
Undisputed Trade Receivables – credit impaired	8.45	8.00
Disputed Trade Receivables – credit impaired	-	8.36
<b>Total</b>	<b>1,874.67</b>	<b>1,605.57</b>
Loss allowance	(10.01)	(16.36)
<b>Total Trade Receivables</b>	<b>1,864.66</b>	<b>1,589.21</b>

- Trade receivables are secured against deposits and margin money received from members (Refer note: 16, 24 and 45).
- The receivable is 'unbilled' because the Group has not yet issued an invoice; however, the balance has been included under trade receivables (as opposed to contract assets) because it is an unconditional right to consideration.
- Trade receivables have a short credit period and does not have any significant financing component.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

**Ageing of Trade Receivables as on March 31, 2024**

Description	Outstanding for following periods from the due date					Total
	Unbilled	Less than 6 months	6 months - 1 year	1 - 3 years	More than 3 year	
Undisputed Trade Receivables – Secured considered good	1,642.17	31.41	1.03	1.43	-	1,676.04
Undisputed Trade Receivables– Unsecured considered good	91.67	83.43	6.88	6.44	-	188.42
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	0.16	1.60	-	1.76
Undisputed Trade Receivables – credit impaired	-	-	-	1.57	6.88	8.45
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
<b>Total</b>	<b>1,733.84</b>	<b>114.84</b>	<b>8.07</b>	<b>11.04</b>	<b>6.88</b>	<b>1,874.67</b>
Less: Allowance for doubtful debts						(10.01)
<b>Total</b>						<b>1,864.66</b>

**Ageing of Trade Receivables as on March 31, 2023**

Description	Outstanding for following periods from the due date					Total
	Unbilled	Less than 6 months	6 months - 1 year	1 - 3 years	More than 3 year	
Undisputed Trade Receivables – Secured considered good	1,453.97	99.38	1.85	0.91	0.01	1,556.12
Undisputed Trade Receivables – Unsecured considered good	-	13.84	8.33	10.92	-	33.09
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	0.07	0.11	7.82	8.00
Disputed Trade Receivables – credit impaired	-	-	-	-	8.36	8.36
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
<b>Total</b>	<b>1,453.97</b>	<b>113.22</b>	<b>10.25</b>	<b>11.94</b>	<b>16.19</b>	<b>1,605.57</b>
Less: Allowance for doubtful debts						(16.36)
<b>Total</b>						<b>1,589.21</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

**11 Cash and cash equivalents**

Particulars	(₹ in Crores)	
	31.03.2024	31.03.2023
Balances with banks:-		
Certificate of Deposits with original maturity of less than three months	814.70	542.83
Fixed Deposits with original maturity of less than three months	20.86	-
Government Securities with original maturity of less than three months	-	39.38
In current accounts	489.71	786.80
Earmarked Fixed Deposits with the maturity of less than three months (Refer note 11.2)	108.65	-
Balance held for the purpose of meeting short term cash commitments (Refer note 11.1)	21,869.19	4,528.49
Cash on hand	0.01	0.01
<b>Total</b>	<b>23,303.12</b>	<b>5,897.51</b>

11.1 Represents amount received from members towards settlement obligations which is payable on the date of settlement of the transactions. i.e. Transaction date + 1 day as on March 31, 2024 (Transaction date + 1 day as on March 31, 2023) & margin money from members which is also repayable on the settlement of transactions. (Refer note 16).

11.2 It pertains to unspent CSR amount as at March 31, 2024 and ₹ NIL as at March 31, 2023. (Refer note 43)

11.3 The amount includes ₹0.19 Crores (Previous Year: ₹0.64 Crores) maintained as current account balance by NSE Foundation.

**12 Bank balances other than cash and cash equivalents**

Particulars	(₹ in Crores)	
	31.03.2024	31.03.2023
<u>Restricted Balances with banks:</u>		
In current accounts (Refer note 41(a))	6.16	44.63
In current account towards Core Settlement Guarantee Fund	1,226.08	222.94
<u>Fixed deposits (Refer note 12.4)</u>		
- with original and remaining maturity for more than 3 months but less than 12 months	190.54	324.66
- with maturity of less than 12 months at the balance sheet date	1,600.92	1,099.02
<u>Certificate of deposits with banks:</u>		
- with original maturity for more than 3 months but less than 12 months	2,241.56	2,964.76
<u>Earmarked Fixed Deposits:</u>		
- with original maturity for more than 3 months but less than 12 months (Refer note 12.1 and 12.2)	117.18	60.15
- with original maturity for more than 3 months but less than 12 months towards SGF for Commodity Segment	-	67.60
- with maturity of less than 12 months at the balance sheet date towards Core Settlement Guarantee fund	27.34	528.22
- with maturity of less than 12 months at the balance sheet date (Refer note 12.3)	396.49	373.04
Unpaid dividends	1.65	0.65
<b>Total</b>	<b>5,807.92</b>	<b>5,685.67</b>

12.1 The amount includes ₹ NIL (Previous Year: ₹2.98 Crores) towards amount placed as a fixed deposit by NSE Foundation.

12.2 This include an amount of ₹10.65 Crores (March 31, 2023: ₹39.18 Crores) towards unspent CSR and amount of ₹4.03 Crores (March 31, 2023: ₹4.59 Crores) towards defaulter members.

12.3 Earmarked deposits are restricted and includes deposits towards listing entities, defaulter members, investor services fund and other restricted deposits.

12.4 This amount of ₹624.04 Crores as at March 31, 2024 (March 31, 2023: Nil) pertains to Risk reserve.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

**13a Equity share capital**

Particulars	₹ in Crores	
	31.03.2024	31.03.2023
Authorised		
50,00,00,000 Equity Shares Of ₹1 each.		
(Previous Year: 50,00,00,000 Equity Shares Of ₹1 each)	50.00	50.00
Issued, Subscribed And Paid-Up		
49,50,00,000 Equity Shares Of ₹1 each, Fully Paid Up	49.50	49.50
(Previous Year: 49,50,00,000 Equity Shares Of ₹1 each, Fully Paid Up)		
<b>Total</b>	<b>49.50</b>	<b>49.50</b>

**Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹1 per share. They entitle the holder to participate in dividends. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**A reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting period**

Name of the Company	As at 31.03.2024		As at 31.03.2023	
	(Numbers in Crores)	(₹ in Crores)	(Numbers in Crores)	(₹ in Crores)
At the beginning of the year (Face value of ₹1 each)	49.50	49.50	49.50	49.50
Changes in equity share capital during the year	-	-	-	-
<b>At the end of the year</b>	<b>49.50</b>	<b>49.50</b>	<b>49.50</b>	<b>49.50</b>

**Details of shareholders holding more than 5% share in the Company (No. of shares)**

Particulars	₹ in Crores	
	31.03.2024	31.03.2023
Life Insurance Corporation of India	5,30,55,000	5,30,55,000

**Details of shareholders holding more than 5% share in the Company (% shareholding)**

Particulars	₹ in Crores	
	31.03.2024	31.03.2023
Life Insurance Corporation of India	10.72%	10.72%

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended March 31, 2024

**13b Other Equity**

Particulars	Reserves and Surplus		Other Reserves		Total other Equity	Non Controlling Interests	Total other Equity			
	Retained earnings *	Risk reserve	Liquidity Enhancement Scheme Incentive Reserve	Reserve Fund				Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Foreign Currency Translation Reserve
<b>Balance as at 01.04.2022</b>	35.50	14,628.58	1.00	535.18	63.89	1.40	15,360.93	96.78	7.85	15,366.78
Profit for the year	-	7,354.81	-	-	7,354.81	-	7,354.81	-	1.18	7,355.99
Other Comprehensive income/(loss)	-	0.54	-	-	0.54	(21.60)	(18.04)	(18.58)	(0.01)	(18.05)
Redemption liability	-	4.80	-	-	4.80	-	4.80	-	0.80	5.60
Share based payment	-	(200.47)	-	-	(200.47)	-	(200.47)	-	-	(200.47)
Contribution to Core SGF (net of tax)	-	(6,583.00)	13.32	-	13.32	-	13.32	-	-	13.32
Transfer to Risk reserve	-	(13.32)	(13.32)	-	-	-	-	-	-	-
Transfer to Liquidity Enhancement Scheme Incentive Reserve	-	13.32	(13.32)	-	-	-	-	-	-	-
Liquidity Enhancement Scheme Incentive paid/payable	-	(55.93)	-	55.93	-	-	-	-	-	-
<b>Transaction with owners in their capacity as owners</b>	-	(2,079.00)	-	-	(2,079.00)	-	(2,079.00)	-	(7.91)	(2,086.91)
Dividend paid	-	5.37	-	-	5.37	-	5.37	-	-	5.37
Change in non controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31.03.2023</b>	35.50	13,076.28	1.00	591.11	63.89	(20.20)	20,350.78	78.20	1.91	20,430.89
<b>Balance as at 01.04.2023</b>	35.50	13,076.28	1.00	591.11	63.89	(20.20)	20,350.78	78.20	1.91	20,430.89
Profit for the year	-	8,305.66	-	-	8,305.66	-	8,305.66	-	0.08	8,305.74
Other Comprehensive income/(loss)	-	(8.27)	-	-	(8.27)	15.58	(4.18)	13.93	(0.03)	13.90
Redemption liability	-	1.55	-	-	1.55	-	1.55	-	0.94	2.49
Share based payment	-	(1.38)	-	-	(1.38)	-	(1.38)	-	(0.27)	(1.65)
Contribution to Core SGF (net of tax)	-	(1,103.36)	-	-	(1,103.36)	-	(1,103.36)	-	-	(1,103.36)
Transfer to Risk reserve	-	250.00	-	-	250.00	-	250.00	-	-	250.00
Transfer to Liquidity Enhancement Scheme Incentive Reserve	-	(1,950.00)	3.12	-	3.12	-	3.12	-	-	3.12
Liquidity Enhancement Scheme Incentive paid/payable	-	4.33	(4.33)	-	-	-	-	-	-	-
Transfer to Reserve Fund	-	(100.82)	-	100.82	-	-	-	-	-	-
<b>Transaction with owners in their capacity as owners</b>	-	(3,960.00)	-	-	(3,960.00)	-	(3,960.00)	-	(3.16)	(3,963.16)
Dividend paid	-	(2.20)	-	-	(2.20)	-	(2.20)	-	-	(2.20)
Change in non controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31.03.2024</b>	35.50	14,508.67	0.21	691.93	63.89	(4.62)	23,832.78	92.13	(0.53)	23,924.38

**Particulars**

\* Includes General Reserves

\*\* Includes capital reserve on consolidation

\*\* Includes capital redemption reserve

\*\* Includes staff welfare reserve

\*\* Includes investor compensation reserve

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

**Other Equity****Securities premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**Risk reserve:**

The Board of Directors of National Stock Exchange of India Limited has appropriated an amount of ₹1,950 Crores for the year ended March 31, 2024, (March 31, 2023: ₹6,583 Crores) from retained earnings to a separate reserve within equity towards adequate risk capital management.

**Liquidity enhancement scheme incentive reserve:**

One of the subsidiary has created Liquidity enhancement scheme incentive reserve in accordance with the IFSC Authority circular dated March 31, 2022, which has issued guidelines for Liquidity Enhancement Scheme. Accordingly the subsidiary has created a reserve specifically to meet incentives/expenses of the Liquidity Enhancement Scheme.

**Reserve Fund:**

One of the subsidiary has created reserve fund under section 45-IC (1) of Reserve Bank of India Act 1934, wherein every Non Banking Financial Company is required to transfer 20% of its post tax profit to a corpus termed as Reserve Fund.

**Other Reserves:**

The Group has in the past created Other Reserves for investor compensation activities, staff welfare activities, capital redemption reserve and capital reserve arising on consolidation.

**Debt instruments through Other Comprehensive Income:**

The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in debt instruments through other comprehensive income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Consolidated Statement of Profit and Loss.

**Equity instruments through Other Comprehensive Income**

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**Foreign Currency Translation Reserve:**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity.

Note 1: The Board of Directors, in their meeting held on May 6, 2022, proposed a dividend of ₹42/- per equity share which has been approved by the shareholders at the Annual General Meeting held on July 12, 2022. The total dividend paid during the year ended March 31, 2023 amounts to ₹2,079 Crores.

Note 2: The Board of Directors, in their meeting held on May 15, 2023, proposed a dividend of ₹80/- per equity share which has been approved by the shareholders at the Annual General Meeting held on August 23, 2023. The total dividend paid during the year ended March 31, 2024 amounts to ₹3,960 Crores.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

**14 Trade payables (current)**

(₹ in Crores)

Particulars	31.03.2024	31.03.2023
Trade payables	326.92	260.28
Trade payables to MSME (Refer note 36)	5.83	1.88
<b>Total</b>	<b>332.75</b>	<b>262.16</b>

**Ageing of Trade Payables as on March 31, 2024**

Description	Outstanding for following periods from the due date			Total
	Less than 1 year	1 - 3 years	More than 3 years	
MSME	5.83	-	-	5.83
Others	321.97	2.09	2.86	326.92
<b>Total</b>	<b>327.80</b>	<b>2.09</b>	<b>2.86</b>	<b>332.75</b>

**Ageing of Trade Payables as on March 31, 2023**

Description	Outstanding for following periods from the due date			Total
	Less than 1 year	1 - 3 years	More than 3 years	
MSME	0.58	1.30	-	1.88
Others	251.90	6.40	1.98	260.28
<b>Total</b>	<b>252.48</b>	<b>7.70</b>	<b>1.98</b>	<b>262.16</b>

**15 Other financial liabilities (non-current)**

(₹ in Crores)

Particulars	31.03.2024	31.03.2023
Other liabilities	17.36	16.35
<b>Total</b>	<b>17.36</b>	<b>16.35</b>

**16 Other financial liabilities (current)**

(₹ in Crores)

Particulars	31.03.2024	31.03.2023
Deposits - premises	5.17	5.50
Creditors for capital expenditure	95.59	93.81
Defaulters fund pending claims	403.81	351.60
Margin money from members (Refer note 16.1)	17,717.88	3,870.41
Settlement obligation payable (Refer note 16.1)	3,609.23	182.71
Purchase pending Settlement	383.31	-
Other liabilities	129.88	98.87
<b>Total</b>	<b>22,344.87</b>	<b>4,602.90</b>

16.1 Represents amount received from members towards settlement obligations which is payable on the date of settlement of the transactions. i.e. Transaction date + 1 day as on March 31, 2024 (Transaction date + 1 day as on March 31, 2023) & margin money from members which is also repayable on the settlement of transactions. (refer note 11)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

**17a Provisions (non current)**

Particulars	(₹ in Crores)	
	31.03.2024	31.03.2023
<b>Employee benefits obligation</b>		
Provision for gratuity	17.69	11.78
Provision for variable pay and allowance	27.62	39.94
Other Provisions	0.68	0.42
<b>Total</b>	<b>45.99</b>	<b>52.14</b>

**b Contract Liabilities (non current)**

Particulars	(₹ in Crores)	
	31.03.2024	31.03.2023
Contract Liabilities related to listing services (Refer note 17.1)	82.46	69.34
<b>Total</b>	<b>82.46</b>	<b>69.34</b>

17.1 Contract liabilities mainly consist of processing fees in relation to listing fees which is recognised on straightline basis over estimated period of 10 years.

**18a Provisions (current)**

Particulars	(₹ in Crores)	
	31.03.2024	31.03.2023
<b>Employee benefits obligation</b>		
Provision for gratuity	3.13	1.45
Provision for variable pay and allowance	84.92	70.00
Provision for leave encashment	17.18	14.81
<b>Total</b>	<b>105.23</b>	<b>86.26</b>

**b Contract Liabilities - Current**

Particulars	(₹ in Crores)	
	31.03.2024	31.03.2023
Contract Liabilities related to listing services (Refer note 17.1)	6.17	3.86
<b>Total</b>	<b>6.17</b>	<b>3.86</b>

**19 Income taxes****(a) Income tax expense**

Particulars	(₹ in Crores)	
	31.03.2024	31.03.2023
Income tax expense		
<b>Current Tax</b>		
Current tax expense:		
Continuing Operations	2,626.16	2,521.01
Discontinued Operations	21.16	17.92
<b>Total Current Tax</b>	<b>2,647.32</b>	<b>2,538.93</b>
<b>Deferred Tax</b>		
(Increase)/Decrease in deferred tax assets	32.99	(64.56)
Increase/(Decrease) in deferred tax liabilities	118.65	83.25
<b>Total deferred tax expense (benefit)</b>	<b>151.64</b>	<b>18.69</b>
<b>Total Income tax expenses*</b>	<b>2,798.96</b>	<b>2,557.62</b>
Tax expenses exclude deferred tax expense/(benefit) on OCI of continuing operations	(1.56)	9.67
Income tax benefits on Contribution to Core SGF recognised in equity (Refer note 13b)	(362.67)	(67.42)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

**b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

Particulars	(₹ in Crores)	
	31.03.2024	31.03.2023
Profit before income tax expense from continuing operations	11,184.28	10,041.58
(Loss) before income tax expense from discontinuing operations	(79.58)	(127.97)
Profit before income tax expense from continuing and discontinuing operations	11,104.70	9,913.61
Tax rate (%)	25.168%	25.168%
Tax at the Indian Tax Rate	2,794.83	2,495.06
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Interest on tax free bonds	(10.57)	(12.32)
Income taxed at different rate	(24.75)	(9.83)
Non deductible expenditure	45.41	62.35
Others	(5.96)	22.36
<b>Income Tax Expense</b>	<b>2,798.96</b>	<b>2,557.62</b>

The applicable Indian statutory tax rate for year ended March 31, 2024 is 25.168% (March 31, 2023: 25.168%).

**c) Deferred tax liabilities (net)**

The balance comprises temporary differences attributable to:

Particulars	(₹ in Crores)	
	31.03.2024	31.03.2023
<b>Deferred income tax assets</b>		
Property, plant and equipment and investment property	26.12	11.34
Provision for leave encashment	3.63	3.52
Financial Assets at Fair Value through OCI on equity and debt instruments	0.12	2.42
Others	92.86	138.84
<b>Total deferred tax assets</b>	<b>122.73</b>	<b>156.12</b>
<b>Deferred income tax liabilities</b>		
Financial Assets at Fair Value through profit and Loss	266.21	144.88
Tax on undistributed earnings of associates	136.02	124.04
Others	20.73	34.23
<b>Total deferred tax liabilities</b>	<b>422.96</b>	<b>303.15</b>
<b>Net Deferred tax liabilities</b>	<b>300.23</b>	<b>147.03</b>
<b>Deferred Tax Assets</b>	<b>5.28</b>	<b>11.32</b>
<b>Deferred tax Liabilities</b>	<b>(305.51)</b>	<b>(158.35)</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

**d) Movement in deferred tax assets**

Particulars	Property, plant and equipment	Provision for leave encashment	Financial Assets at Fair Value through OCI on Equity and debt instruments	Others	Total
<b>At 31 March 2022</b>	<b>3.57</b>	<b>5.47</b>	<b>(7.36)</b>	<b>100.36</b>	<b>102.04</b>
Charged/(credited)					
- to profit or loss	9.36	(0.73)	-	55.94	64.56
- to other comprehensive income	-	-	9.78	(0.17)	9.61
- assets included in a disposal group classified as held for sale	(1.59)	(1.21)	-	(17.28)	-20.08
<b>At 31 March 2023</b>	<b>11.34</b>	<b>3.52</b>	<b>2.42</b>	<b>138.84</b>	<b>156.12</b>
Charged/(credited)					
- to profit or loss	14.78	0.11	-	(46.71)	(31.82)
- to other comprehensive income	-	-	(2.30)	0.73	(1.57)
<b>At 31 March 2024</b>	<b>26.12</b>	<b>3.63</b>	<b>0.12</b>	<b>92.86</b>	<b>122.73</b>

**e) Movement in deferred tax liabilities**

Particulars	Property, plant and equipment	Financial Assets at fair value through P&L	Tax on undistributed earnings of associates	Others	Total
<b>At 31 March 2022</b>	<b>1.36</b>	<b>81.61</b>	<b>108.22</b>	<b>28.33</b>	<b>219.52</b>
Charged/(credited)					
- to profit or loss	(1.36)	62.83	15.82	5.96	83.25
- to other comprehensive income	-	-	-	(0.06)	(0.06)
- liability related to disposal group classified as held for sale	-	0.44	-	-	0.44
<b>At 31 March 2023</b>	<b>0.00</b>	<b>144.88</b>	<b>124.04</b>	<b>34.23</b>	<b>303.15</b>
Charged/(credited)					
- to profit or loss	-	121.33	11.98	(13.49)	119.82
- to other comprehensive income	-	-	-	(0.01)	(0.01)
<b>At 31 March 2024</b>	<b>0.00</b>	<b>266.21</b>	<b>136.02</b>	<b>20.73</b>	<b>422.96</b>

(f) The Group has not recognised deferred tax liability associated with respect to undistributed earnings of its subsidiaries as it can control the timing of the reversal of these temporary differences and it is probable that such differences will not reverse in the foreseeable future. Further, the Group will also avail the tax credit for the tax payable on dividend distributed by the subsidiaries.

Particulars	31.03.2024	31.03.2023
The taxable temporary differences relating to investment in subsidiaries with respect to undistributed earnings for which a deferred tax liability has not been recognised:		
Undistributed Earnings	3,696.96	3,700.87
Unrecognised deferred tax liabilities relating to the above temporary differences	930.45	931.44

(₹ in Crores)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

**20 Income tax liabilities (net) - Current\***

	31.03.2024	31.03.2023
Income tax (net of advances)	102.61	507.72
Wealth tax (net of advances)	0.29	0.29
<b>Total</b>	<b>102.90</b>	<b>508.01</b>

(₹ in Crores)

**21 Income tax assets (net) - Non-Current\***

	31.03.2024	31.03.2023
Income tax paid including TDS (net of provisions)	1,042.37	532.66
Income tax paid including TDS (net of provisions) - Core SGF	3.92	5.70
Fringe benefit tax (net of provisions)	0.02	0.02
<b>Total</b>	<b>1,046.31</b>	<b>538.38</b>

(₹ in Crores)

\*The Group is subject to tax assessments and ongoing proceedings, which are pending before various Tax Appellate Authorities. Management periodically evaluates the positions taken in tax returns with respect to such matters, including unresolved tax disputes, which involves interpretation of applicable tax regulations and judicial precedents. Current tax liability and tax asset balances are presented, after recognising as appropriate, provision for taxes payable and contingencies basis management's assessment of outcome of such ongoing proceedings and amounts that may become payable to the tax authorities. Considering the nature of such estimates and uncertainties involved, the amount of such provisions may change upon final resolution of the matters with tax authorities (Refer note 35 for details of contingent liabilities and litigations).

**22 Other non-current liabilities**

	31.03.2024	31.03.2023
Deposit - STT (Refer note no. 7.1)	5.41	5.41
<b>Total</b>	<b>5.41</b>	<b>5.41</b>

(₹ in Crores)

**23 Other current liabilities**

	31.03.2024	31.03.2023
Securities Transaction Tax payable	3,219.31	228.32
Statutory dues payable	795.10	655.73
Advance from customers	120.33	108.53
Others	1,337.46	603.83
<b>Total</b>	<b>5,472.20</b>	<b>1,596.41</b>

(₹ in Crores)

**24 Deposits - Current**

	31.03.2024	31.03.2023
Deposits from trading members	989.57	979.09
Deposits from applicants for membership	3.29	2.54
Deposits from mutual fund distributors	0.79	0.95
Deposits towards equipments	48.92	4.13
Deposits from clearing members	361.67	354.60
Deposits in lieu of bank guarantee/securities from clearing members	106.72	94.04
Deposits from clearing banks	1,545.41	1,335.57
Deposits - listing & book building	208.50	110.19
<b>Total</b>	<b>3,264.87</b>	<b>2,881.11</b>

(₹ in Crores)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

**25 Revenue from operations**

	(₹ in Crores)	
	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>Revenue from contracts with customers:</b>		
Trading services		
Transaction charges	12,119.95	10,172.74
Listing services		
Listing fees	119.72	109.00
Processing fees	48.38	35.71
Book building fees	54.52	35.68
	222.62	180.39
Colocation Charges	887.50	614.28
Data Feed & Terminal services		
Online datafeed service fees	278.87	199.91
Data terminal service fees	60.39	72.69
	339.26	272.60
Licensing services		
Index licensing & Data subscription fees	97.54	150.09
Clearing & Settlement Services	134.81	30.79
Others	166.27	107.57
<b>Total (Refer note 25.1)</b>	<b>13,967.95</b>	<b>11,528.46</b>
<b>Other operating revenues:</b>		
Income on investments (Refer note 25.2)	812.06	327.77
<b>Total</b>	<b>14,780.01</b>	<b>11,856.23</b>
<b>Revenue Recognised</b>		
Point in Time	12,455.19	10,429.29
Over the period of time	2,324.82	1,426.94
<b>Total</b>	<b>14,780.01</b>	<b>11,856.23</b>

**25.1 Reconciliation of revenue recognised with contract price:**

	(₹ in Crores)	
	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>Contract Price</b>	13,983.38	11,540.86
Adjustments for contract liabilities	(15.43)	(12.40)
<b>Revenue from contracts with customers</b>	<b>13,967.95</b>	<b>11,528.46</b>

**25.2** Represent income generated from sources of fund related to operating activity of the Group.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

**26 Other income**

	(₹ in Crores)	
	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>Other income</b>		
Dividend income		
- from equity investments designated at FVOCI	3.72	0.39
Interest income from financial assets at amortised cost	555.52	297.54
Interest income from financial assets designated at FVOCI	233.14	114.86
Profit on sale of investment in associates (Refer note 39.2)	81.43	-
Rental income	1.48	1.32
Miscellaneous income	10.69	24.37
	<b>885.98</b>	<b>438.48</b>
<b>Other gains/(losses)</b>		
Net gain/(loss) on financial assets mandatorily measured at FVPL	628.59	359.25
Net gain on sale of financial assets mandatorily measured at FVPL	133.73	104.73
Net gain on disposal of property, plant and equipment	0.05	-
Net foreign exchange gains	5.25	6.67
<b>Total other income and other gains/(losses)</b>	<b>767.62</b>	<b>470.65</b>
<b>Total</b>	<b>1,653.60</b>	<b>909.13</b>

**27 Employee benefits expenses**

	(₹ in Crores)	
	For the year ended 31.03.2024	For the year ended 31.03.2023
Salaries, wages and bonus	412.01	326.99
Contribution to provident and other funds (Refer note 30)	14.74	11.39
Gratuity (Refer note 30)	8.01	6.12
Staff welfare expenses	25.63	21.55
<b>Total</b>	<b>460.39</b>	<b>366.05</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at March 31, 2024

### 28 Other expenses

	(₹ in Crores)	
	For the year ended 31.03.2024	For the year ended 31.03.2023
Repairs & maintenance		
- To computers, trading & telecommunication systems	354.89	260.58
- To buildings	5.58	5.87
- To others	22.26	17.08
Clearing & Settlement Charges	125.95	77.22
IT management and consultancy charges	53.89	53.27
Software expenses	232.00	177.89
Network infrastructure management charges	6.60	6.78
Lease line charges	83.05	84.17
Telephone charges	7.80	1.60
Water and electricity charges	70.02	57.74
Rental charges	5.56	0.21
Rates and taxes	6.45	6.46
Directors' sitting fees	3.04	2.57
Legal and professional fees	85.24	87.51
Advertisement and publicity	45.51	13.44
Travel and conveyance	19.11	11.37
Insurance	9.03	1.19
Printing and stationery	2.26	1.35
Corporate social responsibility expenditure (Refer note 43)	146.25	87.40
(Reversal)/Contribution to Investor protection fund trust (Refer note 28.1)	15.15	(24.69)
(Reversal)/Impairment in value of investment (Refer note 9.5)	(5.14)	(13.77)
Impairment in value of investment (Refer note 28.2)	39.99	-
Investor education expenses	12.32	16.69
SMS & Email Charges	61.44	45.41
Payment to auditors (Refer note below)	2.20	2.03
Doubtful debts written off	7.31	7.21
Provision for doubtful debts	0.40	0.06
Liquidity enhancement incentive	13.24	23.76
Loss on sale of property, plant & equipments	3.72	0.61
Penalty - SEBI (Refer note 35 b)	-	100.00
Intangible asset under development w/off (Refer note 3.5)	-	60.81
Other expenses	293.27	208.96
<b>Total</b>	<b>1,728.39</b>	<b>1,380.78</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at March 31, 2024

### Note:

#### Payment to auditors

	(₹ in Crores)	
	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>As auditors:</b>		
Audit fees	1.34	1.20
Tax audit fee	0.07	0.06
Limited review	0.47	0.49
<b>In other capacities</b>		
Taxation matters	0.10	0.09
Certification matters	0.11	0.15
Other services	0.11	0.04
<b>Total</b>	<b>2.20</b>	<b>2.03</b>

**28.1** It includes contribution to National Stock Exchange Investor Protection fund trust formed as required under SEBI regulation, which amounts to 3% of listing fees income.

**28.2** Open Network For Digital Commerce is incorporated under section 8 of the Companies Act, 2013 and any payment of dividend or distribution of profit to its members is prohibited. Accordingly, for the year ended March 31, 2024 the investment in that company has been written down to ₹1/- i.e. written off an amount of ₹39.99 Crores by debiting the consolidated statement of profit and loss.

**28.3** The Group has disclosed Regulatory fees separately on the face of the consolidated statement of profit and loss considering the material direct expense. The comparative amount for FY 2022-23 has been accordingly reclassified.

### 29 Earnings per share

	(₹ in Crores)	
	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>Profit attributable to the equity holders of the Company used in calculating basic earnings per share and diluted earnings per share</b>		
<b>Continuing Operations</b>		
Profit for the year	8,406.48	7,501.88
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (no. in Crores) (Refer note 29.1)	49.50	49.50
<b>Earnings per equity share (basic and diluted)</b>	<b>169.83</b>	<b>151.55</b>
<b>Discontinued Operations</b>		
(Loss) for the year	(100.82)	(147.07)
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (no. in Crores) (Refer note 29.1)	49.50	49.50
<b>Earnings per equity share (basic and diluted)</b>	<b>(2.04)</b>	<b>(2.97)</b>
<b>Continuing Operations and Discontinued Operations</b>		
Profit for the year	8,305.66	7,354.81
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (no. in Crores) (Refer note 29.1)	49.50	49.50
<b>Earnings per equity share (basic and diluted)</b>	<b>167.79</b>	<b>148.58</b>

**29.1** The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Company remain the same.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

**30** Disclosure under Indian Accounting Standard 19 (Ind As 19) on Employee Benefit as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

**a) Defined Contribution Plan:**

i) The Group's contribution towards superannuation fund during the years has been charged to Statement of Consolidated Profit & Loss as follows:

Particulars	(₹ in Crores)	
	31.03.2024	31.03.2023
Group's contribution towards superannuation fund	1.11	1.03

**ii) Provident Fund:**

Provident fund:

During the year, the Company is registered with Regional Provident Fund Office, Bandra, Mumbai, and both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively.

Particulars	(₹ in Crores)	
	31.03.2024	31.03.2023
Group's contribution to the provident fund	13.63	10.36
Interest shortfall liability	-	-

**(b) Gratuity:**

The Group provides for gratuity for employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity, The amount of Gratuity is payable on retirement/termination of the employee's last drawn basic salary per month multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contribution to recognised funds with Life Insurance Corporation of India (LIC).

For other Subsidiaries Gratuity Plan is a unfunded plan and provisions are made for the defined benefit with respect to gratuity liability based on the present value of defined benefit obligation as reduced by the fair value of plan assets as per the actuarial valuation calculation.

**A Consolidated Balance Sheet**

(i) The amounts recognised in the consolidated balance sheet and the movements in the net defined benefit obligation over the years are as follows:

Particulars	(₹ in Crores)		
	31.03.2024		Total
	Present Value of Obligation	Fair Value of Plan Assets	
<b>At the beginning of the year</b>	<b>83.95</b>	<b>(58.81)</b>	<b>25.14</b>
Current service Cost	12.48	-	12.48
Interest cost/(income)	6.00	(4.36)	1.64
<b>Expenses recognised in the Statement of Profit &amp; Loss</b>	<b>18.48</b>	<b>(4.36)</b>	<b>14.12</b>
- <b>Discontinuing Operations</b>	6.67	(0.56)	6.11
- <b>Continuing Operations</b>	11.81	(3.80)	8.01
Remeasurements			
Expected return on plan assets	-	0.97	0.97
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	(0.31)	-	(0.31)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

(₹ in Crores)

Particulars	31.03.2024		
	Present Value of Obligation	Fair Value of Plan Assets	Total
Actuarial (gains)/losses on obligations - due to change in financial assumptions	1.68	-	1.68
Actuarial (gains)/losses on obligations - due to experience	4.98	-	4.98
<b>Net (income)/expense for the period recognised in OCI</b>	<b>6.35</b>	<b>0.97</b>	<b>7.32</b>
- <b>Discontinuing Operations</b>	3.43	0.56	3.99
- <b>Continuing Operations</b>	2.92	0.41	3.33
Employer Contributions	-	(3.04)	(3.04)
Liability transferred	0.02	-	0.02
Benefits paid	(11.42)	9.93	(1.49)
<b>At the end of the year</b>	<b>97.38</b>	<b>(55.31)</b>	<b>42.07</b>
Of the above pertaining to Continuing Operations	<b>28.46</b>	<b>(7.64)</b>	<b>20.82</b>
Of the above pertaining to Discontinued Operations	<b>68.92</b>	<b>(47.66)</b>	<b>21.26</b>

(₹ in Crores)

Particulars	31.03.2023		
	Present Value of Obligation	Fair Value of Plan Assets	Total
<b>At the beginning of the year</b>	<b>78.06</b>	<b>(58.38)</b>	<b>19.68</b>
Current service Cost	10.41	-	10.41
Interest cost/(income)	5.04	(4.00)	1.04
<b>Expenses recognised in the Statement of Profit &amp; Loss</b>	<b>15.45</b>	<b>(4.00)</b>	<b>11.45</b>
Remeasurements			
Return on plan assets	-	(0.21)	(0.21)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(3.48)	-	(3.48)
Actuarial (gains)/losses on obligations - due to experience	5.85	-	5.85
<b>Net (income)/expense for the period recognised in OCI</b>	<b>2.37</b>	<b>(0.21)</b>	<b>2.16</b>
Employer Contributions	-	(5.32)	(5.32)
Liability transferred	0.01	-	0.01
Benefits paid	(11.94)	9.10	(2.84)
<b>At the end of the year</b>	<b>83.95</b>	<b>(58.81)</b>	<b>25.14</b>
Of the above pertaining to Continuing Operations	<b>64.67</b>	<b>(51.44)</b>	<b>13.23</b>
Of the above pertaining to Discontinued Operations	<b>19.28</b>	<b>(7.37)</b>	<b>11.91</b>

(ii) The net liability disclosed above relates to funded plans are as follows:

Particulars	(₹ in Crores)	
	31.03.2024	31.03.2023
Fair value of plan assets as at the end of the year	55.31	58.81
Liability as at the end of the year	(97.38)	(83.95)
<b>Net (liability)/asset</b>	<b>(42.07)</b>	<b>(25.14)</b>
Of the above pertaining to Continuing Operations	(20.82)	(13.23)
Of the above pertaining to Discontinued Operations	(21.26)	(11.91)
Non Current Portion	(17.69)	(11.78)
Current Portion	(3.13)	(1.45)
Included in Liabilities directly associated with assets classified as held for sale	(21.26)	(11.91)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

**(iii) Sensitivity Analysis**

	(₹ in Crores)	
	31.03.2024	31.03.2023
Projected Benefit Obligation on Current Assumptions	97.38	83.95
Delta Effect of +1% Change in Rate of Discounting	(5.40)	(5.13)
Delta Effect of -1% Change in Rate of Discounting	6.01	5.85
Delta Effect of +1% Change in Rate of Salary Increase	5.84	5.60
Delta Effect of -1% Change in Rate of Salary Increase	(5.35)	(4.91)
Delta Effect of +1% Change in Rate of Employee Turnover	(2.11)	(0.80)
Delta Effect of -1% Change in Rate of Employee Turnover	2.23	0.99

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

**(iv) Significant actuarial assumptions are as follows:**

	31.03.2024	31.03.2023
Discount Rate	7.39-7.60%	7.39-7.60%
Rate of Return on Plan Assets	7.39-7.60%	7.39-7.60%
Salary Escalation	8.00-10.00%	8.00-10.00%
Attrition Rate	3.00-12.00%	3.00-12.00%

**(v) The expected maturity analysis of undiscounted gratuity defined benefits is as follows:**

	31.03.2024	31.03.2023
Projected Benefits Payable in Future Years From the Date of Reporting		
1 <sup>st</sup> Following Year	8.76	8.76
2 <sup>nd</sup> Following Year	8.36	8.36
3 <sup>rd</sup> Following Year	8.06	8.06
4 <sup>th</sup> Following Year	10.16	10.16
5 <sup>th</sup> Following Year	8.69	8.69
Sum of Years 6 to 10	37.80	37.80
Sum of Years 11 and above	36.26	36.26

**(vi) Expected contribution to gratuity plan for the year ending March 31, 2025 is ₹13.83 Crores (P.Y. ₹9.80 Crores).****Note 31: Segment Information****(a) Description of segments and principal activities**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Parent Company. The Group has identified the following segments i.e. Trading Services, Clearing Services and Others as reporting segments based on the information reviewed by CODM. The Company has taken certain steps for internal reorganisation in the direction of segregation of duties in line with SEBI recommendations, with consequent changes to the review by the Chief Operating Decision Maker (CODM) of the Company. Corresponding changes have been made to the segment information to reflect the above changes.

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This treatment is in line with Ind AS 108 – Operating Segments. Accordingly previous period's figures have been regrouped/reclassified wherever necessary to correspond with the current period classification/disclosure.

- Trading Services:** This part of the business offers services related to trading in equity, equity derivatives, debt, currency derivatives and commodity derivatives segments. Revenue includes transaction charges, listing & book building fees, revenue from data centre charges etc.
- 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.
- Others** include results of operations from data feed services, data terminal services, strategic investments and index licensing services.

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 and services or at contracted rates. These transfers are eliminated on consolidation.

**(b) Segment Revenue:**

Transactions between segments are carried out at arms length. 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.

		(₹ in Crores)	
Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
<b>Continuing Operations</b>			
<b>1</b>	<b>Segment Revenue</b>		
	(a) Trading	13,586.63	11,182.54
	(b) Clearing	2,018.20	915.78
	(c) Others	968.46	827.74
		<b>16,573.29</b>	<b>12,926.06</b>
	Less: Inter Segment Revenue	1,793.28	1,069.83
	<b>Total Segment Revenue</b>	<b>14,780.01</b>	<b>11,856.23</b>
<b>2</b>	<b>Segment Result</b>		
	(a) Trading	9,079.30	8,048.83
	(b) Clearing	1,584.95	615.86
	(c) Others	645.10	583.19
	<b>Segment Result</b>	<b>11,309.35</b>	<b>9,247.88</b>
<b>3</b>	Add: Unallocable Income (Net of Expenses)	<b>1,515.36</b>	<b>908.65</b>
<b>4</b>	<b>Profit before contribution to Core SGF, Share of net profits of associates accounted for using equity method and Tax from continuing operations (2+3)</b>	<b>12,824.71</b>	<b>10,156.53</b>
<b>5</b>	Share of net profits of associates accounted for using equity method	100.54	88.50
<b>6</b>	<b>Profit before Contribution to Core SGF and Tax (4+5)</b>	<b>12,925.25</b>	<b>10,245.03</b>
<b>7</b>	Contribution to Core SGF	(1,740.97)	(203.45)
<b>8</b>	<b>Profit before tax for the year from continuing operations (6-7)</b>	<b>11,184.28</b>	<b>10,041.58</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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as at March 31, 2024

Sr. No.	Particulars	(₹ in Crores)	
		Year ended 31.03.2024	Year ended 31.03.2023
9	Less: Income Tax expense		
	(a) Current tax expense	2,626.16	2,521.01
	(b) Deferred tax expenses	151.64	18.69
	<b>Total tax expenses</b>	<b>2,777.80</b>	<b>2,539.70</b>
<b>10</b>	<b>Profit for the year from continuing operations (8-9)</b>	<b>8,406.48</b>	<b>7,501.88</b>
<b>11</b>	<b>Discontinued Operations</b>		
	(a) (Loss) from discontinued operations before tax	(79.58)	(127.97)
	(b) Tax expense of discontinued operations	(21.16)	(17.92)
	<b>(c) (Loss) from discontinued operations (a-b)</b>	<b>(100.74)</b>	<b>(145.89)</b>
<b>12</b>	<b>Profit for the year (10+11)</b>	<b>8,305.74</b>	<b>7,355.99</b>

**(c) Segment Assets:**

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

Segments	(₹ in Crores)	
	31.03.2024	31.03.2023
Trading Services	4,876.95	5,829.98
Clearing Services *	33,847.53	11,503.95
Others	886.03	720.25
	<b>39,610.51</b>	<b>18,054.18</b>
Less: Inter Segment Assets	114.32	298.12
<b>Total Segment Assets</b>	<b>39,496.19</b>	<b>17,756.06</b>
Asset Classified as held for Sale	852.50	786.21
Unallocable Assets	25,115.31	18,022.07
<b>Total Assets</b>	<b>65,464.00</b>	<b>36,564.34</b>

Treasury investments held by the Group are not considered to be segment assets but are managed by the treasury function. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as unallocable. Interest income are not allocated to segments, as these are not related to the primary business activities of the respective segments.

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

Particulars	(₹ in Crores)	
	31.03.2024	31.03.2023
Contribution to Core SGF	8,818.99	4,797.22
Contribution to SGF - Commodity Derivatives	-	250.00
Contribution to Core SGF - NSE IFSC CC	38.25	11.91

**(d) Segment Liabilities**

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

Segments	(₹ in Crores)	
	31.03.2024	31.03.2023
Trading Services	7,036.49	3,151.81
Clearing Services	32,743.25	11,027.17
Others	74.56	27.31
	<b>39,854.30</b>	<b>14,206.29</b>
Less: Inter Segment Liabilities	139.24	116.54
<b>Total Segment Liabilities</b>	<b>39,715.06</b>	<b>14,089.75</b>
Liabilities directly associated with assets classified as held for Sale	369.32	421.54
Unallocable Liabilities	1,405.74	1,572.48
Core Settlement Guarantee Fund	(8,910.45)	(5,283.61)
<b>Total Liabilities</b>	<b>32,579.67</b>	<b>10,800.16</b>

**(e) Segment Capital Expenditure**

Segments	(₹ in Crores)	
	31.03.2024	31.03.2023
Trading Services	406.85	292.83
Clearing Services	28.51	41.14
Other Segments	30.30	14.66
<b>Total Segment Capital Expenditure</b>	<b>465.66</b>	<b>348.63</b>
Unallocable Capital Expenditure	-	-
<b>Total Capital Expenditure</b>	<b>465.66</b>	<b>348.63</b>

**(f) Segment Depreciation/Amortisation**

Segments	(₹ in Crores)	
	31.03.2024	31.03.2023
Trading Services	374.36	328.35
Clearing Services	49.32	44.77
Other Segments	15.40	10.47
<b>Total Segment Depreciation/Amortisation</b>	<b>439.08</b>	<b>383.59</b>
Asset Classified as held for Sale		
Unallocable Depreciation/Amortisation	0.47	0.47
<b>Total Depreciation/Amortisation</b>	<b>439.55</b>	<b>384.06</b>

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32 In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016, the required disclosures are given in the table below:

**(a) Names of the related parties and related party relationships**

Sr. No.	Related Party	Nature of Relationship	Principal Activities	% Holding As at 31.03.2024	% Holding As at 31.03.2023
1	Power Exchange India Limited	Associate Company	Trading Facility in power	29.21%	29.21%
2	Protean e-Governance Technologies Limited	Associate Company	E-Governance Solutions	20.34%	25.05%
3	National Securities Depository Limited	Associate Company	Depository Services	24.00%	24.00%
4	NSDL Database Management Limited	Subsidiary of Associate Company	Data Vending	24.00%	24.00%
5	NSDL Payments Bank Limited	Subsidiary of Associate Company	Payment Bank	24.00%	24.00%
6	Market Simplified India Limited	Associate Company	Software Industry	30.00%	30.00%
7	BFSI Sector Skill Council of India	Associate Company	Skill Council	49.00%	49.00%
8	Receivables Exchange of India Limited	Associate Company	Online Platform for financing receivables (TReDS)	30.00%	30.00%
9	Capital Quants Solutions Private Limited	Associate Company	Data processing	19.00%	19.00%
10	Indian Gas Exchange Limited	Associate Company	Gas Exchange	25.61%	25.61%
11	India International Bullion Holding IFSC Limited	Associate Company	Investment Entity	20.00%	20.00%
12	India International Bullion Exchange IFSC Limited	Subsidiary of Associate Company	Bullion Exchange	20.00%	20.00%
13	India International Depository IFSC Limited	Subsidiary of Associate Company	Bullion Depository	20.00%	20.00%
14	Mr. Ashishkumar Chauhan	Managing Director & CEO (w.e.f. July 26, 2022)			
15	Mr. Vikram Limaye	Managing Director & CEO (upto July 16, 2022)			
16	Mr. Girish Chandra Chaturvedi	Chairman & Public Interest Director (Upto November 27, 2023)			
17	Mr. Sundararajaramo Sudarshan	Public Interest Director			
18	Mr. Narsimha Murthy Kummamuri	Public Interest Director (upto November 27, 2023)			
19	Ms. Mona Bhide	Public Interest Director (upto November 27, 2023)			
20	Mr. Veneet Nayar	Shareholder Director			
21	Mr. Bishnu Charan Patnaik	Shareholder Director (upto April 29, 2023)			
22	Mr. S Ravindran	Public Interest Director			
23	Ms. Anuradha Rao	Public Interest Director (Upto December 16, 2022)			
24	Mr. Tablesh Pandey	Shareholder Director (w.e.f August 31, 2023)			
25	Ms. Sunita Sharma	Shareholder Director (upto July 12, 2022)			

Details of interests in subsidiaries are set out in note 39.

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		(₹ in Crores)	
		31.03.2024	31.03.2023
<b>Power Exchange of India Limited</b>			
<b>Nature of Transactions</b>			
Application Development and Maintenance Services		3.63	3.03
Infrastructure Management Services		0.83	0.16
Dividend Received		3.71	-
Closing balances (Credit)/Debit		0.40	0.02

		(₹ in Crores)	
		31.03.2024	31.03.2023
<b>Protean e-Governance Technologies Limited</b>			
<b>Nature of Transactions</b>			
PAN verification charges paid		0.65	0.45
Software Usage charges paid		0.30	-
Application Development and Maintenance Services		0.66	0.67
Fees and Subscription		0.03	0.03
Dividend received		10.02	10.02
Sitting Fees Received		0.26	0.16
Director Commission received		-	0.24
Closing balances (Credit)/Debit		0.47	0.06

		(₹ in Crores)	
		31.03.2024	31.03.2023
<b>National Securities Depository Limited</b>			
<b>Nature of Transactions</b>			
Dividend received		4.80	4.80
Depository operation fees		0.16	-
Annual Custody Fees		0.01	0.01
STP Charges Received		-	0.01
Sitting Fees Received		0.04	0.07
Application Development and Maintenance Services		0.48	0.40
DP Validation Charges		0.47	0.91
Closing balances (Credit)/Debit		(0.58)	(0.52)

		(₹ in Crores)	
		31.03.2024	31.03.2023
<b>Receivables Exchange Of India Limited</b>			
<b>Nature of Transactions</b>			
Closing balances (Credit)/Debit		-	0.19

		(₹ in Crores)	
		31.03.2024	31.03.2023
<b>Capital Quants Solutions Private Limited</b>			
<b>Nature of Transactions</b>			
Software Expenses		0.10	0.15
License Fees		0.11	0.23

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(₹ in Crores)		
India International Bullion Holding IFSC Limited	31.03.2024	31.03.2023
<b>Nature of Transactions</b>		
Reimbursement of Expenses Received	-	-
Subscription of Equity share capital	-	10.00
Closing balances (Credit)/Debit	-	-

(₹ in Crores)		
India International Bullion Exchange IFSC Limited	31.03.2024	31.03.2023
<b>Nature of Transactions</b>		
Reimbursement of Expenses Received	-	0.10

(₹ in Crores)			
Name of Related Party	Nature of Transaction	31.03.2024	31.03.2023
Mr. Ashishkumar Chauhan (Refer note 32.2)	Remuneration	11.26	5.65
Mr. Vikram Limaye	Remuneration	-	9.19
Mr. Girish Chandra Chaturvedi	Sitting Fees to Director	0.18	0.33
Mr. Sundararajaram Sudarshan	Sitting Fees to Director	0.35	0.39
Mr. Narsimha Murthy Kummamuri	Sitting Fees to Director	0.28	0.47
Ms. Mona Bhide	Sitting Fees to Director	0.28	0.51
Mr. Veneet Nayar	Sitting Fees to Director	0.11	0.21
Mr. Bishnu Charan Patnaik	Sitting Fees to Director	0.03	-
Mr. S Ravindran	Sitting Fees to Director	0.43	0.11
Ms. Anuradha Rao	Sitting Fees to Director	-	0.45
Ms. Sunita Sharma	Sitting Fees to Director	-	0.08
M/s Life Insurance Corporation of India	Sitting Fees to Director	0.12	0.08

32.1 As the liabilities for defined benefit plan are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.

32.2 Includes 50% of the variable pay payable after 3 years subject to certain conditions.

32.3 Outstanding balances as at the year end are unsecured and settlement occurs in cash. The Group has not recorded any impairment of receivables relating to amount owed by related parties.

32.4 Other than as disclosed in note 35 (m) there have been no guarantee provided or received for any related parties receivable or payables as of and for the year ended March 31, 2024 and March 31, 2023.

**33** On February 28, 2019, the Honorable Supreme Court of India delivered a judgement in the case of "Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal" in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Employees' Provident Fund Organisation also issued a circular (Circular No. C-I/1(33)2019/Vivekananda Vidyamandir/284) dated March 20, 2019 in relation to aforesaid matter. The Group has given effect to this judgment with effect from April 1, 2019. In Group's assessment, this did not have a significant impact on its financial statements.

**34 Capital and other commitments**

(₹ in Crores)		
	31.03.2024	31.03.2023
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided	215.41	321.32
Other commitments (primarily in respect of operating expenses)	933.15	874.83

**35 Contingent liabilities & other regulatory matters:**

(₹ in Crores)		
	31.03.2024	31.03.2023
a) Claims against the Group not acknowledged as debts (other than matters disclosed below)	12.43	12.89

b) Securities and Exchange Board of India (SEBI) 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 and further directed that pending completion of the investigations, all revenues emanating from the colocation facility be transferred to a separate bank account with effect from September, 2016.

Three separate show cause notices (SCN) on May 22, 2017, July 03, 2018, and July 31, 2018, were issued by SEBI to NSE and to some of its present and former employees, in respect of NSE's Colocation facility, Dark Fibre and Governance and conflict of interest related matters. Subsequently, SEBI had passed orders in respect of all the three SCNs vide its letter dated April 30, 2019.

In the Colocation order, WTM passed a direction on NSE inter alia to disgorge an amount of ₹624.89 Crores along with interest at the rate of 12% per annum from April 01, 2014, till the actual date of payment and certain non-monetary and restrictive directions prohibiting NSE from accessing securities market, for a period of six months from the date of the order. In the Dark Fibre order, WTM passed a direction to deposit a sum of ₹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 Governance and Conflict of Interest matter WTM had passed certain non-monetary and remedial directions on NSE.

Additionally, NSE also received notices from Adjudicating Officer (AO) covering the above three issues pertaining to NSE's Colocation facility, Dark Fibre and Governance and conflict of interest matters, and subsequent orders dated February 10, 2021, June 28, 2022 and February 11, 2022 levying monetary penalty of ₹1 crore, ₹7 crore and ₹1 crore, respectively.

NSE filed appeals with the Hon'ble Securities Appellate Tribunal (SAT) against the above three WTM and AO orders. In the Colocation and Dark Fibre matters, SAT vide its interim order dated May 22, 2019, stayed the disgorgement of the amount, however it directed NSE to transfer the amount of ₹624.89 crore in the Colocation matter and ₹62.58 crore in the Dark Fibre matter totalling to ₹687.47 crore to SEBI. Further, NSE was also directed to continue to transfer all revenues emanating from its co-location facility to a separate bank account. Additionally in the Governance and conflict of interest matters, Hon'ble SAT vide its interim order dated August 11, 2022, has kept the directions passed in the SEBI order in abeyance. The Hon'ble SAT, vide its interim order dated May 17, 2021, allowed NSE's application for withdrawal of amounts transferred to separate account and to discontinue the transfer of all revenues emanating from its-colocation facility to such separate bank account. Additionally, the Hon'ble SAT directed NSE to transfer an amount of ₹420 Crores into an interest-bearing account with SEBI. Accordingly, NSE had, deposited a total amount of ₹1,107.47 Crores with SEBI.

In relation to the appeal filed for colocation matter, Hon'ble SAT vide its final order dated January 23, 2023, upheld the non-monetary directives of SEBI inter-alia setting aside SEBI's direction for disgorgement. The Hon'ble SAT exercising its power imposed a penalty of ₹100 Crores on NSE as a deterrent for the lack of due diligence.

On July 12, 2023, SAT vide its final order in Colocation AO Appeal set aside SEBI's order levying a penalty of ₹1 Crore.

In the Dark Fibre WTM matter, SAT vide its final order dated August 9, 2023, partly allowed the appeal to the extent that the WTM order for disgorgement has been reversed and the amount deposited by NSE with SEBI to be refunded by SEBI within a period of 4 weeks from the date of the order. On December 14, 2023, SAT vide its final order in Dark Fibre AO Appeal set aside SEBI's order levying a penalty of ₹7 Crores. In the proceedings pertaining to the Governance and Conflict of interest matters challenging SEBI's WTM and Adjudication orders are pending for final hearing and disposal by SAT.



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SEBI appealed against the SAT Colocation WTM Order dated January 23, 2023, before the Hon'ble Supreme Court and vide an interim order dated March 20, 2023, the Hon'ble Supreme Court rejected the application for stay and directed SEBI to refund an amount of ₹300 Crores. The amount of ₹300 Crores was received by NSE on April 21, 2023. SEBI appealed against the SAT Colocation AO Order dated July 12, 2023, before the Hon'ble Supreme Court and vide an interim order dated October 10, 2023 the Hon'ble Supreme Court directed the parties to complete the pleadings and tagged the AO appeal with the Colocation WTM Appeal. Both the Appeals are pending for final hearing and disposal. SEBI, appealed against the SAT Dark Fibre WTM order dated August 9, 2023 before the Hon'ble Supreme Court and vide an interim order dated October 17, 2023, the Hon'ble Supreme Court rejected the application for stay and directed SEBI to refund an amount of ₹31 Crores. The amount of ₹31 Crores was received by NSE on November 17, 2023.

SEBI appealed against the SAT Dark Fibre AO Order dated December 14, 2023 before the Hon'ble Supreme Court and vide its interim order dated April 10, 2024 the Hon'ble Supreme Court tagged the Dark Fibre AO Appeal along with the Dark Fibre WTM Appeal, which is adjourned to September 9, 2024 for final hearing and disposal.

Basis the SAT order dated January 23, 2023, SEBI's WTM issued another SCN dated May 17, 2023 to consider the charge of connivance and collusion of OPG Securities and its directors with NSE employees. NSE filed a detailed response on August 3, 2023 against the same. Personal hearing in the matter has been concluded on February 2, 2024, and the order is awaited.

NSE believes that it has strong grounds to contest each of the above orders/appeals 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 statement for the year ended March 31, 2024 other than a penalty of ₹100 Crores imposed by the Hon'ble SAT which had been duly paid (adjusted against the amount deposited) by NSE during the year ended March 31, 2023.

- c) In case of NSE, 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 ₹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.
- d) In case of NSE, 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. Subsequently, SEBI vide its order dated October 01, 2020, levied a penalty of ₹6 Crore on NSE (₹1 crore for each in respect of the investments made by NSE and its subsidiaries). NSE appealed against the SEBI order. SAT vide its order dated January 04, 2022, quashed the Adjudicating Notice including the penalty levied. SEBI appealed before the Supreme Court against the SAT order. No stay has been granted and the matter is pending for final hearing and disposal. The Company believes that it has strong grounds to contest each of the above orders/appeals 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 for the year ended March 31, 2024.
- e) In case of NSE, the company 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. The Company filed its detailed response with SEBI. Subsequently, SEBI passed an order dated April 12, 2022, levying penalty of ₹2 Crores. The Company preferred an appeal against the said order and SAT vide its interim order dated June 24, 2022 has stayed the SEBI directive. The Appeal before SAT is pending for final hearing and disposal. The Company believes that it has strong grounds to contest each of the above orders/appeals 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 for the year ended March 31, 2024.
- f) In respect of subsidiary company namely TalentSprint Private Limited, the Company has received an Order dated November 29, 2023 from GST department claiming a GST demand of ₹4.05 Crores (including penalty of ₹0.37 Crores) plus applicable interest, towards irregular input tax credit availed under section 73(9) of CSGT Act. On March 13, 2024, the subsidiary Company has filed an appeal against the said Order as the subsidiary Company is of the view that it is

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eligible to claim the input tax credit. The outcome of the same is pending. The subsidiary Company believes that it has reasonable grounds to defend the Order. Hence, the subsidiary Company has not made any provision against the above Order as it does not expect the outcome of these proceedings to have a material impact on its financial position.

- g) 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 (NCL) 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 ₹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 a detailed response was filed by the Company. In this regard, the Company has taken necessary remedial actions and had filed consent application with SEBI on September 3, 2021 and revised consent terms on March 19, 2023. SEBI accepted the revised terms for settlement of the same for payment of ₹49.67 Crores. The Company paid the settlement amount of ₹49.67 Crores in June 2023 and SEBI disposed of the proceedings of the show cause vide settlement order dated June 20, 2023 and June 28, 2023 and directed the individual noticees to comply with the non monetary settlement terms.
- h) In case of NSE, the Company has received various correspondences on matters relating to operations of the Company, including inspections from SEBI which have been replied to by the Company. Basis the replies filed, the Company's management do not expect any material impact on the financial statements of the Company.
- i) During the year ended March 31, 2023, NSE received a show cause notice vide letter dated February 28, 2023, from SEBI on the Trading Access Point (TAP) matter. NSE has filed the settlement application ("the Application") in response to the said SCN vide letter dated April 28, 2023. In the application, NSE has submitted its grounds of consent and has also stated that it is consenting without admission of liability or guilt and is willing to pay a fair sum in line with the settlement regulations. Thereafter, on July 10, 2023, NSE filed a detailed reply to the Show Cause Notice with SEBI. Basis the Settlement Application filed by NSE and the employees, SEBI conducted several Internal Committee meetings with NSE and the employees through their Advocates. On March 5, 2024, NSE had filed as Revised Settlement Terms (RST) with SEBI. NSE is awaiting revert on the RST filed with SEBI.
- j) In case of NSE, In a complaint filed by a competitor against the Company, the Competition Commission of India directed the Company to pay a penalty of ₹55.50 Crores (March 31, 2023: ₹55.50 Crores). The Company had appealed against the order before the Hon'ble Competition Appellate Tribunal (COMPAT) which rejected the appeal. The Company has thereafter appealed before the Hon'ble Supreme Court of India, which stayed the penalty. In respect of the same subject matter, a separate compensation claim has been filed against the Company in January 2015 amounting to ₹856.99 Crores, which has been disputed by the Company. The Compensation proceedings are also stayed by the Hon'ble Supreme Court of India. Based on the legal advice, the Company is of the view that there exist strong grounds in the appeal filed by the Company before the Hon'ble Supreme Court. In view of the same no provision has been made in respect of penalty and compensation claimed in these financial statements.
- k) In case of NSE, a criminal writ petition has been filed by clients of the Anugrah Stock and Broking Ltd (Defaulted Member) before the Hon'ble High Court of Bombay, seeking investigation by a special investigating team (SIT) in to alleged wrong doing, cheating, fraud, breach of trust committed upon the public at large, by NSE, BSE Ltd, NCL, Defaulted Member and its officers, Teji Mandi and its officers and Edelweiss Custodial Services Pvt Ltd (ECL) in collusion with each other. The matter is currently pending before the High Court of Bombay. Based on the opinion of the legal counsel, the Company is of the view that there exists strong grounds to contest the above writ petition filed against the Company. In view of the same, no provision for any liability in this regard is considered necessary in the financial statements as of and for the year ended March 31, 2024 and March 31, 2023.
- l) In case of NSE Clearing Limited (NCL), during the year ended March 31, 2022, SEBI had issued a show cause notice to the Company alleging non-compliance with certain paragraphs of SEBI circular dated December 17, 2018 for failure to share alerts with other exchange post interoperability. During the year ended March 31, 2023, SEBI levied penalty of ₹0.25 Crores to the Company, the same is included in other expenses for the previous year ended March 31, 2023.

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- m) During the year ended March 31, 2021, NSE and Singapore Stock Exchange (SGX) had entered into a collaboration agreement to cement the key terms for operationalising the NSE IFSC-SGX Connect which will bring together international and Gujarat International Finance Tec City (GIFT) participants to create a bigger liquidity pool for Nifty Products in Gift City and to develop the infrastructure for the NSE IFSC-SGX Connect and ensure member readiness prior to its implementation. Further, NSE IFSC on March 28, 2022, entered into an operational agreement with SGX India Connect IFSC Private Limited (SGX-SPV), Singapore Exchange Derivatives Clearing Limited and NSE IFSC Clearing Corporation Limited (NICCL) to operationalise the NSE IFSC-SGX Connect. As a first phase of operationalisation of the NSE IFSC-SGX Connect, trading of Negotiable Large Trades (NLT) from Singapore Exchange (SGX Group) has been introduced from May 16, 2022, and on July 29, 2022, NSE IFSC-SGX Connect has been launched. As per this operational agreement, NICCL is required to provide collateral to SGX-DC for the due performance of its clearing obligations in respect of the trades placed by SGX-SPV on NSE IFSC. In this regard during the current year, NICCL has availed Bank Guarantee facility from Standard Chartered Bank amounting to USD 20 million (₹163.10 Crores) and USD 30 million (₹250.38 Crore) during the year ended March 31, 2023 and March 31, 2024 respectively. In respect of this the Company has provided corporate guarantee to the Standard Chartered Bank and its outstanding as at the year end.
- n) During the financial year 2021-22, NSEIT Limited had received two orders from Regional PF Commissioner- I Kandivali (RPF), levying damages u/s 14B for an amount of appx. ₹1.63 Crores and interest u/s 7Q of appx. ₹0.79 Crores of Employees Provident Fund and Misc. Provisions Act, 1952 (the Act) for delays in transfer of funds from the erstwhile NSEIT Employees Provident Fund (a Recognised Provident Fund under Income Tax Act, 1961) at the time of voluntary surrender of the fund to RPF. Based on the writ petition filed by the Holding Company, on July 14, 2022, NSEIT Limited has received an order from the High Court, Mumbai quashing and setting aside the order u/s 7 Q of ₹0.79 Crores. Also, on June 16, 2021, the NSEIT Limited had received an interim stay order on the appeal filed by the NSEIT Limited against the order passed u/s 14B of ₹1.63 Crores from Central Government Industrial Tribunal (CGIT). The Holding Company's management reasonably expects that the impact of the order u/s 14B, when ultimately concluded and determined, will not have material impact on the Group Statement of Profit & Loss.

Based on the legal opinion/advice received, the Group is of the view that the above matters are not likely to have any material impact on the financial position of the Group.

- o) Other Contingent Liabilities on account of disputed demand of:

	(₹ in Crores)	
	31.03.2024	31.03.2023
Income tax matters	650.29	750.79
Fringe Benefit Tax matters	0.01	0.01
Wealth tax matters	0.09	0.11
Goods & Service Tax matters	8.78	1.25
Services tax matters along with penalty thereon	152.13	152.62
Incentives of employees of subsidiary company	1.85	-
Group's share of associates	32.51	22.78

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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The Group's pending litigations comprise of claims against the Company and proceedings pending with Statutory and Tax Authorities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material impact on its financial statements.

	(₹ in Crores)	
	31.03.2024	31.03.2023
Bank guarantees (Refer note below)	8,024.58	4,029.00
Group's share of associates	2.30	0.06

NSE Clearing Limited has commenced Clearing & Settlement activities for Capital market segment, Equity Derivatives and Currency Derivatives segment under interoperability framework as prescribed by SEBI. Total bank guarantee provided by NCL in favour of ICCL towards Inter CCP collateral under interoperability framework as prescribed by SEBI as on March 31, 2024 ₹8,000 Crores (March 31, 2023 ₹4,000 Crores).

**36 Details of dues to micro and small, medium enterprises as defined under the MSMED Act, 2006**

Trade Payables includes ₹5.83 Crores (March 31, 2023: ₹1.88 Crores) due to Micro, Small & Medium Enterprises. Total outstanding dues to Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Group. The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"). The disclosure pursuant to the said MSMED Act are as follows.

	(₹ in Crores)	
Description	31.03.2024	31.03.2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	5.83	1.88
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end*	-	-
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.00	0.00
Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Interest Accrued and remaining unpaid at the end of each accounting year*	0.00	0.00
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

\* 0.00 denotes amounts below the rounding off convention



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- 37 (a) Securities and Exchange Board of India, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, interlia, has issued norms related to the computation and contribution to the Core Settlement Guarantee Fund by the Clearing Corporation (minimum 50%), Stock Exchange (minimum 25%) and members (maximum 25%) and also norms issued under Interoperability Framework. 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.

## I Details of Core SGF as on March 31, 2024 are as follows:

(₹ in Crores)

Details of MRC of Core SGF	CM	FO	CD	Debt	TRI Party	Commodity	Total
NCL own contribution	119.96	846.00	89.09	3.00	8.50	5.00	1,071.55
Interest Adjusted towards NCL's contribution	54.04	366.00	32.91	-	-	-	452.95
Contribution by NSE on behalf of members	67.70	471.45	39.95	-	-	2.50	581.60
Interest Adjusted towards member's contribution	19.30	134.55	21.05	-	-	-	174.90
Contribution by NSE	65.36	428.81	38.91	1.00	8.50	2.50	545.09
Interest Adjusted towards NSE's contribution	21.64	177.19	9.09	-	-	-	207.93
Contribution by BSE Limited (BSE)	7.56	14.64	16.32	-	-	-	38.51
Contribution by Metropolitan Stock Exchange of India (MSE)	-	-	2.92	-	-	-	2.92
Interest Adjusted towards MSE's contribution	-	-	0.01	-	-	-	0.01
Others (Financials Disincentives)	1.00	-	-	-	-	-	1.00
<b>Total</b>	<b>356.56</b>	<b>2,438.64</b>	<b>250.25</b>	<b>4.00</b>	<b>17.00</b>	<b>10.00</b>	<b>3,076.45</b>
<b>Previous Year</b>	<b>356.57</b>	<b>2,336.05</b>	<b>247.50</b>	<b>4.00</b>	<b>17.00</b>	<b>10.00</b>	<b>2,971.13</b>

## II Details of Core SGF as on March 31, 2023 are as follows:

(₹ in Crores)

I Contribution to Corpus of Core SGF	CM	FO	CD	Debt	TRI Party	Commodity	Other	Total
a NCL own contribution	174.00	1,168.00	122.00	3.00	8.50	5.00	-	1,480.50
b Contribution by NSE on behalf of member's	87.00	584.00	61.00	-	-	2.50	-	734.50
c Contribution by NSE	87.00	584.00	48.00	1.00	8.50	2.50	0.77	731.77
d Contribution by BSE	7.56	0.05	15.16	-	-	-	-	22.77
e Contribution by MSE	0.01	-	1.34	-	-	-	-	1.35
f Others (Financials Disincentives)	1.00	-	-	-	-	-	-	1.00
<b>1 Total (a+b+c+d+e)</b>	<b>356.57</b>	<b>2,336.05</b>	<b>247.50</b>	<b>4.00</b>	<b>17.00</b>	<b>10.00</b>	<b>0.77</b>	<b>2,971.89</b>
2 Penalty	267.86	1,186.26	51.44	-	-	0.16	-	1,505.72
3 Income on investments	46.32	239.50	23.91	1.02	5.36	2.27	1.23	319.61
<b>Grand Total (1+2+3)</b>	<b>670.75</b>	<b>3,761.80</b>	<b>322.85</b>	<b>5.02</b>	<b>22.36</b>	<b>12.43</b>	<b>2.00</b>	<b>4,797.23</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at March 31, 2024

## III Contribution made during the year 2023-24

(₹ in Crores)

Contribution during the year	CM	FO	CD	Debt	TRI Party	Commodity	Other # \$	Total
<b>NCL own contribution</b>	-	-	-	-	-	-	-	-
Direct contribution\$	-	41.00	-	-	-	-	-	41.00
Adjusted from interest income**	-	3.00	-	-	-	-	-	3.00
Others (Financials Disincentives)	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>44.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44.00</b>

(₹ in Crores)

Contribution by NSE on behalf of Members	CM	FO	CD	Debt	TRI Party	Commodity	Other # \$	Total
Direct contribution	-	17.00	-	-	-	-	-	17.00
Contribution adjusted from NSE other contribution#	-	-	-	-	-	-	-	-
Adjusted from interest income**	-	5.00	-	-	-	-	-	5.00
<b>Total</b>	<b>-</b>	<b>22.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22.00</b>

(₹ in Crores)

Contribution by NSE	CM	FO	CD	Debt	TRI Party	Commodity	Other # \$	Total
Contribution adjusted from NSE Other Contribution#	-	19.00	-	-	-	-	-	19.00
Adjusted from interest income**	-	3.00	-	-	-	-	326.74	329.75
Excess contribution transfer to other clearing corporation***	-	-	-	-	-	-	(326.74)	(326.74)
<b>Total</b>	<b>-</b>	<b>22.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22.00</b>

(₹ in Crores)

Contribution by BSE	CM	FO	CD	Debt	TRI Party	Commodity	Other # \$	Total
Direct Contribution	-	14.59	1.16	-	-	-	-	15.75
Adjusted from Interest Income**	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>14.59</b>	<b>1.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.75</b>

(₹ in Crores)

Contribution by MSEI	CM	FO	CD	Debt	TRI Party	Commodity	Other # \$	Total
Direct contribution	-	-	1.52	-	-	-	-	1.52
Adjusted from interest income**	-	-	0.06	-	-	-	-	0.06
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.58</b>





## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at March 31, 2024

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at March 31, 2024

### Income during the period (Net off adjustment towards MRC)\*\*

(₹ in Crores)									
	CM	FO	CD	Debt	TRI Party	Commodity	Other # \$	Current year	Previous year
Penalty	65.42	219.74	5.20	-	-	0.16	-	290.52	309.84
Income on: Investments/Tax Refunds^	44.32	260.96	18.51	0.07	1.36	0.86	50.04	376.12	256.13
Less: Income adjusted against MRC**	-	11.00	0.06	-	-	-	-	11.06	571.27
Less: Income adjusted towards transfer of contribution to Other Clearing Corporation***	-	-	-	-	-	-	-	-	7.00
Income on Investments (Net Off adjustment towards MRC)	44.23	249.96	18.45	0.07	1.36	0.86	50.04	364.97	-322.14

^ Includes Interest on Income Tax refund of ₹5.83 Crores less income tax thereon of ₹2.44 Crores.

### IV Details of Core SGF as on March 31, 2024 are as follows:

Out of the above the details of the cash contributions and investment of the same are as follows:

#### I Contribution to corpus of core SGF

(₹ in Crores)								
	CM	FO	CD	Debt	TRI Party	Commodity	Other#	Total
NCL own contribution	174.00	1,212.00	122.00	3.00	8.50	5.00	1,400.00	2,924.50
Contribution by NSE on behalf of member's	87.00	606.00	61.00	-	-	2.50	-	756.50
Contribution by NSE	87.00	606.00	48.00	1.00	8.50	2.50	1,861.72	2,614.72
Contribution by BSE	7.56	14.64	16.32	-	-	-	-	38.52
Contribution by MSE	0.01	-	2.92	-	-	-	-	2.92
Others (Financials Disincentives)	1.00	-	-	-	-	-	-	1.00
<b>1 Total</b>	<b>356.57</b>	<b>2,438.64</b>	<b>250.23</b>	<b>4.00</b>	<b>17.00</b>	<b>10.00</b>	<b>3,261.72</b>	<b>6,338.16</b>
<b>2 Penalty</b>	<b>333.28</b>	<b>1,406.00</b>	<b>56.64</b>	<b>-</b>	<b>-</b>	<b>0.32</b>	<b>-</b>	<b>1,796.24</b>
<b>3 Income on investments (After allocation towards MRC)</b>	<b>90.55</b>	<b>489.46</b>	<b>42.36</b>	<b>1.09</b>	<b>6.72</b>	<b>3.13</b>	<b>51.27</b>	<b>684.58</b>
<b>Grand Total (1+2+3)</b>	<b>780.41</b>	<b>4,334.09</b>	<b>349.23</b>	<b>5.09</b>	<b>23.72</b>	<b>13.45</b>	<b>3,312.99</b>	<b>8,818.99</b>

#### II Details of investment

(₹ in Crores)								
	CM	FO	CD	Debt	TRI Party	Commodity	Other	Total
1 Mutual Funds	14.76	90.14	2.56	-	-	-	304.91	412.36
1 Fixed Deposit with banks	75.48	441.67	19.83	-	-	-	655.48	1,192.45
2 Government securities * (Refer note 16)	559.87	3,013.60	214.00	1.02	21.68	12.12	2,487.49	6,309.78
3 Flexi Fixed Deposits	104.85	832.46	111.63	0.08	1.98	1.03	126.92	1,178.95
4 Balance in bank accounts	35.49	4.35	2.14	3.98	-	0.30	-	46.26
5 Accrued interest	4.17	39.03	1.36	-	-	-	14.54	59.10
6 Prepaid taxes	0.55	2.98	0.28	0.01	0.06	-	-	3.89
<b>Grand Total (1+2+3+4+5+6)</b>	<b>795.17</b>	<b>4,424.23</b>	<b>351.80</b>	<b>5.09</b>	<b>23.72</b>	<b>13.45</b>	<b>3,589.33</b>	<b>9,202.81</b>
<b>Previous year</b>	<b>670.75</b>	<b>3,761.81</b>	<b>322.85</b>	<b>5.02</b>	<b>22.36</b>	<b>12.43</b>	<b>2.00</b>	<b>4,797.23</b>

37.1 \$ Debited to retained earnings (Refer note 13b).

37.2 # Other contribution is balance amount of transfer from NSE pertains to 25% of NSE's Annual profits as contribution to Core SGF. SEBI vide circular CIR/CFD/FAC/62/2016 dated May 05, 2016 advised Stock Exchange to transfer 25% of its annual profits upto August 2015 to Core SGF and utilise the same for contribution required by members and NSE.

37.3 \*\* SEBI vide its letter reference no. SEBI/HO/MRD/DRMNP/OW/P/2018/4559/1 dated February 12, 2018 has clarified that "Clearing Corporations may adjust incremental requirement of Minimum Required Corpus (MRC) against the interest accrual on the cash contribution of respective contributors before taking additional contribution from them.

37.4 \*\*\* Further, as per circular dated SEBI/HO/MRD2/DCAP/CIR/P/2021/03 January 08, 2021, SEBI has allowed transfer of excess contribution made by Stock Exchanges from Core SGF of one Clearing Corporation to the Core SGF of another Clearing Corporation in inter-operable scenario. Accordingly, ₹21.08 Crores (Previous Year ₹15.97 Crores) contribution of other stock exchanges received from respective clearing corporation and also a sum of ₹90.19 Crores (Previous Year ₹83.19 Crores) of NSE contribution transferred to other clearing corporation.

37.5 \* Aggregate amount of quoted investments and market value ₹6,323.18 Crores.

37.6 During the year ended March 2024, an amount of ₹1,901.25 Crores has been received from NSE to further augment the Core SGF out of which an amount of ₹40.28 Crores has been utilised towards Core SGF requirement of NCL/ICCL. The balance amount of ₹1,860.97 Crores has been included under 'Other' above.

37.7 During the year ended March 31, 2024, the Company has contributed ₹41 Crores to Core Settlement Guarantee Fund (Core SGF) based on minimum required corpus (MRC). Further, with the objective to augment the Core SGF as desired by SEBI, the Company has also made additional contributed of ₹1,400 Crores to Core SGF. The said contribution to Core SGF aggregating to ₹1,441 Crores has been appropriated from balance in retained earnings.

(b) In case of NSE IFSC Clearing Corporation Limited, as per International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 notified on 12<sup>th</sup> April 2021 Regulation-31 on Settlement Guarantee Fund:

- (1) A recognised clearing corporation shall establish and maintain a Settlement Guarantee Fund to guarantee the settlement of trades executed on a stock exchange.
- (2) The fund shall have a corpus equivalent to at least the minimum required corpus as arrived at from the monthly stress test value or USD 1 million, whichever is higher.
- (3) In the event of a recognised clearing member failing to honour its settlement obligations, the fund shall be utilised to complete such settlement.
- (4) The corpus of the fund shall be adequate to meet the settlement obligations arising on account of failure of clearing member(s).
- (5) The sufficiency of the corpus of the fund shall be tested by way of periodic stress tests, in the manner specified by the Authority.
- (6) A recognised clearing corporation shall evolve a detailed framework for the settlement guarantee fund, subject to approval of the Authority.

(₹ in Crores)		
	As at 31.03.2024	As at 31.03.2023
Company's own contribution*	36.88	11.59
Penalty collected from members	0.08	0.05
Accrued interest on Core SGF Fixed Deposit	1.29	0.27
	<b>38.25</b>	<b>11.91</b>

\* During the year, Company's own contribution includes contributions of ₹25.03 made during current year ₹ Nil made during previous year 2022-23, Interest received on Core SGF Fixed Deposits of ₹1.29 Crores (₹0.27 Crores in previous year 2022-23) and balance movement in INR amounts is on account of currency fluctuation

- (c) The Board of Directors of the Company in their meeting held on March 23, 2023, approved the voluntary contribution at 2% of the transaction charges earned to the Core Settlement Guarantee Fund (Core SGF) to maintain the corpus of the said Fund based on the assessment of the current trends in volumes and overall increase in market activities. Further, the Board in its meeting held on November 1, 2023, approved additional contribution of ₹500 Crores to the Core SGF each quarter for the remainder of FY 23-24 to augment the corpus of the Core SGF as desired by SEBI. Accordingly, during the year ended March 31, 2024, the Company has recognised an expense of ₹1,740.97 Crores towards contribution to the Core SGF in the financial statements.

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(d) The Company had received approval from SEBI to start clearing & settlement activities in Commodity Derivatives and commenced operations w.e.f. October 12, 2018. As required by SEBI an amount of ₹250 Crores had been earmarked towards a separate fund to augment Settlement Guarantee Fund for Commodity Derivatives by way of appropriation from General Reserves and the Company had also earmarked investments amounting to ₹250 Crores towards the same. During the year ended March 31, 2024, based on approval received from SEBI vide its letter dated January 31, 2024 the same has been de-earmarked and General Reserve has been reinstated by ₹250 Crores.

**38 Lease****(i) Amounts recognised in balance sheet**

The balance sheet includes the following amount relating to leases:

(₹ in Crores)		
Particulars	31.03.2024	31.03.2023
<b>Right-of-use-assets</b>		
Land	74.55	72.11
Buildings	90.38	109.29
Computers	3.53	3.98
<b>Total</b>	<b>168.46</b>	<b>185.38</b>

(₹ in Crores)		
Particulars	31.03.2024	31.03.2023
<b>Lease liabilities</b>		
Current	29.00	23.44
Non Current	95.63	112.88
<b>Total</b>	<b>124.63</b>	<b>136.32</b>

**(ii) Amounts recognised in the statement of profit and loss**

The statement of profit and loss shows the following amount relating to leases:

(₹ in Crores)		
Particulars	For the year 31.03.2024	For the year 31.03.2023
<b>Depreciation charge of Right-of-use assets</b>		
Leasehold land	1.30	1.30
Buildings	26.78	12.28
Computers	0.45	0.57
<b>Total</b>	<b>28.53</b>	<b>14.15</b>

(₹ in Crores)		
Particulars	31.03.2024	31.03.2023
Interest expenses	11.74	8.61
<b>Total</b>	<b>11.74</b>	<b>8.61</b>

**(iii) Extension and termination options**

Extension and termination options are included in many of the leases. In determining the lease term, the Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Group.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

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Details of lease and redemption liability movement is summarised below:

**(iv) Net debt reconciliation**

(₹ in Crores)			
Particulars	Leases	Cash & Cash equivalents	Total
<b>Net debt as at April 01, 2022</b>	<b>114.68</b>	<b>9,557.18</b>	<b>(9,442.50)</b>
Add: Interest expense	8.61		8.61
Add: Addition of leases	54.19	-	54.19
Less: Adjustment on account of Discontinued Operations	(22.72)	-	(22.72)
Less: Cash flows	(18.44)	(3,582.53)	3,564.09
<b>Net debt as at March 31, 2023</b>	<b>136.32</b>	<b>5,974.65</b>	<b>(5,838.33)</b>
Add: Interest expense	11.74	-	11.74
Add: Addition of leases	11.26	-	11.26
Less: Cash flows	(34.69)	17,414.30	(17,448.99)
<b>Net debt as at March 31, 2024</b>	<b>124.63</b>	<b>23,388.95</b>	<b>(23,264.32)</b>

**Note 39:- Interests in other entities****(a) Subsidiaries**

The Group's subsidiaries are set out below. Share capital consisting of equity shares including preference shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of Entity	With effect from	Principal Place of business/ country of incorporation	Ownership interest held by the Group		Principal activities
			March 31, 2024	March 31, 2023	
NSE Clearing Limited	31-Aug-95	India	100.00	100.00	Clearing and settlement
NSE IFSC Clearing Corporation Limited	02-Dec-16	India	100.00	100.00	Clearing and settlement
NSE IFSC Limited	29-Nov-16	India	100.00	100.00	Stock exchange services
NSE Foundation (Section 8 Company)	05-Mar-18	India	100.00	100.00	Corporate social responsibility activities
NSE Investments Limited	31-Jan-13	India	100.00	100.00	Investment entity
NSE Administration & Supervision Limited	09-Jan-24	India	100.00	-	Administration of SEBI registered Research Analyst
NSE Indices Limited	02-Aug-06	India	100.00	100.00	Index services
NSE Sustainability Ratings & Analytics Limited	30-Mar-24	India	100.00	-	ESG Rating
NSE Infotech Services Limited (Refer Note 44)	02-Aug-06	India	100.00	100.00	IT services
NSE Data & Analytics Limited	02-Jun-00	India	100.00	100.00	Data feed services
Cogencis Information Services Limited	21-Jan-21	India	100.00	100.00	Data terminal services
NSE Academy Limited (Refer Note 53)	12-Mar-16	India	100.00	100.00	Financial literacy programmes
Talentsprint Private Limited (Refer Note 53)	10-Nov-20	India	90.26	80.82	Skill development and training programme
TalentSprint Inc. (Refer Note 53)	29-Nov-21	The United States of America	90.26	80.82	Skill development and training programme
NSEIT Limited (Refer Note 53)	29-Oct-99	India	100.00	100.00	IT services

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Name of Entity	With effect from	Principal Place of business/ country of incorporation	Ownership interest held by the Group		Principal activities
			March 31, 2024	March 31, 2023	
NSEIT (US) Inc. (Refer Note 53)	04-Dec-06	The United States of America	100.00	100.00	IT services
Aujas Cybersecurity Limited (formerly known as Aujas Networks Limited and Aujas Networks Private Limited) (Refer Note 53)	22-Mar-19	India	100.00	100.00	IT security services
CXIO Technologies Private Limited (Refer Note 53)	08-Jul-21	India	100.00	92.50	IT cloud services

**(b) Interests in associates**

Set out below are the associates of the Group. The entities listed below have share capital consisting solely of equity shares, which are held directly or indirectly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

(₹ in Crores)

Name of Entity	Place of business/ country of incorporation	Relationship	Proportion of Interest (%)		Accounting method	Carrying Value		Share of Profit/(Losses) from Associates	
			March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
National Securities Depository Limited	India	Associate	24.00	24.00	Equity method	380.27	322.92	62.70	56.32
Power Exchange India Limited	India	Associate	29.21	29.21	Equity method	-	-	-	-
Protean eGov Technologies Ltd (Refer 39.2)	India	Associate	20.34	25.05	Equity method	226.06	260.08	25.11	27.41
Market Simplified India Limited	India	Associate	30.00	30.00	Equity method	-	-	-	-
BFSI Sector Skill Council of India (Refer note 39.1)	India	Associate	49.00	49.00	NA	1.00	1.00	-	-
Indian Gas Exchange Limited	India	Associate	25.61	25.61	Equity method	32.62	26.72	5.89	7.13
Capital Quant Solutions Private Limited	India	Associate	19.00	19.00	Equity method	2.50	2.85	(0.35)	(0.15)
Receivables Exchange of India Limited	India	Associate	30.00	30.00	Equity method	18.44	9.88	8.56	2.64
India International Bullion Holding IFSC Limited	India	Associate	20.00	20.00	Equity method	24.97	25.99	(1.37)	(4.85)
Total equity accounted investments						685.85	649.44	100.54	88.50

39.1 BFSI Sector Skill Council of India, an associate company incorporated under section 8 of Companies Act, 2013, and has been set up with the aim of enhancing skill development across the BFSI sector leading to greater efficiency, productivity and sustained growth wherein the profits will be applied for promoting its objects. Accordingly, share of profit of this company has not been accounted using equity method.

39.2 NSE Investments Limited held 25.05% stake in Protean eGov Technologies Limited. During the year, NSE Investments Limited has divested 4.71% stake in the Company and has realised a profit of ₹81.43 Crores. The same is shown under Other Income in the financial statements for the year ended March 31, 2024.

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39.3 The Company holds 24% shares in National Securities Depository Limited (NSDL) and accounts the same as an investment in an associate as per Ind AS 28- Investments in Associates and Joint Ventures, (Equity accounting). As per Regulation 22 of the SEBI (Depositories and Participants) Regulations, 2018 (DP Regulations), the Company was required to bring down its shareholding to 15% within five years from the date of commencement of the DP Regulations i.e by October 03, 2023. However, the Company had sought extension of time from SEBI to bring down its shareholding in NSDL. SEBI vide its letter dated October 6, 2023, has accepted the above request and directed that the voting rights and all corporate actions in respect of excess shareholding held by the Company in NSDL above 15% post October 3, 2023, shall be frozen till the excess shareholding is divested.

The Management of the Company has assessed the above direction of SEBI and concluded that the Company continues to exercise significant influence in accordance with Ind AS 28 - Investments in Associates and Joint Ventures.

**40 FINANCIAL RISK MANAGEMENT**

The Group's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Risk Management Committee of the Group is supported by the Treasury department that provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Treasury department activities are designed to:

- protect the Group's financial position from financial risks.
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Group's financial investments, while maximising returns.

The Treasury department is responsible to maximise the return on companies generated funds and investments.

**A MANAGEMENT OF LIQUIDITY RISK**

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring avoidable costs. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in Group's cash flow could impair investor confidence.

The Group maintained a cautious funding strategy, with a positive cash balance throughout the years ended March 31, 2024 and March 31, 2023. Cash flows from operating activities provides the funds to service the financing of financial liabilities on a day-to-day basis.

The Group's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated by the operations, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing deposits and other marketable debt investments including the government securities, mutual funds and exchange traded funds with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

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The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

(₹ in Crores)

Particulars	Notes	Carrying amount	Less than 12 months	More than 12 months	Total
<b>As at March 31, 2024</b>					
Trade payables	14	332.75	327.80	4.95	332.75
Deposits	16, 24	3,270.04	3,270.04	-	3,270.04
Lease liabilities	38	124.63	29.00	205.00	234.00
Other liabilities	15, 16	22,357.06	22,339.70	17.36	22,357.06
<b>As at March 31, 2023</b>					
Trade payables	14	262.16	262.16	-	262.16
Deposits	16, 24	2,886.61	2,886.61	-	2,886.61
Lease liabilities	38	136.32	23.44	225.98	249.42
Other liabilities	15, 16	4,613.75	4,597.40	16.35	4,613.75

**B MANAGEMENT OF MARKET RISK**

The Group's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- price risk; and
- interest rate risk

The above risks may affect the Group's income and expenses, or the value of its financial instruments. The objective of the Group's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Group's exposure to, and management of, these risks is explained below.

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
<b>1. PRICE RISK</b>		
The Company is mainly exposed to the price risk due to its investment in mutual funds, exchange traded funds and investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments. At March 31, 2024, the exposure to price risk due to investment in mutual funds amounted to ₹10,885.84 Crores (March 31, 2023: ₹8,329.02 Crores).	In order to manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio in accordance with the limits set by the risk management policies. The Treasury department maintains a list of approved financial instruments. The investment in any new instrument must be approved by the internal Investment Committee within the criterias approved by the Board.	As an estimation of the approximate impact of price risk, with respect to mutual funds, exchange traded funds and investments in equity instruments, the Company has calculated the impact as follows. For mutual funds, a 0.25% increase in prices would have led to approximately an additional ₹27.21 Crores gain in the Statement of Profit and Loss (2022-23 ₹20.82 Crores gain). A 0.25% decrease in prices would have led to an equal but opposite effect.
At March 31, 2024, the exposure to price risk due to investment in equity instruments amounted to ₹106.42 Crores (March 31, 2023: ₹113.54 Crores).		For equity instruments, a 10% increase in prices would have led to approximately an additional ₹10.64 Crores gain in the Statement of Profit and Loss (2022-23: ₹11.34 Crores gain). A 10% decrease in prices would have led to an equal but opposite effect.

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POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
<b>2. INTEREST RATE RISK</b>		
The Company is mainly exposed to the interest rate risk due to its investment in government securities. The interest rate risk arises due to uncertainties about the future market interest rate of these investments. The Company invests in term deposits for a period of less than one year. Considering the short-term nature, there is no significant interest rate risk pertaining to these deposits. As at March 31, 2024, the exposure to interest rate risk due to investment in government securities amounted to ₹2,753.16 Crores (March 31, 2023: ₹2,850.77 Crores).	In order to manage its interest rate risk arising from investments in government securities, the Group diversifies its portfolio in accordance with the limits set by the risk management policies. The Treasury department maintains a list of approved financial instruments. The investment in any new instrument must be approved by the internal Investment Committee within the criterias approved by the Board.	As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 0.25% change in interest rates. A 0.25% increase in interest rates would have led to approximately an additional ₹19.46 Crores loss in the Statement of Profit and Loss (2022-23: ₹24.35 Crores gain). A 0.25% decrease in interest rates would have led to an equal but opposite effect.

**C MANAGEMENT OF CREDIT RISK**

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations.

**Trade receivables**

Concentrations of credit risk with respect to trade receivables are limited, due to the Group's customer base being large and diverse and also on account of member's deposits kept by the Group as collateral which can be utilised in case of member default. All trade receivables are reviewed and assessed for default on a quarterly basis. Based on historical experience of collecting receivables, supported by the level of default, the Group's assessment of credit risk is low. Accordingly, provision for expected credit loss on trade receivables is not material.

**Other financial assets**

The Group maintains exposure in cash and cash equivalents, term deposits with banks/financial institutions, treasury bills, certificate of deposit, investments in marketable debt instruments including government securities and mutual funds. The Group has diversified portfolio of investment with various number of counter-parties which have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Group's Treasury department.

The Group's maximum exposure to credit risk as at March 31, 2024 and March 31, 2023 is the carrying value of each class of financial assets as disclosed in note 4, 5, 6, 9, 10, 11 and 12.

**D EXPECTED CREDIT LOSS ON FINANCIAL ASSETS**

The Group's investment in Non convertible debenture of IL&FS Group amounting to ₹80.13 Crores have been classified as credit impaired in the financial year 2018-19 on account of significant financial difficulty of the issuer, disappearance of an active market for their securities and credit rating downgrade from "AAA" to "D". Accordingly, Group recognised impairment loss of ₹80.13 Crores on such financial assets in the profit and loss account in the financial year 2018-19. During the current year, the Group has received an amount of ₹5.14 Crores which (March 31, 2023: ₹13.77 Crores) is disclosed under other expenses "reversal of impairment losses on financial assets".

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**E CAPITAL MANAGEMENT**

The Group considers the following components of its Balance Sheet to be managed capital:

Total equity (as shown in the balance sheet includes retained profits, other reserves, share capital, share premium).

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Group considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In the current year ended March 31, 2024, the Group has appropriated an amount of ₹8,533 Crores (March 31, 2023: ₹6,583 Crores) from retained earnings to a separate risk reserve within equity towards adequate risk capital management. This has been determined taking into consideration various factors and risks including market risk, credit risk, members default risk, operational risk, etc. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Group is not subject to financial covenants in any of its significant financing agreements.

The management monitors the return on capital as well as the level of dividends to shareholders. The Group's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods. Refer note 13 (b) for the final dividends declared and paid.

**Compliance with externally imposed capital requirements:**

In accordance with regulation 14 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, NSE shall have a minimum networth of ₹100 crore at all times.

Capital requirement of NSE Clearing Limited (NCL) is regulated by Securities and Exchange Board of India (SEBI). SEBI vide Regulation 14(3) of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (SECC Regulations) adopted risk-based approach towards computation of capital and net worth requirement for Clearing Corporations to adequately cover counterparty credit risk, business risk, orderly wind-down and operational and legal risk. As per Regulation 14(3)(c) of SECC Regulations, 2018 every Clearing Corporation shall have a minimum net worth of ₹100 Crores or networth computed as per the risk-based approach as specified by SEBI vide circular Ref No: SEBI/HO/MRD/DRMP/CIR/P/2019/55 dated April 10, 2019, whichever is higher. Accordingly, the networth requirement for the NCL calculated as per the above SEBI circular is ₹2,043.36 Crores (March 31, 2023: ₹1270.36 Crores) based on audited financial statements for year ended March 31, 2023, this minimum requirement of net worth is required to be maintained throughout the year ended March 31, 2024 and the same has been maintained.

Capital requirement of NSE IFSC Limited and NSE IFSC Clearing Corporation Limited is regulated by International Financial Services Centres Authority. As per International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 issued by International Financial Services Centres Authority on April 12, 2021, every permitted stock exchange and clearing corporation is required to maintain the minimum networth of USD 3 million at all times. NSE IFSC Limited and NSE IFSC Clearing Corporation Limited is in compliance of the same.

The parent company and its subsidiaries are in compliance with the above requirements as at March 31, 2024 and March 31, 2023 respectively.

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**F CONCENTRATION RISK**

The Group does not have any single customer/supplier which constitute more than 10% of the total trade receivables/trade payables balance as at March 31, 2024 and March 31, 2023.

**Fair Value Measurements****Financial Instruments by category**

Particulars	31-03-2024			31-03-2023		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Investments						
Equity Instruments	-	106.41	-	-	123.54	-
Taxable Bonds	-	-	2,653.21	-	-	1,019.42
Taxfree Bonds	-	-	555.41	-	-	589.52
Certificate of Deposits with banks	-	-	3,056.26	-	-	3,828.95
Commercial Papers	-	-	-	-	-	99.09
Fixed Deposits with Banks	-	-	6,863.25	-	-	3,557.07
Deposits with financial institutions	-	-	-	-	-	-
Government Securities	-	2,753.16	7,645.04	-	2,850.17	4,012.57
Mutual Funds	10,885.83	-	-	2,523.27	-	-
Trade receivables	-	-	1,864.66	-	-	1,589.21
Cash and Cash equivalents including restricted balances with banks	-	-	24,535.36	-	-	6,165.08
Security deposits	-	-	15.23	-	-	9.84
Other receivables	-	-	19.77	-	-	8.03
<b>Total financial assets</b>	<b>10,885.83</b>	<b>2,859.57</b>	<b>47,208.19</b>	<b>2,523.27</b>	<b>2,973.71</b>	<b>20,878.78</b>
<b>Financial liabilities</b>						
Trade payables	-	-	332.75	-	-	262.16
Deposits	-	-	3,270.04	-	-	2,886.61
Other liabilities	-	-	22,357.06	-	-	4,613.75
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>25,959.85</b>	<b>-</b>	<b>-</b>	<b>7,762.52</b>

**G Fair Value Measurements****(i) Fair Value hierarchy and valuation technique used to determine fair value:**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three level prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in Crores)					
Financial Assets and Financial Liabilities measured at Fair Value - recurring fair value measurements at 31.03.2024	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Investments at FVPL					
Mutual Fund - Growth Plan	4 & 9	10,885.84	-	-	10,885.84

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(₹ in Crores)

Financial Assets and Financial Liabilities measured at Fair Value - recurring fair value measurements at 31.03.2024	Notes	Level 1	Level 2	Level 3	Total
Financial Investments at FVOCI					
Debt Instrument at FVOCI - Government Securities	4 & 9	-	2,753.16	-	2,753.16
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd	4	-	-	104.74	104.74
Unquoted Equity Investments - Open Network for digital Commerce	4	-	-	-	-
Quoted Equity Investments - Multi Commodity Exchange of India Limited	4	1.67	-	-	1.67
<b>Total Financial Assets</b>		<b>10,887.51</b>	<b>2,753.16</b>	<b>104.74</b>	<b>13,745.41</b>

(₹ in Crores)

Financial Assets and Financial Liabilities measured at Fair Value - recurring fair value measurements at 31.03.2023	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investments at FVPL</b>					
Mutual Fund - Growth Plan	4 & 9	8,329.01	-	-	8,329.01
Mutual Fund - Fixed Maturity Plan	9				
<b>Financial Investments at FVOCI</b>					
Debt Instrument at FVOCI - Government Securities	4 & 9	-	2,850.17	-	2,850.17
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd	4	-	-	112.78	112.78
Unquoted Equity Investments - Open Network for digital Commerce	4	-	-	10.00	10.00
Unquoted Equity Investments - Goods and Service Tax Network	4	-	-	-	-
Quoted Equity Investments - Multi Commodity Exchange of India Limited	4	0.76	-	-	0.76
<b>Total Financial Assets</b>		<b>8,329.77</b>	<b>2,850.17</b>	<b>122.78</b>	<b>11,302.72</b>
<b>Financial liabilities</b>					
Redemption liability	13b	-	-	-	-
<b>Total Financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

**- Level 1:**

This includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded on the stock exchanges are valued using the closing price as at the end of the reporting period. Listed Mutual Funds are valued using the closing quoted NAV.

**- Level 2:**

The fair value of financial instruments that are not traded in an active market for example, government securities is determined using Financial Benchmarks India Private Limited valuation techniques which maximise the use of observable market data, fixed maturity plan based on NAV declared by the funds and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**- Level 3:**

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

- The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.
- There were no transfers between levels during the year ended March 31, 2024 and March 31, 2023.

**ii) Valuation technique used to determine fair value:**

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis and price to book value multiple as applicable.

**(iii) Fair value measurements using significant unobservable inputs (level 3)**

- The following table presents the changes in level 3 items for the periods ended 31 March, 2024 and 31 March, 2023:

	Unlisted Equity security (₹ Crs)
As at 31 March 2022	60.32
Gains (losses) recognised in Other Comprehensive Income	(7.09)
As at 31 March 2023	53.23
Gains (losses) recognised in Other Comprehensive Income	(8.04)
As at 31 March 2024	45.19

**(iv) Valuation inputs and relationships to fair value:**

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted

Particulars	Fair Value	Fair Value	Significant Unobservable inputs*	Fair Value	Fair Value
	31.03.2024	31.03.2023		31.03.2024	31.03.2023
Unquoted Equity Shares - NCDEX	104.74	112.78	P/B Multiple	5.0x	5.0x
			Business Risk Discount	60%	60%
			Resultant P/B multiple	2.0x	2.0x
			Liquidity Discount	20%	20%
			Applicable P/B Multiple	1.6x	1.6x
			Estimated Book value as at balance sheet date (₹ in Crores)	436.43	469.92
			Equity valuation of NCDEX (₹ in Crores)	698.29	751.87
			Valuation of 15% stake (₹ in Crores)	104.74	112.78

\* There were no significant inter relationship between unobservable inputs that materially affect fair value

**(v) Valuation processes:**

The finance department of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every three months, in line with the reporting periods.

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**vi) Fair value of financial assets and liabilities measured at amortised cost:**

(₹ in Crores)

	Notes	31.03.2024		31.03.2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>					
Taxable Bonds	4	2,653.21	2,633.32	1,019.42	996.02
Taxfree Bonds	4 & 9	555.41	588.57	589.52	623.68
Certificate of deposits with banks	12	3,056.26	3,052.37	3,828.95	3,827.22
Government securities	4 & 9	7,645.04	7,666.51	4,012.57	3,995.28
Fixed Deposits with Banks	5, 6 & 12	6,863.25	6,866.36	3,557.07	3,482.39
Commercial Paper	9	-	-	99.09	98.99
Deposits with financial institutions	6	-	-	-	-
Security Deposits	5 & 6	15.23	15.23	9.84	11.64
<b>Total Financial Assets</b>		<b>20,788.40</b>	<b>20,822.36</b>	<b>13,116.46</b>	<b>13,035.22</b>

- The carrying amounts of trade receivables, trade payables, deposits, other receivables, cash and cash equivalent including other current bank balances and other liabilities including settlement obligation payable, deposits, creditors for capital expenditure, etc. are considered to be approximate as their fair values, due to current and short term nature of such balances.
- The fair value of taxable bonds, taxfree bonds, certificate of deposit with banks, government securities, commercial paper, fixed deposits, deposits with financial institutions and security deposit are based on discounted cash flow.
- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**Significant estimates**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

- 41** (a) The Investor Protection Fund balance includes amount of USD 15,000 transferred by NSE IFSC Limited to a separate bank account towards Investor Protection Fund pursuant to Chapter XII of Byelaws of the exchange and USD 0.05 Lakhs collected by the Exchange as various penalties from its trading members.
- 42** In the opinion of the Board, current assets and advances are approximately of the value stated and to be realised in the ordinary course of business.
- 43** (a) Gross amount required to be spent by the Group on Corporate Social Responsibility activities for the year ended March 31, 2024 is ₹134.93 Crores. (Previous year: ₹87.40 Crores)
- (b) Disclosures in relation to corporate social responsibility expenditure:

(₹ in Crores)

Particulars	31.03.2024	31.03.2023
	In cash	In cash
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above incurred by NSE Foundation towards CSR	20.20	48.22
(iii) Contribution to Unspent CSR account (Refer note 12.2)	127.47	39.18

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as at March 31, 2024

**Details of ongoing CSR projects under section 135(6) of the Act**

(₹ in Crores)

Year	Balance as at April 1, 2023		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2024	
	With the Company account	In separate CSR unspent		From the Company's bank account	From separate CSR unspent account	With the Company	In separate CSR unspent account
2022-23	-	39.18	-	-	1.42	-	37.76
2023-24	-	-	127.47	-	-	-	127.47

**Details of CSR expenditure under section 135(5) of the Act in respect of other than ongoing projects**

Balance unspent as at April 1, 2023	Amount deposited in specified schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2024
-	-	-	-	-

**Details of excess CSR expenditure under Section 135(5) of the Act**

Balance excess spent as at April 1, 2023	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2024
-	-	-	-

**Movement in provision for CSR activities**

(₹ in Crores)

Particulars	31.03.2024	31.03.2023
<b>Balance as at beginning of the year</b>	<b>39.18</b>	<b>-</b>
Add: Provision made	127.47	39.18
Less: Amount utilised during the year	(1.42)	-
<b>Balance as at the end of the year</b>	<b>165.23</b>	<b>39.18</b>

**Nature of CSR Activities:** NSE Foundation, a group company undertakes the following CSR activities which includes, Primary Education, Sanitation and Safe Drinking Water, Elder Care, Skill Development And Entrepreneurship, Environment Sustainability, Health and Nutrition, Disaster Relief and Rehabilitation, Incubation, Environmental Sustainability.

The Group has transferred the unspent CSR amount to a separate bank account (Refer note 12.2)

- 44** In case of its subsidiary, NSE Infotech Limited (NSETECH), during the financial year 2018-19, the Parent company National Stock Exchange of India Limited decided to co-opt the technology function internally and decided to absorb all the employees of NSETECH within NSE. Accordingly, effective 1<sup>st</sup> June 2018, all the employees of NSETECH were transferred to NSE. Pursuant to the transfer, the core operations of NSETECH in the nature of IT management and support services to NSE and its Group Companies ceased to exist. Accordingly, effective 1<sup>st</sup> June 2018 there was no revenue generated from the operations by NSETECH. In view of the same it is not practical for NSETECH to prepare its financial statements on a going concern basis. The total assets of NSETECH as at 31.03.2024 is ₹32.74 Lakhs, which are at realisable value and other income for the year ending March 31, 2024 is ₹2.17 Lakhs which is insignificant for the Group.

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**45 Offsetting Financial assets and Financial Liabilities**

	Effects of offsetting on the balance			Related amount not offset	
	Gross Amount	Gross Amt Set off in the balance sheet	Net Amount presented in Balance sheet	Amounts subject to master netting arrangements	Financial Instrument collateral*
<b>31.03.2024</b>					
<b>Financial Assets</b>					
Trade Receivables	1,733.84	-	1,733.84	-	975.40
<b>31.03.2023</b>					
<b>Financial Assets</b>					
Trade Receivables	1,452.71	-	1,452.71	-	967.71

\*The collateral includes deposits from trading members.

**46 Business Combination****46.1 Calculation of Goodwill**

Particular	(₹ in Crores)			
	31.03.2024	31.03.2024	31.03.2023	31.03.2023
<b>Opening Goodwill (A)</b>		<b>206.86</b>		<b>410.89</b>
<b>Less: Goodwill transferred to Assets held for Sale (Refer note 53)</b>				
TalentSprint Private Limited	-	-	(125.74)	
CXIO Technologies Private Limited	-	-	(12.35)	
Aujas Cybersecurity Limited	-	-	(65.25)	(203.34)
<b>Other changes</b>				(0.69)
<b>Closing Goodwill</b>		<b>206.86</b>		<b>206.86</b>

**46.2** NSE Academy Limited, a subsidiary (“Subsidiary”) of NSE Investments Limited on September 30, 2020, had entered into a Share Purchase and Shareholder’s Agreement (“SPSHA”) for acquisition of 100% Shares of TalentSprint Private Limited (“TalentSprint”), in a phased manner over a period of 3-4 years of which 70% of stake was purchased on November 10, 2020. Accordingly during the previous year, the subsidiary had accounted for redemption liability of ₹90.48 Crores towards acquisition cost of remaining 30% stake based achievement of Revenue and EBIDTA targets by TalentSprint as per SPSHA. During the previous year, the same has been reclassified to liabilities directly associated with assets classified as held for sale. (Refer Note 53).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

**Note 47: Additional information required by Schedule III**

(₹ in Crores)

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent Company</b>								
<b>National Stock Exchange of India Limited</b>								
March 31, 2024	68.95%	16,529.17	92.50%	7,683.01	178.76%	10.05	92.56%	7,693.06
March 31, 2023	75.54%	15,470.83	98.50%	7,245.45	140.06%	(25.28)	98.40%	7,220.17
<b>Subsidiaries (group's share)</b>								
<b>NSE Clearing Limited</b>								
March 31, 2024	11.89%	2,851.14	3.28%	272.84	(13.43%)	(0.76)	3.27%	272.08
March 31, 2023	5.62%	1,150.18	(0.07%)	(5.38)	1.00%	(0.18)	(0.08%)	(5.56)
<b>NSE Indices Limited</b>								
March 31, 2024	1.97%	471.75	0.56%	46.34	(0.53%)	(0.03)	0.56%	46.31
March 31, 2023	2.59%	531.14	1.14%	83.76	1.05%	(0.19)	1.14%	83.57
<b>NSE Data &amp; Analytics Limited</b>								
March 31, 2024	1.82%	436.05	2.26%	187.61	(0.29%)	(0.02)	2.26%	187.59
March 31, 2023	2.00%	410.01	1.91%	140.60	0.17%	(0.03)	1.92%	140.57
<b>NSE Infotech Services Limited</b>								
March 31, 2024	0.00%	0.30	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
March 31, 2023	0.00%	0.32	0.00%	-	0.00%	-	0.00%	-
<b>NSEIT Limited</b>								
March 31, 2024	1.56%	374.43	(1.55%)	(128.40)	(45.67%)	(2.57)	(1.58%)	(130.97)
March 31, 2023	0.99%	202.15	(2.12%)	(156.22)	9.75%	(1.76)	(2.15%)	(157.98)
<b>NSE Academy Limited</b>								
March 31, 2024	0.47%	111.49	0.18%	14.59	(0.75%)	(0.04)	0.17%	14.54
March 31, 2023	0.41%	83.40	0.19%	14.06	(1.00%)	0.18	0.19%	14.24
<b>NSE Investment Limited</b>								
March 31, 2024	8.67%	2,079.04	1.82%	150.85	(0.36%)	(0.02)	1.81%	150.83
March 31, 2023	8.60%	1,762.12	1.28%	94.50	0.00%	-	1.29%	94.50
<b>NSE IFSC Limited</b>								
March 31, 2024	0.86%	205.42	(0.29%)	(24.15)	27.20%	1.53	(0.27%)	(22.62)
March 31, 2023	0.17%	34.90	(1.11%)	(81.92)	(23.71%)	4.28	(1.06%)	(77.64)
<b>NSE IFSC Clearing Corporation Limited</b>								
March 31, 2024	0.67%	161.13	0.11%	8.80	11.16%	0.63	0.11%	9.42
March 31, 2023	0.19%	39.72	(0.07%)	(5.39)	(19.61%)	3.54	(0.03%)	(1.85)
<b>NSE Foundation</b>								
March 31, 2024	0.05%	12.74	(0.27%)	(22.04)	(0.44%)	(0.02)	(0.27%)	(22.06)
March 31, 2023	0.13%	26.37	(0.72%)	(52.64)	0.00%	-	(0.72%)	(52.64)
<b>Aujas Cybersecurity Limited</b>								
March 31, 2024	0.15%	35.95	(0.02%)	(1.91)	2.32%	0.13	(0.02%)	(1.78)
March 31, 2023	0.15%	29.91	(0.30%)	(22.09)	2.05%	(0.37)	(0.31%)	(22.46)



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

(₹ in Crores)

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Cogencis Information Services Limited</b>								
March 31, 2024	0.24%	58.28	0.18%	14.81	(0.27%)	(0.02)	0.18%	14.80
March 31, 2023	0.20%	40.67	0.19%	14.29	0.61%	(0.11)	0.19%	14.18
<b>TalentSprint Private Limited</b>								
March 31, 2024	0.03%	8.17	(0.05%)	(3.97)	(3.38%)	(0.19)	(0.05%)	(4.16)
March 31, 2023	0.05%	11.26	(0.05%)	(3.92)	0.55%	(0.10)	(0.05%)	(4.02)
<b>CXIO Technologies Private Limited</b>								
March 31, 2024	(0.23%)	(54.01)	0.01%	1.19	(2.61%)	(0.15)	0.01%	1.05
March 31, 2023	0.15%	30.96	0.05%	3.66	0.44%	(0.08)	0.05%	3.58
<b>NSE Administration &amp; Supervision Limited</b>								
March 31, 2024	0.00%	(0.13)	(0.01%)	(0.68)	0.00%	-	(0.01%)	(0.68)
March 31, 2023	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Foreign Subsidiaries</b>								
<b>NSE.IT (US) Inc.</b>								
March 31, 2024	0.01%	2.46	0.21%	17.25	1.12%	0.06	0.21%	17.32
March 31, 2023	0.01%	2.96	0.23%	17.18	(0.72%)	0.13	0.24%	17.31
<b>TalentSprint INC</b>								
March 31, 2024	0.02%	5.22	0.01%	1.00	0.54%	0.03	0.01%	1.03
March 31, 2023	0.01%	2.13	0.00%	0.26	0.72%	(0.13)	0.00%	0.13
<b>Non-Controlling Interest in all subsidiaries</b>								
March 31, 2024	0.00%	(0.53)	0.00%	0.08	0.00%	-	0.00%	0.08
March 31, 2023	0.01%	1.91	0.02%	1.18	0.06%	(0.01)	0.02%	1.17
<b>Associates (Investment as per equity method)</b>								
<b>National Securities Depository Limited</b>								
March 31, 2024	1.59%	380.27	0.58%	48.27	(9.83%)	(0.55)	0.57%	47.71
March 31, 2023	1.58%	322.92	0.59%	43.22	(2.83%)	0.51	0.60%	43.73
<b>Protean e-Governance Technologies Limited</b>								
March 31, 2024	0.94%	226.06	0.38%	31.20	(50.06%)	-2.82	0.34%	28.39
March 31, 2023	1.27%	260.08	0.31%	23.09	1.16%	-0.21	0.31%	22.88

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

(₹ in Crores)

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Receivables Exchange Of India Limited</b>								
March 31, 2024	0.08%	18.44	0.08%	6.40	0.07%	0.00	0.08%	6.41
March 31, 2023	0.05%	9.88	0.03%	1.97	0.00%	-	0.03%	1.97
<b>Indian Gas Exchange Limited</b>								
March 31, 2024	0.14%	32.62	0.05%	4.40	0.27%	0.02	0.05%	4.42
March 31, 2023	0.13%	26.72	0.07%	5.33	(0.06%)	0.01	0.07%	5.34
<b>Capital Quant Solutions Private Limited</b>								
March 31, 2024	0.01%	2.50	0.00%	(0.35)	0.00%	-	0.00%	(0.35)
March 31, 2023	0.01%	2.85	0.00%	(0.15)	0.00%	-	0.00%	(0.15)
<b>BFSI Skill Sector Council of India</b>								
March 31, 2024	0.00%	1.00	0.00%	-	0.00%	-	0.00%	-
March 31, 2023	0.00%	1.00	0.00%	-	0.00%	-	0.00%	-
<b>India International Bullion Holding IFSC Limited</b>								
March 31, 2024	0.10%	24.97	(0.02%)	(1.37)	6.18%	0.35	(0.01%)	(1.02)
March 31, 2023	0.13%	25.99	(0.07%)	(4.85)	(9.70%)	1.75	(0.04%)	(3.10)
<b>Joint Venture (Investment as per equity method)</b>								
<b>Market Simplified India Limited</b>								
March 31, 2024	0.00%	-	0.00%	-	0.00%	-	0.00%	-
March 31, 2023	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Adjustment arising out of consolidation</b>								
March 31, 2024	0.00%	-	0.00%	-	0.00%	-	0.00%	-
March 31, 2023	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Total</b>								
<b>March 31, 2024</b>	<b>100.00%</b>	<b>23,973.92</b>	<b>100.00%</b>	<b>8,305.78</b>	<b>100.00%</b>	<b>5.62</b>	<b>100.00%</b>	<b>8,311.40</b>
<b>March 31, 2023</b>	<b>100.00%</b>	<b>20,480.38</b>	<b>100.00%</b>	<b>7,355.99</b>	<b>100.00%</b>	<b>(18.05)</b>	<b>100.00%</b>	<b>7,337.94</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

**48 Other events after the reporting period**

## a) Dividend:

The Board of Directors have recommended the payment of final dividend of ₹90 per fully paid equity shares (FV ₹1 each) (March 31, 2023: ₹80 per fully paid equity share (FV ₹1 each). This proposed dividend is subject to approval of shareholders in the ensuing general meeting and if approved would result in cash outflow of approximately ₹4,455 Crores.

## b) The Board of Directors in its meeting held on May 3, 2024, has decided to appropriate an amount of ₹1,950 Crores (March 31, 2023: ₹6,583 Crores) from retained earnings to a separate reserve within equity towards adequate risk capital management.

## c) The Board of directors of the company in their meeting held on May 3, 2024, recommended issue of Bonus equity shares in the proportion of 4:1 bonus share of ₹1/- (Rupee one each) for every existing 1 (One) fully paid up equity shares of ₹1 each and increase in Authorised Share Capital from ₹50 Crores (comprising 50 Crores shares of ₹1 each) to ₹500 Crores (comprising 500 Crores of shares of ₹1 each) subject to approval of shareholders and regulators.

## d) NSE Investment Ltd and NSEIT Limited has signed definitive binding agreement with Investcorp for sale of digital technology business of NSEIT alongwith subsidiaries of NSEIT including Aujas, Cloudex, NSEIT(US) on April 26, 2024 for the enterprise valuation of all these business of ₹1,000 Crores.

**49** The Board of Directors of NSE Investments Ltd at its meeting held on October 31, 2023, approved the scheme of arrangement for merger of NSE Data & Analytics Limited into NSE Indices Limited. Accordingly, the requisite documents are filed with SEBI for the approval of the scheme on December 18, 2023, the approval from SEBI is awaited.**50** In accordance with the relevant provisions of the Companies Act, 2013, the Group has long term contracts as of March 31, 2024, and March 31, 2023, for which there were no material foreseeable losses. The Group did not have any derivative contracts as at March 31, 2024 and March 31, 2023.**51** For the year ended March 31, 2024, and March 31, 2023, the Group is not required to transfer any amount into the Investor Education & Protection Fund as required under section 125 of the Companies Act, 2013.**52** Pursuant to 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. NSE IFSC-SGX Connect has introduced trading of Negotiable Large Trades (NLT) from Singapore Exchange (SGX Group) w.e.f. May 16, 2022 and launched the NSE IFSC-SGX Connect on July 29, 2022. During the year, full-scale operations of NSE IX-SGX GIFT Connect commenced with effect from July 03, 2023.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

**53 a) Discontinued Operations, Assets classified as held for sale and liabilities directly associated with assets classified as held for sale**

NSE Investments Limited vide its Board meeting held on February 1, 2023, has in-principle approved sale/divestment of Education Business and Technology Business. Pending required regulatory approval, the management has classified the business operations of Education Business and Technology Business as discontinued operations as they meet the conditions as prescribed under Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations. Details of discontinued operations, Assets held for sale and liabilities directly associated with assets classified as held for sale is given below. Education Business is held through NSE Academy Limited, Talentsprint Private Limited & TalentSprint Inc. and Technology Business is held through NSEIT Limited, NSEIT (US) Inc., Aujas Cybersecurity Limited and CXIO Technologies Private Limited.

**b) Financial performance and cash flow information of Discontinued Operations**

	For the year ended 31.03.2024	For the year ended 31.03.2023
Revenue of Technology Business	903.58	722.07
Revenue of Education Business	186.53	139.59
<b>Total Revenue of Discontinued Operations</b>	<b>1,090.11</b>	<b>861.66</b>
Expenses of Technology Business	994.02	859.73
Expenses of Education Business	175.67	129.90
<b>Total Expenses of Discontinued Operations</b>	<b>1,169.69</b>	<b>989.63</b>
<b>(Loss) before tax from Discontinued Operations</b>	<b>(79.58)</b>	<b>(127.97)</b>
Less: Income Tax expense	(21.16)	(17.92)
<b>(Loss) after tax from Discontinued Operations (A)</b>	<b>(100.74)</b>	<b>(145.89)</b>
<b>Other comprehensive income/(loss) for the year, net of taxes from discontinued operations</b>		
Items that will be reclassified to profit or loss		
Changes in foreign currency translation reserve	0.09	0.26
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligations	(3.76)	(3.20)
Income tax relating to items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligations	0.95	0.80
<b>Total other comprehensive income/(loss) for the year, net of taxes from discontinued operations (B)</b>	<b>(2.72)</b>	<b>(2.14)</b>
<b>Total comprehensive (loss) for the year from discontinued operations (A+B)</b>	<b>(103.46)</b>	<b>(148.03)</b>
Net cash inflow from operating activities	57.36	(30.00)
Net cash inflow from investing activities	(58.13)	(18.78)
Net cash (outflow) from financing activities	9.47	59.14
<b>Net increase in cash generated from discontinued operations</b>	<b>8.70</b>	<b>10.36</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

**c) Assets and liabilities of disposal group classified as held for sale**

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operations:

Assets classified as held for sale	As at 31.03.2024			As at 31.03.2023		
	Technology Business	Education Business	Total	Technology Business	Education Business	Total
Property, plant & equipment, Other intangible assets and Right of use assets	40.98	1.22	42.20	40.61	1.22	41.83
Goodwill	77.59	125.74	203.33	77.60	125.74	203.34
Other Non Current assets	2.28	0.02	2.30	1.89	0.02	1.91
Non Current Financial assets	4.23	0.63	4.86	6.30	0.63	6.93
Deferred Tax Asset (Net)	18.91	0.27	19.18	14.00	0.27	14.27
Income tax assets (Net)	63.62	4.29	67.91	53.04	4.29	57.33
Current Financial assets	273.78	19.27	293.05	161.86	19.27	181.13
Cash and cash equivalents	58.79	25.97	84.76	51.16	25.98	77.14
Bank balances other than Cash and cash equivalents mentioned above	49.93	0.15	50.08	46.87	0.15	47.02
Other assets	13.49	71.34	84.83	83.97	71.34	155.31
<b>Total (A)</b>	<b>603.60</b>	<b>248.90</b>	<b>852.50</b>	<b>537.30</b>	<b>248.91</b>	<b>786.21</b>
<b>Liabilities directly associated with assets classified as held for sale</b>						
Non-current Financial liabilities	14.21	2.04	16.25	20.16	34.87	55.03
Non-current Provisions	15.95	2.43	18.38	6.55	0.79	7.34
Non-current Other liabilities	2.20	-	2.20	0.29	-	0.29
Current Financial liabilities	129.57	74.06	203.63	130.96	29.94	160.90
Current Provisions	43.74	7.14	50.88	25.99	1.98	27.97
Income tax liabilities (net)	1.12	0.64	1.76	0.64	1.72	2.36
Other current liabilities	34.37	41.85	76.22	84.15	83.50	167.65
<b>Total (B)</b>	<b>241.16</b>	<b>128.16</b>	<b>369.32</b>	<b>268.74</b>	<b>152.80</b>	<b>421.54</b>
<b>Net Assets (A-B)</b>	<b>362.44</b>	<b>120.74</b>	<b>483.18</b>	<b>268.56</b>	<b>96.11</b>	<b>364.67</b>

**54 Additional Regulatory Information required by Schedule III****(i) Details of benami property held**

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

**(ii) Wilful Defaulter**

None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

**(iii) Relationship with struck off Companies**

The group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

**(iv) Compliance with number of layer of Companies**

The group has complied with the number of layers prescribed under the Companies Act, 2013.

**(v) Compliance with approved scheme(s) of arrangements**

The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as at March 31, 2024

**(vi) Utilisation of Borrowed funds and Share premium**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds by the group to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The group has not received any fund from any party (Funding Party) with the understanding that the group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**(vii) Undisclosed Income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**(viii) Loans or advances to specified persons**

The Group has not granted any loans or advances to promoters, directors, KMP's and related parties either severally or jointly with any other person, that are:

- repayable on demand or
- without specifying any terms or period of repayment"

**(ix) Details of crypto currency of virtual currency**

The group has not traded or invested in crypto currency or virtual currency during the current or previous year.

**(x) Valuation of PP&E, intangible asset and investment property**

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year. The fair value of investment property (as measured for disclosure purposes in the financial statements) is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

**(xi) Core Investment Company (CIC)**

The Group has one subsidiary company namely NSE Investments Limited which is a deemed CIC and is not required to be registered with RBI as per the directions laid down in Core Investment Companies (Reserve Bank) Directions, 2016. There are no other CIC in the group.

**For Price Waterhouse & Co. Chartered Accountants LLP For and on behalf of the Board of Directors**  
Chartered Accountants  
Firm's Registration no: 304026E/E-300009

**Amit Borkar**  
Partner  
Membership No.: 109846

Place: Pune  
Date: May 3, 2024

**S Ravindran**  
Director  
[DIN: 09778966]

**Tablesh Pandey**  
Director  
[DIN: 10119561]

**Yatrik Vin**  
Group CFO & Head Corporate Affairs

Place: Mumbai  
Date: May 3, 2024

**S Sudarshan**  
Director  
[DIN: 08636735]

**Ashishkumar Chauhan**  
Managing Director & CEO  
[DIN: 00898469]

**Rohit Gupte**  
Company Secretary

**FORM AOC - 1**  
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures Form AOC 1**  
**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

**Part "A" Subsidiaries**

Name of Subsidiary	The date since when subsidiary was acquired	Reporting date	NSE Clearing Limited (Formerly known as National Securities Clearing Corporation Limited)	NSE Investments Limited (Formerly known as NSE Strategic Investments Limited)	NSE IFSC Limited	NSE Data & Analytics Limited (Formerly known as Dorx International Limited)	NSE Indices Limited (Formerly known as India Index Services & Products Limited)	NSEIT Ltd (Note 1)	NSE Academy Limited (Note 1)	NSE Infotech Services Ltd (Note 1)	NSEIT (US) Inc (Note 2)	NSE IFSC Clearing Corporation Limited (Note 3)	NSE Foundation (Note 4)	Cybersecurity Limited (Formerly known as Networks and Auias Networks Private Limited) (Note 5)	TalentSprint Private Limited (Note 6)	Cogencis Information Services Limited (Note 7)	CXIO Technologies Private Limited (Note 8)	TalentSprint Inc (Note 9)
		March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024
Share Capital		1,445.00	825.99	500.00	9.00	1.30	494.80	10.00	10.00	0.05	5.34	250.00	0.05	27.11	0.98	5.13	0.31	0.38
Reserves and Surplus		1,702.15	2,034.32	-299.26	418.71	494.80	525.47	-33.01	-33.01	0.25	0.09	-89.50	12.51	15.80	-8.37	53.15	47.08	1.93
Total Assets		35,748.42	2,880.60	271.11	486.84	525.47	541.13	223.79	223.79	0.33	8.20	228.19	15.61	146.33	86.66	83.37	104.10	12.78
Total Liabilities		32,601.27	20.29	70.37	59.12	29.37	336.01	246.79	246.79	0.02	2.78	67.68	3.06	103.42	94.05	25.09	56.70	10.46
Investments		9,765.07	2,246.96	-	208.94	395.08	217.08	187.53	187.53	0.30	-	38.25	14.65	-	0.38	28.41	-	-
Turnover		2,172.23	469.12	79.13	283.19	317.32	503.00	48.32	48.32	0.02	18.87	16.66	9.65	368.94	129.41	93.79	244.76	15.16
Profit before Taxation		1,764.04	523.44	-30.33	147.07	288.55	42.99	-11.63	-11.63	-0.01	2.26	-8.40	-13.26	16.33	-3.56	22.55	22.32	0.84
Provision for Taxation		449.74	19.32	-	36.49	69.83	12.09	0.48	0.48	0.01	0.12	-	-	3.46	-0.90	5.09	5.74	0.16
Profit after Taxation		1,314.30	504.12	-30.33	110.58	218.72	30.90	-12.11	-12.11	-0.01	2.14	-8.40	-13.26	12.87	-2.66	17.46	16.58	0.68
Proposed Dividend		28.90	-	-	99.00	195.00	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	90.26%	100%	100.00%	90.26%

**Notes:-**

- NSE Data & Analytics Limited, NSE Indices Limited, NSEIT Limited, NSE Infotech Services Limited and NSE Academy Limited are wholly owned subsidiaries of NSE Investments Limited.
- NSEIT (US) INC is a wholly owned subsidiary of NSEIT LTD. The reporting currency of the company is USD. The financial information of NSEIT (US) INC. have been translated into INR at the closing rate at March 31, 2024.
- NSE IFSC Clearing Corporation Limited is a wholly owned subsidiary of NSE Clearing Limited.
- NSE Foundation is incorporated under Section 8 of Companies Act, 2013.
- Auias Cybersecurity Limited is a wholly owned subsidiary of NSEIT Limited.
- TalentSprint Private Limited is a subsidiary of NSE Academy Limited.
- Cogencis Information Services Limited is a wholly owned subsidiary of NSE Data & Analytics Limited.
- CXIO Technologies Private Limited is a subsidiary of NSEIT Limited.
- TalentSprint Inc. is a wholly owned subsidiary of TalentSprint Private Limited. The reporting currency of the company is USD. The financial information of TalentSprint Inc. have been translated into INR at the closing rate at March 31, 2024.

**Part "B" Associates/Joint Ventures**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	National Securities Depository Limited	Protean eGov Technologies Ltd. (formerly known as NSDL e-Governance Infrastructure Limited)	Market Simplified India Limited	Power Exchange India Limited	Receivables Exchange India Limited	BFST Sector Skill Council of India	Capital Quant Solutions Private Limited	Indian Gas Exchange Limited	India International Bullion Holding IFSC Limited
Latest audited Balance Sheet Date	March 31, 2023	March 31, 2023	March 31, 2021	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2023	March 31, 2024
Date on which the Associate or Joint Venture was associated or acquired	15-Feb-10	15-Feb-10	30-Nov-11	20-Feb-08	25-Feb-16	16-Sep-11	26-Feb-21	16-Mar-21	04-Jun-21
Share of Associate held by the group at the above mentioned reporting date									
Number of Equity Shares	4,80,00,000	82,34,605	45,05,175	1,70,76,527	1,50,00,000	1,00,00,000	12,410	1,92,07,500	30,00,00,000
Amount of Investment in Associates	58.92	45.29	4.51	20.05	15.00	1.00	3.00	19.21	30.00
Extend of Holding %	24.00%	20.34%	30.00%	29.21%	30.00%	49.00%	19.00%	25.61%	20.00%
Description of how there is significant influence	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 2	Note 1	Note 1
Reason why the associate is not consolidated	NA	NA	NA	NA	NA	Note 3	NA	NA	NA
Network attributable to Shareholding as per latest audited Balance Sheet	342.93	174.30	5.89	20.42	9.72	2.65	0.77	23.94	25.00
Profit/Loss for the year	62.70	25.11	-	-	8.56	-	-0.35	5.89	-1.37
i. Considered in Consolidation	-	-	-	-	-	-	-	-	-
ii. Not considered in Consolidation	-	-	-	-	-	-	-	-	-

**Notes:-**

- The group has significant influence through holding more than 20.00% of the equity shares in the investee company in terms of Indian Accounting Standard (Ind AS) 28, Investments in Associates and Joint Ventures.
- The group has significant influence through Management rights in the investee company in terms of Indian Accounting Standard (Ind AS) 28 - Investments in Associates and Joint Ventures.
- BFST Sector Skill Council of India is a company incorporated under section 8 of Companies Act, 2013, and has set up with the aim of enhancing skill development across the BFSI sector leading to greater efficiency, productivity and sustained growth wherein the profits will be applied for promoting its objects. Therefore the same is not considered while consolidation.

**For and on behalf of the Board of Directors**

**S Ravindran**  
 Director  
 [DIN: 09778966]

**Tablesh Pandey**  
 Director  
 [DIN: 10119561]

**Yatrik Vin**  
 Group CFO & Head Corporate Affairs

**S Sudarshan**  
 Director  
 [DIN: 08636735]

**Ashishkumar Chauhan**  
 Managing Director & CEO  
 [DIN: 00898469]

**Rohit Gupta**  
 Company Secretary

Place: Mumbai  
 Date: May 3, 2024



# INDEPENDENT AUDITOR'S REPORT

To the Members of

**National Stock Exchange of India Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

- We have audited the accompanying standalone financial statements of National Stock Exchange of India Limited ("the Company"), which comprise the standalone Balance Sheet as at March 31, 2024, and the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Changes in Equity and the standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for opinion

- We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's responsibilities for the audit of the standalone financial statements" 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 standalone 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter

- We draw your attention to Note 31(i)(a) to the standalone financial statements, relating to the orders passed by the Securities and Exchange Board of India ("SEBI") 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 Conflict of Interest matters and the adjudication orders in relation to these matters. The above matters continue to be under appeal with the Hon'ble Securities Appellate Tribunal or the Hon'ble Supreme Court. The future outcome of the above matters is uncertain at this stage. Based on the legal opinion obtained by the Company, except for the penalty amount of ₹100 Crores as mentioned in Note 31(i)(a) to the standalone financial statements, no provision for any liability has been recognised towards the above matters. Our opinion is not modified in respect of this matter.

### Key audit matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Key audit matter

Assessment of provisions made, and contingent liabilities disclosed with regard to legal and regulatory matters

[Refer Note 31(i)(b) to (i) to the standalone financial statements]

As of March 31, 2024, the Company has ongoing regulatory proceedings, inspections and inquiries with various regulatory authorities including SEBI (other than that described in the Emphasis of matter paragraph above), case filed by a competitor against the Company pending with Competition Appellate Tribunal and various other ongoing litigations, including claims by its broker members.

The Company has assessed the above pending matters related to litigations, regulatory proceedings, inspections and inquiries and has made provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its standalone financial statements.

#### How our audit addressed the key audit matter

Our audit procedures included the following-

- Understanding and evaluating the design and testing the operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the standalone financial statements in respect of these matters.
- Examining the details of litigations in respect of legal, SEBI and other regulatory proceedings, inspections, inquiries obtained from Management.
- Examining orders and/or communications with regulatory authorities during the year and Management responses and reports thereto.

#### Key audit matter

This area is considered as a key audit matter, as evaluation of these matters requires Management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outcome of ongoing proceedings and outflow of economic resources, if any, and the recognition of provisions, disclosure of contingent liabilities and related disclosures to be made in the standalone financial statements.

#### How our audit addressed the key audit matter

- Inspecting the supporting documents to evaluate Management's assessment of probability of outcome of ongoing proceedings, the magnitude of potential loss, if any, and testing related provisions and disclosures made in the standalone financial statements.
- Examining expert's legal advice/opinion obtained by the Company's Management for evaluating significant certain legal and regulatory matters.
- Evaluating competence and capabilities of the Management's independent external experts.
- Assessing the adequacy of disclosures related to these matters in the standalone financial statements.

Based on our above procedures, the provisions recognised by the Company, and contingent liabilities disclosed with regard to legal and regulatory matters, appear to be reasonable.

### Other information

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

### Responsibilities of management and those charged with governance for the standalone financial statements

- The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified

under Section 133 of the Act. This responsibility also includes 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

- In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's responsibilities for the audit of the standalone financial statements

- Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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,



## Independent Auditor's Report (Contd.)

- they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the standalone financial statements, 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 standalone financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's 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 Company's ability 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 statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance 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.
12. 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.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Changes in Equity and the standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.

- With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer 31 to the standalone financial statements;
  - The Company was not required to recognise a provision as at March 31, 2024, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at March 31, 2024, – Refer Note 44 to the standalone financial statements;
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024 – Refer Note 44 to the standalone financial statements.,
  - The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 41(vii) to the standalone financial statements);
    - The Management has represented that, to the best of its knowledge and

belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 41(vii) to the standalone financial statements); and

- Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not notice any instance of audit trail feature being tampered with.

16. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse & Co. Chartered Accountants LLP**  
Firm Registration Number: 304026E/E- 300009

**Amit Borkar**  
Partner  
Membership Number: 109846  
UDIN: 24109846BKGXSI3487

Place: Pune  
Date: May 03, 2024



## Annexure A to Independent Auditor's Report

Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of National Stock Exchange of India Limited on the standalone financial statements as of and for the year ended March 31, 2024

### Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of National Stock Exchange of India Limited ("the Company") as of March 31, 2024, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether

adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

### Meaning of Internal Financial Controls with reference to Standalone Financial Statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and

directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Price Waterhouse & Co. Chartered Accountants LLP**  
Firm Registration Number: 304026E/E- 300009

**Amit Borkar**  
Partner  
Membership Number: 109846  
UDIN: 24109846BKGXSI3487

Place: Pune  
Date: May 03, 2024



## Annexure B to Independent Auditor's Report

Referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of National Stock Exchange of India Limited on the standalone financial statements as of and for the year ended March 31, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 2 on Property, Plant & Equipment to the standalone financial statements, are held in the name of the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.

ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not been sanctioned working capital limits in excess of ₹5 Crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. (a) The Company has made investments in companies and stood guarantee (guarantor) to a company; however, it has not granted secured or unsecured loans or advances in nature of loans, or provided security to any company, firm, limited liability partnership or other party. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such guarantees to subsidiaries and associate companies are as per the table given below:

	Guarantees
Aggregate amount provided during the year - Subsidiaries	USD 20 million (₹166.75 Crores)
Balance outstanding as at balance sheet date - Subsidiaries	USD 20 million (₹166.75 Crores)

Also, refer Note 31(i)(j) to the standalone financial statements.

(b) In respect of the aforesaid investments and guarantees, the terms and conditions under which such investments were made and guarantees provided are not prejudicial to the Company's interest.

(c) The Company has not granted secured or unsecured loans or advances in nature of loans, or provided security to any party. Therefore, the reporting under clause 3 (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the investments made, and guarantees provided by it.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Professional Tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, value added tax, securities transaction tax and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 33 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

(b) There are no statutory dues of provident fund, employee's state insurance, securities transaction tax, and professional tax which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2024, which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Period to which the amount relates (Financial Year)	Amount (₹ in Crores)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	1995-96 and 1999-20	0.42	Hon'ble High Court, Mumbai
		2013-14, 2017-18 and 2021-22	43.01	Commissioner of Income Tax (Appeal)
		2014-2015*	84.13	Deputy Commissioner of Income Tax
		2019-2020	36.56	Income Tax Appellate Tribunal and Commissioner of Income Tax (Appeal)
Wealth Tax Act, 1957	Wealth Tax	2000-2001	0.11	Income Tax Appellate Tribunal, Mumbai - Wealth Tax Bench
Chapter V of Finance Act, 1994	Service Tax	2004-2005 to 2011-2012 and April 2012 to June 2012	75.98	Appeal before Customs, Central Excise and Service Tax Appellate Tribunal, Mumbai
Maharashtra Value Added Tax Act, 2002	Value Added Tax (VAT)	2015-2016	1.94	Appeal filled with Joint Commissioner
Maharashtra Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	2017-2018	0.49	Deputy Commissioner of GST
Tamil Nadu Goods and Services Tax Act, 2017		2018-2019	1.51	Deputy Commissioner of State GST

\* ₹15.15 Crores paid under protest for the F.Y. 2014-2015.

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial

statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, or associate companies.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, or associate companies.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.





- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial/housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has one CIC as part of the Group as detailed in note 41(xiii) to the standalone financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

[Also, refer paragraph 41(xv) of our audit report on the standalone financial statements]

- xx. (a) The Company has not undertaken any "other than ongoing projects" in pursuance of its Corporate Social Responsibility Policy. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.
- (b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act

pursuant to ongoing project/(s) to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act. (Also, refer Note 34 to the financial statements)

- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Price Waterhouse & Co. Chartered Accountants LLP**  
Firm Registration Number: 304026E/E- 300009

**Amit Borkar**  
Partner  
Membership Number: 109846  
UDIN: 24109846BKGXSI3487

Place: Pune  
Date: May 03, 2024

**STANDALONE BALANCE SHEET**

as at March 31, 2024

Particulars	Notes	(₹ in Crores)	
		As at 31.03.2024	As at 31.03.2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2(a)	842.44	765.51
Right-of-use-assets	2(b)	153.65	175.97
Capital work-in-progress	2(a)	18.74	45.94
Other intangible assets	3	18.86	20.49
Intangible assets under development	3	48.71	34.00
Investment in subsidiaries and associates	4	2,822.67	1,221.67
Financial assets			
- Investments	4	6,955.79	4,135.32
- Other financial assets			
Non-current bank balances	5 (a)	932.58	362.43
Others	5 (b)	62.71	19.21
Income tax assets (net)	18	505.72	355.25
Other non-current assets	6	695.02	750.42
<b>Total non-current assets</b>		<b>13,056.89</b>	<b>7,886.21</b>
<b>Current assets</b>			
Financial assets			
- Investments	7	7,639.20	6,054.39
- Trade Receivables	8	1,664.65	1,488.48
- Cash and cash equivalents	9	839.82	653.77
- Bank balances other than cash and cash equivalents	10	3,386.45	4,039.28
- Other financial assets	5(b)	89.48	56.92
Other current assets	6	544.47	640.14
<b>Total current assets</b>		<b>14,164.07</b>	<b>12,932.98</b>
<b>TOTAL ASSETS</b>		<b>27,220.96</b>	<b>20,819.19</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	11a	49.50	49.50
Other equity	11b	19,312.28	16,626.91
<b>TOTAL EQUITY</b>		<b>19,361.78</b>	<b>16,676.41</b>

**STANDALONE BALANCE SHEET**

as at March 31, 2024

Particulars	Notes	(₹ in Crores)	
		As at 31.03.2024	As at 31.03.2023
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease Liabilities	35	80.11	101.93
Other financial liabilities	13	17.36	16.35
Provisions	15	19.91	30.82
Deferred tax liabilities (net)	16(c)	136.09	8.92
Contract Liabilities	14	82.46	69.34
Other non-current liabilities	19	5.41	5.41
<b>Total non-current liabilities</b>		<b>341.34</b>	<b>232.77</b>
<b>Current liabilities</b>			
Financial liabilities			
Lease Liabilities	35	27.16	22.93
Deposits	20	1,234.07	1,083.44
Trade payables	12		
Total Outstanding dues of micro enterprises and small enterprises		4.09	1.30
Total Outstanding dues of creditors other than micro enterprises and small enterprises		390.63	293.54
Other financial liabilities	13	529.72	436.42
		<b>2,185.67</b>	<b>1,837.63</b>
Contract Liabilities	14	6.17	3.86
Provisions	15	77.04	70.25
Income tax liabilities (net)	17	26.58	430.13
Other current liabilities	19	5,222.38	1,568.14
<b>Total current liabilities</b>		<b>7,517.84</b>	<b>3,910.01</b>
<b>TOTAL LIABILITIES</b>		<b>7,859.18</b>	<b>4,142.78</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>27,220.96</b>	<b>20,819.19</b>
Summary of material and other accounting policies	1		
The above Standalone Balance Sheet should be read in conjunction with the accompanying notes			

This is the Balance Sheet referred to in our report of even date

For **Price Waterhouse & Co. Chartered Accountants LLP**

For and on behalf of the Board of Directors

Chartered Accountants

Firm's Registration no: 304026E/E-300009

**S Ravindran**Director  
[DIN: 09778966]**S Sudarshan**Director  
[DIN: 08636735]**Amit Borkar**Partner  
Membership No.: 109846**Tablesh Pandey**Director  
[DIN: 10119561]**Ashishkumar Chauhan**Managing Director & CEO  
[DIN: 00898469]

Place: Pune

Date: May 3, 2024

**Yatrik Vin**

Group CFO &amp; Head Corporate Affairs

**Rohit Gupte**

Company Secretary

Place: Mumbai  
Date: May 3, 2024



## STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2024

Particulars	Notes	₹ in Crores	
		For the year ended 31.03.2024	For the year ended 31.03.2023
<b>INCOME</b>			
Revenue from operations	21	13,510.54	11,181.03
Other income	22	1,448.95	1,511.16
<b>Total income</b>		<b>14,959.49</b>	<b>12,692.19</b>
<b>EXPENSES</b>			
Employee benefits expense	23	332.66	280.60
Clearing & settlement charges		1,240.90	679.69
SEBI Regulatory fees (Refer note 24.2)		978.85	476.61
Depreciation and amortisation expense	2, 3, 35	338.99	302.21
Other expenses	24	1,506.48	1,297.20
<b>Total expenses</b>		<b>4,397.88</b>	<b>3,036.31</b>
<b>Profit before Contribution to Core Settlement Guarantee Fund &amp; tax</b>		<b>10,561.61</b>	<b>9,655.88</b>
Less: Contribution to Core Settlement Guarantee Fund	42	(1,740.97)	(203.45)
<b>Profit before tax</b>		<b>8,820.64</b>	<b>9,452.43</b>
Less: Income tax expense			
Current tax	16(a)	2,060.00	2,214.00
Deferred tax	16(a)	125.33	5.53
<b>Total tax expenses</b>		<b>2,185.33</b>	<b>2,219.53</b>
<b>Profit for the year (A)</b>		<b>6,635.31</b>	<b>7,232.90</b>
<b>Other comprehensive income</b>			
Items that will be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments	11b	20.83	(28.86)
Income tax relating to items that will be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments	11b	(5.24)	7.26
Items that will not be reclassified to profit or loss			
Re-measurements of post-employment benefit obligations	11b	(1.81)	1.11
Changes in fair value of FVOCI equity instruments	11b	(7.12)	(7.04)
Income tax relating to items that will not be reclassified to profit or loss			
Re-measurements of post-employment benefit obligations	11b	0.46	(0.28)
Changes in fair value of FVOCI equity instruments	11b	2.94	2.52
<b>Total other comprehensive income/(loss) for the year, net of taxes (B)</b>		<b>10.06</b>	<b>(25.29)</b>
<b>Total comprehensive income for the year (A)+(B)</b>		<b>6,645.37</b>	<b>7,207.61</b>
<b>Earnings per equity share (Face value of ₹1 each)</b>			
- Basic and Diluted (₹)	25	134.05	146.12
Summary of material and other accounting policies			
The above Standalone Statement of Profit and Loss should be read in conjunction with the accompanying notes			

This is the Statement of Profit &amp; Loss referred to in our report of even date

For **Price Waterhouse & Co. Chartered Accountants LLP** For and on behalf of the Board of Directors  
Chartered Accountants  
Firm's Registration no: 304026E/E-300009

**S Ravindran**  
Director  
[DIN: 09778966]

**S Sudarshan**  
Director  
[DIN: 08636735]

**Amit Borkar**  
Partner  
Membership No.: 109846

**Tablesh Pandey**  
Director  
[DIN: 10119561]

**Ashishkumar Chauhan**  
Managing Director & CEO  
[DIN: 00898469]

Place: Pune  
Date: May 3, 2024

**Yatrik Vin**  
Group CFO & Head Corporate Affairs

**Rohit Gupte**  
Company Secretary

Place: Mumbai  
Date: May 3, 2024

## STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024

### (A) Equity share capital

	₹ in Crores
Balance as at April 1, 2023	49.50
Changes in equity share capital during the year	-
Balance as at March 31, 2023	<b>49.50</b>
Balance as at April 1, 2024	49.50
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2024</b>	<b>49.50</b>

### (B) Other Equity

Particulars	Reserves and surplus					Other reserves			Total
	Securities Premium	Retained earnings	Risk reserve	Other reserves	Total reserves and surplus	Equity instruments through other comprehensive income	Debt instruments through other comprehensive income	Total other reserves	
<b>Balance at the April 1, 2022</b>	35.50	11,395.75	-	11.50	11,442.75	54.16	1.39	55.55	11,498.30
Profit for the year	-	7,232.90	-	-	7,232.90	-	-	-	7,232.90
Transfer to Risk reserve	-	(6,583.00)	6,583.00	-	-	-	-	-	-
Other Comprehensive Income/(loss)	-	0.83	-	-	0.83	(4.52)	(21.60)	(26.12)	(25.29)
<b>Transaction with owners in their capacity as owners</b>									
Dividend paid	-	(2,079.00)	-	-	(2,079.00)	-	-	-	(2,079.00)
<b>Balance as at March 31, 2023</b>	<b>35.50</b>	<b>9,967.48</b>	<b>6,583.00</b>	<b>11.50</b>	<b>16,597.48</b>	<b>49.64</b>	<b>(20.21)</b>	<b>29.43</b>	<b>16,626.91</b>
<b>Balance at the April 1, 2023</b>	<b>35.50</b>	<b>9,967.48</b>	<b>6,583.00</b>	<b>11.50</b>	<b>16,597.48</b>	<b>49.64</b>	<b>(20.21)</b>	<b>29.43</b>	<b>16,626.91</b>
Profit for the year	-	6,635.31	-	-	6,635.31	-	-	-	6,635.31
Transfer to Risk reserve	-	(1,950.00)	1,950.00	-	-	-	-	-	-
Other Comprehensive Income/(loss)	-	(1.35)	-	-	(1.35)	(4.18)	15.59	11.41	10.06
<b>Transaction with owners in their capacity as owners</b>									
Dividend paid	-	(3,960.00)	-	-	(3,960.00)	-	-	-	(3,960.00)
<b>Balance as at March 31, 2024</b>	<b>35.50</b>	<b>10,691.44</b>	<b>8,533.00</b>	<b>11.50</b>	<b>19,271.44</b>	<b>45.46</b>	<b>(4.62)</b>	<b>40.84</b>	<b>19,312.28</b>

The above Standalone Statement of Changes in Equity should be read in conjunction with the accompanying notes

This is the Statement of Changes in Equity referred to in our report of even date

For **Price Waterhouse & Co. Chartered Accountants LLP** For and on behalf of the Board of Directors  
Chartered Accountants  
Firm's Registration no: 304026E/E-300009

**S Ravindran**  
Director  
[DIN: 09778966]

**S Sudarshan**  
Director  
[DIN: 08636735]

**Amit Borkar**  
Partner  
Membership No.: 109846

**Tablesh Pandey**  
Director  
[DIN: 10119561]

**Ashishkumar Chauhan**  
Managing Director & CEO  
[DIN: 00898469]

Place: Pune  
Date: May 3, 2024

**Yatrik Vin**  
Group CFO & Head Corporate Affairs

**Rohit Gupte**  
Company Secretary

Place: Mumbai  
Date: May 3, 2024



## STATEMENT OF STANDALONE CASH FLOWS

for the year ended March 31, 2024

Particulars	Notes	(₹ in Crores)	
		For the year ended 31.03.2024	For the year ended 31.03.2023
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>PROFIT BEFORE TAX</b>		8,820.64	9,452.43
<b>Adjustments for</b>			
Depreciation and amortisation expense	2, 3	338.99	302.21
Interest on lease liabilities	2,3,35(iv)	10.26	7.85
(Reversal)/Provision for doubtful debts		(6.89)	(2.20)
Bad debts written off	24	4.39	2.18
Intangible assets written off	24	-	60.81
Interest income from financial assets at amortised cost	22	(462.25)	(227.58)
Interest income from financial assets designated at fair value through other comprehensive income	22	(188.29)	(114.86)
Income on Investments	21	(82.83)	(58.93)
Dividend income	22	(247.21)	(838.47)
Rent income		(1.48)	(1.35)
Net fair value (gain)/loss on financial assets mandatorily measured at fair value through profit or loss	22	(409.43)	(216.91)
Net gain on sale of investments mandatorily measured at fair value through profit or loss	22	(119.61)	(90.29)
Net (profit)/Loss on sale of property, plant and equipment	24	3.62	-
Contribution to Core Settlement Guarantee Fund	19	3.17	199.45
<b>Change In operating assets and liabilities</b>			
(Increase)/Decrease in trade receivables	8	(171.48)	(162.74)
Increase/(Decrease) in trade payables	12	99.88	78.42
(Increase)/Decrease in other financial assets	5	15.32	7.39
(Increase)/Decrease in other assets	6	140.03	(82.62)
Increase/(Decrease) in other financial liabilities	13	55.05	(44.14)
Increase/(Decrease) in contract liabilities	14	15.43	12.39
Increase/(Decrease) in provisions	15	(5.94)	(19.09)
(Refund)/Proceeds of deposits from trading members/applicants	20	150.64	(2.74)
Increase/(Decrease) in other liabilities	19	3,850.51	(1,432.95)
<b>CASH GENERATED FROM OPERATIONS</b>		<b>11,812.52</b>	<b>6,828.26</b>
Income taxes paid	17, 18	(2,614.01)	(2,027.97)
<b>NET CASH INFLOWS FROM OPERATING ACTIVITIES - TOTAL (A)</b>		<b>9,198.51</b>	<b>4,800.29</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment & intangibles	2, 3	(330.81)	(299.10)
Proceeds from rent income		1.48	1.35
Proceeds from sale of property, plant and equipment		0.77	0.05
Payment for investment in subsidiaries		(1,601.00)	(60.00)
Proceeds from sale of investments		45,357.87	31,777.80
Payment for purchase of investments		(49,436.39)	(32,382.24)
Proceeds from fixed deposits and certificate of deposits with banks		11,907.32	5,331.13
Proceeds from fixed deposits with financial institutions		-	120.88
Payment for investment in fixed deposits and certificate of deposits with banks		(11,647.76)	(7,747.13)
Interest received	5, 22	479.44	264.11
Dividend received	22	247.21	838.47
<b>NET CASH (OUTFLOWS) FROM INVESTING ACTIVITIES - TOTAL (B)</b>		<b>(5,021.87)</b>	<b>(2,154.68)</b>

## STATEMENT OF STANDALONE CASH FLOWS

for the year ended March 31, 2024

Particulars	Notes	(₹ in Crores)	
		For the year ended 31.03.2024	For the year ended 31.03.2023
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid	11(b), 13	(3,959.00)	(2,078.35)
Payment of lease liability	35(iv)	(21.33)	(8.21)
Interest on lease liabilities	35(iv)	(10.26)	(7.85)
<b>NET CASH OUTFLOWS FROM FINANCING ACTIVITIES - TOTAL (C)</b>		<b>(3,990.59)</b>	<b>(2,094.41)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>		<b>186.05</b>	<b>551.20</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	9	653.77	102.57
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	9	839.82	653.77
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>186.05</b>	<b>551.20</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>			
Cash and cash equivalents comprise of the following			
<b>Balances with banks</b>			
In current accounts	9	20.32	120.23
Certificate of Deposits	9	710.84	493.55
Earmarked Fixed Deposits	9	108.65	-
Government Securities	9	-	39.98
Cash in hand	9	0.01	0.01
<b>Balances as per statement of cash flows</b>		<b>839.82</b>	<b>653.77</b>
Non-cash investing activities			
- Acquisition of Right-of-use assets	2(b)	3.74	50.36
- Conversion of preference shares into equity shares held in the subsidiary company	4	-	390.47

The Statement of Standalone Cash Flows has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Indian Accounting Standards) Rules, 2015.

The above Statement of Standalone Cash Flows should be read in conjunction with the accompanying notes.

For **Price Waterhouse & Co. Chartered Accountants LLP** For and on behalf of the Board of Directors  
Chartered Accountants  
Firm's Registration no: 304026E/E-300009

**Amit Borkar**  
Partner  
Membership No.: 109846

Place: Pune  
Date: May 3, 2024

**S Ravindran**  
Director  
[DIN: 09778966]

**Tablesh Pandey**  
Director  
[DIN: 10119561]

**Yatrik Vin**  
Group CFO & Head Corporate Affairs

Place: Mumbai  
Date: May 3, 2024

**S Sudarshan**  
Director  
[DIN: 08636735]

**Ashishkumar Chauhan**  
Managing Director & CEO  
[DIN: 00898469]

**Rohit Gupta**  
Company Secretary



# NOTES TO STANDALONE FINANCIAL STATEMENTS

as at March 31, 2024

## Background and Material Accounting Policies

### Background

The National Stock Exchange of India Limited ("NSE" or "the Company") established in 1992 is the first demutualised electronic exchange in India. NSE was the first exchange in the country to provide a modern, fully automated screen-based electronic trading system which offered easy trading facility to the investors spread across the country. NSE offers trading in equity, equity derivatives, debt, currency derivatives and commodity derivatives segments.

### Note 1:

#### (i) Material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements ("the Financial Statements"). These policies have been consistently applied to all the years presented, unless otherwise stated.

##### (a) Basis of preparation

#### (i) Compliance with Ind AS

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Company has determined current and non-current classification of its assets and liabilities in the financial statements as per Ind AS 1 – 'Presentation of financial statements'. Based on its assessment, the Company has ascertained its normal operating cycle as 12 months for the purpose of current and non-current classification of its assets and liabilities.

These standalone financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below.

#### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value, and
- defined benefit plans - plan assets are measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. The Company follows the fair value hierarchy for financial reporting purposes.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

#### (iii) Adoption of new Accounting Standards and amendments

The Ministry of Corporate Affairs vide notification dated March 31, 2023, notified Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards, and are effective from April 1, 2023.

- Disclosure of accounting policies – amendments to Ind AS 1
- Definition of accounting estimates – amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as consequence of amendments to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

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## (b) Critical accounting estimates and judgements

The preparation of the financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgments are:

Estimation of fair value of unlisted securities Note 28

Estimation of contingent liabilities refer Note 31

Estimation of impairment of investments in associates and subsidiaries Note 4

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

## (c) Revenue recognition

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. The Company recognises revenue in the period in which it satisfies its performance obligation by transferring promised services to the customer. The sources of revenue and Company's accounting policy are as follows:

### (I) Revenue

- Transaction charges – revenue in respect of trading transactions on exchange is recognised in accordance with the Company's fee scales at a point in time as an when the transaction is completed.
- Listing fees - Revenue for listings fees is recognised when the listing event has taken place and processing fees in relation to listing

is recognised on a straight-line basis over the expected period to which they relate.

(iii) Book building fees – revenue is recognised at a point in time on completion of the book building process.

(iv) Data Centre & Connectivity Charges - revenue is recognised over the period of the contract with the customer. The revenue is calculated based on the specified charges for data centre racks and is recognised in the period in which the performance obligation is satisfied.

### (II) Other

- Other services – all other revenue is recognised in the period in which the performance obligation is satisfied over a period of time or point in time.
- Revenue is being recognised as and when there is reasonable certainty of ultimate realisation.

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised services to the customer after deducting allowances and incentives such as discounts, volume rebates etc. Revenue excludes any taxes and duties collected on behalf of the government.

In respect of members who have been declared as defaulters by the Company, all amounts remaining to be recovered from such defaulters, net of available security and insurance cover available if any, till the date of being declared as defaulters are written off as bad debts. All subsequent recoveries are accounted when received.

In respect of Listed companies and other trade receivables where no such deposit is available with the exchange, as per the current practice, the amounts which are outstanding for more than 2 years are subject to 100% impairment. For amounts lying uncollected beyond a period of 3 years are written off. All subsequent recoveries are accounted when received.

### (d) Leases

The Company's lease asset classes primarily consist of leases for land, buildings and equipments. The Company assesses whether



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a contract contains a lease, at inception of the contract. Ind AS 116 defines a lease as a contract, or a part of a contract, that conveys the right of use an asset (the underlying asset) for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease payments are discounted using the interest rate implicit in the lease. If the rate can not be readily determined, which is generally the case for leased in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received.
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing.
- Make adjustments specific to the lease.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, the Company use that rate as a starting point to determine the incremental borrowing rate.

The lease liability is initially measured at amortised cost at the present value of the future lease

payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

See note 1(ii)(d) for the other accounting policies relevant to leases.

### (e) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business and reflects Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

### (f) Investments & Financial assets

• **Classification of financial assets at amortised cost:** The Company classifies its financial assets at amortised cost only if both of the following criteria are met:

- Asset is held with a business model whose objective is to collect the contractual cash flows
- The contractual terms give rise to cash flows that are solely payments of principal and interest

Financial assets classified at amortised cost comprise of trade receivables, bonds, debentures and government securities.

• **Classification of financial assets at fair value through other comprehensive income (FVOCI):** Financial assets at FVOCI comprise:

- Equity securities (listed or unlisted) which are not held for trading, and for which the Company has irrevocably elected at initial recognition to recognise changes in fair value through OCI rather than profit or loss. These are strategic investments and the Company considers this classification to be more relevant.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

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- Debt securities where the contractual cash flows are solely principal and interest and the objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets.

• Classification of financial assets at fair value through profit or loss (FVPL): The Company classifies the following financial assets at FVPL:

- Debt investments (Mutual funds) that do not qualify for measurement at either amortised cost of FVOCI.
- Equity instruments for which the entity has not elected to recognise fair value gains and losses through OCI.

See note 1(ii)(g) for the other accounting policies relevant to investments and financial assets.

### (g) Property, plant and equipment (including Capital Work In Progress)

Freehold land is carried at historical cost of acquisition. All other items of property, plant and equipment are stated at historical cost less depreciation.

#### Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Building	60 years
Furniture and fixture	5 to 10 years
Office equipment	4 to 5 years
Electrical equipment & installations	10 years
Computer systems office – automation and others	3 to 4 years
Telecommunication systems	4 years
Trading systems	4 years

The useful lives for computer systems office automation, computer systems – others, telecommunication systems, trading systems and clearing & settlement systems have been determined based on technical evaluation done by the management's expert which are lower than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted on a prospective basis if appropriate, at the end of each reporting period.

See note 1(ii)(j) for the other accounting policies relevant to Property, plant and equipment (including Capital Work in Progress).

### (h) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is accounted as investment property. Investment property is measured initially at its cost, including related transaction costs.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years. The useful life has been determined based on technical evaluation performed by the management expert.

### (i) Intangible assets

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- There is an ability to use or sell the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Research expenditure and development expenditure that do not meet the criteria above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.



## NOTES TO STANDALONE FINANCIAL STATEMENTS

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Computer software is amortised over a period of 4 years.

### (j) Core Settlement Guarantee Fund

The Company contributes to Settlement Guarantee Fund/Core Settlement Guarantee Fund in accordance with Securities Exchange Board of India ('SEBI') (Stock Exchanges and Clearing Corporations) Regulation 2018. The Company contributes amounts pertaining to Minimum Required Contribution to the Core Settlement Guarantee Fund maintained by NSE Clearing Limited (subsidiary of the Company), which is determined as per SEBI guidelines. The contribution to Settlement Guarantee Fund/Core Settlement Guarantee Fund is recorded as an expense and such amounts are separately disclosed as other current liability in balance sheet.

Post interoperability, the exchange is required to proportionately contribute to Core SGF of the clearing corporations, namely NSE Clearing Limited, Indian Clearing Corporation Limited and Metropolitan Clearing Corporation of India Limited which clears and settles the trades of the exchange. Such contributions are also recorded as an expense and separately disclosed under current liability in the balance sheet.

### (ii) Other Accounting Policies

#### (a) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

#### (b) Foreign currency translation and transactions

##### (i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange

rates are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

### (c) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It recognises provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

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Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Uncertain tax positions are reflected in the overall measurement of the Company's tax expense and are based on the most likely amount or expected value that is to be disallowed by the taxing authorities whichever better predict the resolution of uncertainty. Uncertain tax balances are monitored and updated as and when new information becomes available, typically upon examination or action by the taxing authorities or through statute expiration.

The Company considers when a particular amount payable for interest and penalties on income taxes is determined to be within the scope of Ind AS 37, it is presented as part of financing cost or other expenses, respectively unless when there is an overall settlement with tax authority and the interest and penalties cannot be identified separately in which case it is determined to be part of income taxes and accounted under Ind AS 12.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### (d) Leases

#### As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at that date at which the lease asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-

lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments.

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable by the Company under residual value guarantees.
- The exercise price of a purchase option if the Company is reasonable certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

#### As a lessor

Lease for which the Company is a lessor is classified as finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognised on straight line basis over the term of the relevant lease.

Entity's specific details about the Company's leasing policy are provided in note 1(i)(d)

### (e) Impairment of assets

Intangible assets that have an indefinite useful life and intangibles under development are not



## NOTES TO STANDALONE FINANCIAL STATEMENTS

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subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### (f) Cash and cash equivalents

Cash and Cash equivalents includes cash on hand, deposits held at call with financial institutions, government securities and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These do not include bank balances earmarked/restricted for specific purposes.

### (g) Investments & other financial assets

#### (i) Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies

debt investments when and only when its business model for managing those assets changes.

#### (ii) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the Company commits to purchase or sale the financial asset.

#### (iii) Measurement

At initial recognition, the Company measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit or loss when the asset is de-recognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is de-recognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement

## NOTES TO STANDALONE FINANCIAL STATEMENTS

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of profit or loss and recognised under other income. Interest income from these financial assets is included in other income using the effective interest rate method.

#### • Fair value through profit or loss (FVPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on financial assets that is subsequently measured at fair value through profit & loss is recognised in profit or loss and presented in the statement of profit and loss under other income in the period in which it arises. Interest or dividend income, if any from these financial assets is separately included in other income.

#### Equity investments (other than Investments in subsidiaries and associates)

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income in the statement of profit and loss.

#### Equity Investments (in subsidiaries and associates)

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The accounting policy on impairment of non-financial assets is disclosed in Note 1(ii)(e) above. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

#### (iv) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### (v) De-recognition of financial assets

A financial asset is de-recognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Purchase and sale of investment are accounted at trade date.

#### (vi) Income recognition

##### Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method and is





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recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

### Dividends

Dividends are recognised as other income in the statement profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be reliably measured. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

Entity's specific details about the Company's investments and other financial assets are provided in note 1(i)(f).

### (h) Financial liabilities

#### (i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### (ii) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

#### (iii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities at FVTPL are stated at fair value, with any gains of losses arising on re-measurement recognised in the statement of profit and loss, except for the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability which is recognised in other comprehensive income.

#### (iv) De-recognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

#### (i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

#### (j) Property, plant and equipment (including Capital Work In Progress)

The Company's accounting policy for land is explained in note 1(i)(g) above. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Depreciation on assets purchased/disposed off during the year is provided on pro rata basis with reference to the date of additions/deductions.

Fixed assets whose aggregate cost is ₹5,000 or less are depreciated fully in the year of acquisition.

#### (k) Investment properties

Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the

## NOTES TO STANDALONE FINANCIAL STATEMENTS

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expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

#### (l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### (m) Provisions

Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Where there are number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to only one item included in the same class of obligations may be small.

At the end of each reporting period, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at a future date. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### (n) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not disclosed in case the

possibility of an outflow of resources embodying economic benefits is remote.

### (o) Employee benefits

#### (i) Short-term obligations

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in the statement of profit and loss in the period in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### (ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet since the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### (iii) Post-employment obligations

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity;
- Defined contribution plans such as superannuation and provident fund.

#### Gratuity obligations

The Company has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognised in the balance sheet in respect



## NOTES TO STANDALONE FINANCIAL STATEMENTS

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of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to yields on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### (iv) Defined contribution plans

The Company pays provident fund contributions to publicly administered Provident Funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

#### Superannuation

Superannuation benefits for employees designated as chief managers and above are covered by Company policies with the Life Insurance Corporation of India. Company's contribution payable for the year is charged to profit and loss. There are no other obligations other than the annual contribution payable.

#### (v) Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

SEBI has laid down certain norms in terms of the compensation policy for the key management personnel which are as under:

- A. The variable pay component will not exceed one third of the total pay.
- B. 50% of the variable pay will be paid on a deferred basis after three years.

#### (p) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### (q) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### (r) Earnings per share

##### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

##### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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### Note 2(a): Property, plant and equipment

Particulars	₹ in Crores)												
	Freehold land	Owned building*	Office equipments	Electrical equipment & installations	Furniture & fixtures	Trading systems	Computer systems - office automation	Computer systems - others	Tele-communication systems	Motor Vehicles	Total	Capital work in progress	
<b>Year ended March 31, 2023</b>													
Gross carrying amount	32.20	183.39	124.04	134.50	72.78	136.12	39.06	662.79	462.06	-	1,846.94	69.55	
Opening as at 01.04.2022	-	-	8.30	9.90	2.95	35.79	7.55	117.27	29.73	0.73	212.22	188.61	
Additions	-	-	(0.01)	-	-	-	(0.02)	-	(0.71)	-	(0.74)	-	
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers	-	-	-	-	-	-	-	-	-	-	-	(212.22)	
<b>Closing gross carrying amount</b>	<b>32.20</b>	<b>183.39</b>	<b>132.33</b>	<b>144.40</b>	<b>75.73</b>	<b>171.91</b>	<b>46.59</b>	<b>780.06</b>	<b>491.08</b>	<b>0.73</b>	<b>2,058.42</b>	<b>45.94</b>	
Accumulated depreciation													
Opening as at 01.04.2022	-	51.98	101.23	93.30	53.97	100.40	29.86	352.33	245.60	-	1,028.67	-	
Depreciation/Accelerated depreciation charge during the year	-	3.07	11.70	8.29	5.71	16.52	5.59	137.26	76.79	0.05	264.98	-	
Disposals	-	-	(0.01)	-	-	-	(0.02)	-	(0.71)	-	(0.74)	-	
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>55.05</b>	<b>112.92</b>	<b>101.59</b>	<b>59.68</b>	<b>116.92</b>	<b>35.43</b>	<b>489.59</b>	<b>321.68</b>	<b>0.05</b>	<b>1,292.91</b>	<b>-</b>	
<b>Net carrying amount as at 31.03.2023</b>	<b>32.20</b>	<b>128.34</b>	<b>19.41</b>	<b>42.81</b>	<b>16.05</b>	<b>54.99</b>	<b>11.16</b>	<b>290.47</b>	<b>169.40</b>	<b>0.68</b>	<b>765.51</b>	<b>45.94</b>	
<b>Year ended March 31, 2024</b>													
Gross carrying amount	32.20	183.39	132.33	144.40	75.73	171.91	46.59	780.06	491.08	0.73	2,058.42	45.94	
Opening as at 01.04.2023	-	4.06	11.87	13.35	7.10	22.36	10.91	145.11	168.45	-	383.21	356.01	
Additions	(0.23)	-	(0.04)	(6.68)	(0.07)	(45.75)	(0.67)	(20.34)	(14.20)	-	(87.98)	-	
Disposals	-	-	-	-	-	-	-	-	-	-	-	(383.21)	
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Closing gross carrying amount</b>	<b>31.97</b>	<b>187.45</b>	<b>144.16</b>	<b>151.07</b>	<b>82.76</b>	<b>148.52</b>	<b>56.83</b>	<b>904.83</b>	<b>645.33</b>	<b>0.73</b>	<b>2,353.65</b>	<b>18.74</b>	
Accumulated depreciation													
Opening as at 01.04.2023	-	55.05	112.92	101.59	59.68	116.92	35.43	489.59	321.68	0.05	1,292.91	-	
Depreciation	-	3.09	10.81	9.15	5.70	21.38	7.43	144.98	99.07	0.18	301.79	-	
Disposals	-	-	(0.00)	(2.55)	(0.07)	(45.75)	(0.58)	(20.34)	(14.20)	-	(83.49)	-	
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>58.14</b>	<b>123.73</b>	<b>108.19</b>	<b>65.31</b>	<b>92.55</b>	<b>42.28</b>	<b>614.23</b>	<b>406.55</b>	<b>0.23</b>	<b>1,511.21</b>	<b>-</b>	
<b>Net carrying amount as at 31.03.2024</b>	<b>31.97</b>	<b>129.31</b>	<b>20.43</b>	<b>42.88</b>	<b>17.45</b>	<b>55.97</b>	<b>14.55</b>	<b>290.60</b>	<b>238.78</b>	<b>0.50</b>	<b>842.44</b>	<b>18.74</b>	

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as at March 31, 2024

\* Includes investment property for which cost and fair value details are as follows:

Particulars	(₹ in Crores)	
	March 31, 2024	March 31, 2023
Net Carrying amount of Investment property	5.29	5.45
Fair Value of investment property [Refer note 2(a)(2)]	55.34	63.51
Depreciation	0.15	0.15
Rental Income	1.48	1.35
Direct operating expenses	0.61	-

Note 2(a)(1): Capital and other Contractual commitment Refer note 30

Note 2(a)(2): **Estimation of fair value**

The fair value of the Company's Investment properties as at March 31, 2024 and as at March 31, 2023, have been arrived at on the basis of valuation carried out at the respective dates by an external, independent valuer registered with the authority which governs the valuer in India. The fair value measurement for all the investments properties has been categorised as Level 2 based on the inputs to the valuation technique used. Considering the type of the assets, market approach (sales comparable method) to estimate the fair value of the subject properties is adopted. [Refer note 41(x)].

Note 2(a)(3): Ageing of CWIP

Description	(₹ in Crores)									
	Amount of Capital Work In Progress as on March 31, 2024					Amount of Capital Work In Progress as on March 31, 2023				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Projects in progress	18.74	-	-	-	18.74	45.56	0.38	-	-	45.94
(ii) Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

Note 2(a)(4): For capital-work-in progress (CWIP), whose completion is overdue or exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of March 31, 2024 and as of March 31, 2023.

Description	(₹ in Crores)									
	To be completed in (Ageing as on March 31, 2024)					To be completed in (Ageing as on March 31, 2023)				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Projects in progress</b>										
(i) Development of meters of windmill	-	-	-	-	-	-	-	-	-	-

**NOTES TO STANDALONE FINANCIAL STATEMENTS**

as at March 31, 2024

**Note 2(b): Right-of-Use Asset**

Particulars	(₹ in Crores)			
	Leasehold Land	Building	Plant & Equipments	Total
<b>Year ended March 31, 2023</b>				
Gross carrying amount				
Opening as at 01.04.2022	107.61	79.97	-	187.58
Additions	-	45.81	4.55	50.36
Disposals	-	-	-	-
<b>Closing gross carrying amount</b>	<b>107.61</b>	<b>125.78</b>	<b>4.55</b>	<b>237.94</b>
Accumulated depreciation				
Opening as at 01.04.2022	34.20	15.38	-	49.58
Depreciation charge during the year	1.30	10.52	0.57	12.39
Disposals	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>35.50</b>	<b>25.90</b>	<b>0.57</b>	<b>61.97</b>
<b>Net carrying amount as at 31.03.2023</b>	<b>72.11</b>	<b>99.88</b>	<b>3.98</b>	<b>175.97</b>
<b>Year ended March 31, 2024</b>				
Gross carrying amount				
Opening as at 01.04.2023	107.61	125.78	4.55	237.94
Additions	-	3.74	-	3.74
Disposals	-	-	-	-
<b>Closing gross carrying amount</b>	<b>107.61</b>	<b>129.52</b>	<b>4.55</b>	<b>241.68</b>
Accumulated depreciation				
Opening as at 01.04.2023	35.50	25.90	0.57	61.97
Depreciation charge during the year	1.30	24.31	0.45	26.06
Disposals	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>36.80</b>	<b>50.21</b>	<b>1.02</b>	<b>88.03</b>
<b>Net carrying amount as at 31.03.2024</b>	<b>70.81</b>	<b>79.31</b>	<b>3.53</b>	<b>153.65</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS

as at March 31, 2024

### Note 3: Intangible assets

Particulars	(₹ in Crores)	
	Computer software	Computer software under development
Gross carrying amount		
Opening as at 01.04.2022	327.67	52.50
Additions	8.18	39.19
Deductions/written off	-	-
Impairment of intangible assets & assets under development (Refer note 3.5 & 24)	(15.91)	(49.51)
Transfers	-	(8.18)
<b>Closing gross carrying amount</b>	<b>319.94</b>	<b>34.00</b>
<b>Accumulated amortisation</b>		
Opening as at 01.04.2022	279.20	-
Amortisation for the year	24.86	-
Deductions	-	-
Impairment of intangible assets & assets under development (Refer note 3.5 & 24)	(4.61)	-
<b>Closing accumulated amortisation</b>	<b>299.45</b>	<b>-</b>
<b>Net carrying amount as at 31.03.2023</b>	<b>20.49</b>	<b>34.00</b>
Gross carrying amount		
Opening as at 01.04.2023	319.94	34.00
Additions	9.51	24.22
Deductions/written off	-	-
Transfers	-	(9.51)
<b>Closing gross carrying amount</b>	<b>329.45</b>	<b>48.71</b>
<b>Accumulated amortisation</b>		
Opening as at 01.04.2023	299.45	-
Amortisation for the year	11.14	-
Deductions	-	-
<b>Closing accumulated amortisation</b>	<b>310.59</b>	<b>-</b>
<b>Net carrying amount as at 31.03.2024</b>	<b>18.86</b>	<b>48.71</b>

Note: 3.1 Capital and other Contractual commitment Refer note 30

Note: 3.2 Significant estimate: Useful life of intangible assets. As at March 31, 2024, the net carrying amount of computer software was ₹18.86 Crores (March 31, 2023: ₹20.49 Crores). The Company estimates the useful life of the softwares to be 4 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than 4 years, depending on technical innovations and competitor actions.

Note: 3.3 Ageing of Intangibles under development

Description	(₹ in Crores)				
	Amount of Intangibles under development as on March 31, 2024				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Projects in progress	21.89	6.28	19.16	1.38	48.71
(ii) Projects temporarily suspended	-	-	-	-	-

(₹ in Crores)

## NOTES TO STANDALONE FINANCIAL STATEMENTS

as at March 31, 2024

Description	Amount of Intangibles under development as on March 31, 2024				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Projects in progress	6.27	25.88	1.20	0.65	34.00
(ii) Projects temporarily suspended	-	-	-	-	-

Note: 3.4 For computer softwares under development, whose completion is overdue or exceeded its cost compared to its original plan, the project wise details of when the project is expected to be completed is given below as of March 31, 2024 and March 31, 2023.

Description	(₹ in Crores)				
	Amount of Intangibles under development as on March 31, 2024				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Projects in progress</b>					
i) Block-chain Development	-	-	0.86	-	0.86

Description	(₹ in Crores)				
	Amount of Intangibles under development as on March 31, 2024				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Projects in progress</b>					
ii) Block-chain Development	-	0.86	-	-	0.86

Note: 3.5 During the previous year, the Company had carried out the impairment assessment of intangible assets including intangible assets under development. Basis the assessment, the Company had impaired/written off certain intangible assets including intangible assets under development during the previous year as these assets are not expected to be used.

### Note 4: Non Current Investments

Particulars	31.03.2024		31.03.2023	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
<b>I Investment in subsidiaries and associates</b>				
<b>A) Unquoted equity instruments at cost</b>				
<b>(i) In subsidiary companies</b>				
NSE Clearing Limited (Refer note 4.1)	1,44,50,00,000	1,405.64	4,50,00,000	5.64
NSE Investments Limited	82,59,93,406	826.11	82,59,93,406	826.11
NSE IFSC Limited (Refer note 4.2 & 4.3)	50,00,00,000	500.00	30,00,00,000	300.00
NSE Administration & Supervision Limited (Refer note 4.4)	10,00,000	1.00	-	-
NSE Foundation (Section 8 Company) (Refer note 4.5)	38,000	-	38,000	-
<b>(ii) In associate companies</b>				
National Securities Depository Limited	4,80,00,000	58.92	4,80,00,000	58.92
BFSI Sector Skill Council Of India (Section 8 Company)	1,00,00,000	1.00	1,00,00,000	1.00
India International Bullion Holding IFSC Ltd	30,00,00,000	30.00	30,00,00,000	30.00
<b>Total Investment in subsidiaries and associates</b>		<b>2,822.67</b>		<b>1,221.67</b>
<b>II Investment (other than in subsidiaries and associates)</b>				
<b>A) Quoted equity instruments at FVOCI</b>				
Multi Commodity Exchange of India Limited	5,000	1.67	5,000	0.76
<b>Total quoted equity instruments at FVOCI</b>		<b>1.67</b>		<b>0.76</b>
<b>B) Unquoted equity instruments at FVOCI</b>				



## NOTES TO STANDALONE FINANCIAL STATEMENTS

as at March 31, 2024

Particulars	31.03.2024		31.03.2023	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
National Commodity & Derivative Exchange Limited [Refer note 28(ii)]	76,01,377	104.74	76,01,377	112.78
<b>Total unquoted equity instruments</b>		<b>104.74</b>		<b>112.78</b>
<b>III Investment in bonds</b>				
<b>Quoted bonds at amortised cost</b>				
(i) Tax free bonds (Refer note 4.6)		539.27		543.74
(ii) Taxable bonds (Refer note 4.6)		2,587.10		753.48
<b>Total bonds</b>		<b>3,126.37</b>		<b>1,297.22</b>
<b>IV Investment in government securities</b>				
Quoted investment in government securities at FVOCI (Refer note 4.6)		2,387.75		2,724.56
Quoted investment in government securities at Amortised cost (Refer note 4.6)		1,335.26		-
		<b>3,723.01</b>		<b>2,724.56</b>
<b>Total Investment (other than in subsidiaries and associates)</b>		<b>6,955.79</b>		<b>4,135.32</b>
<b>Total non-current investments</b>		<b>9,778.46</b>		<b>5,356.99</b>
Aggregate amount of quoted investments		6,851.05		4,022.54
Aggregate market value of quoted investments		6,871.06		4,031.96
Aggregate amount of unquoted investments		2,927.41		1,334.45

4.1 During the current year, the Company has subscribed to the rights issue of NSE Clearing Limited amounting to ₹1,400 Crores.

4.2 During the current year, the Company has subscribed to the rights issue of NSE IFSC Limited amounting to ₹200 Crores.

4.3 The Company has performed an impairment assessment in respect of its investment in NSE IFSC Limited under Ind AS 36, Impairment of Assets. Basis the assessment, the recoverable value of its investment exceeds the carrying value and accordingly the Company has concluded that no impairment is to be recognised as at March 31, 2024 and as at March 31, 2023.

4.4 During the current year, NSE Administration & Supervision Limited has been incorporated under the Companies Act, 2013.

4.5 In an earlier year, the Company has written down the value of its investment in equity shares of NSE Foundation amounting to ₹0.04 Crores, since, it has been set up to carry out CSR activities for the Company and will not have profits which can be distributed to the Company.

4.6 These investments includes ₹6,661.98 Crores as of March 31, 2024 (March 31, 2023: ₹ Nil) towards Risk reserve.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

as at March 31, 2024

### 5 Other financial assets

	Non-current		Current	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
<b>(a) Non-current bank balances</b>				
Fixed deposits with original maturity and remaining maturity for more than 12 months (original and remaining) (Refer note 5.2)	815.56	-	-	313.32
Earmarked fixed deposits with maturity for more than 12 months (Refer note 5.1)	117.02	-	-	49.11
<b>Total (a)</b>	<b>932.58</b>	<b>-</b>	<b>-</b>	<b>362.43</b>
<b>(b) Others</b>				
Security deposit for utilities and premises	12.84	-	-	7.41
Receivable from related parties (Refer note 29b)	-	-	18.61	-
Interest accrued on Bank deposits	49.87	-	51.44	11.80
Gratuity fund	-	-	-	2.11
Other receivables	-	-	19.43	-
<b>Total (b)</b>	<b>62.71</b>	<b>-</b>	<b>89.48</b>	<b>56.92</b>

5.1 Earmarked deposits are restricted and includes deposits towards listing entities, defaulter members, investor services fund and other restricted deposits.

5.2 This amount of ₹815.56 Crores as at March 31, 2024 (March 31, 2023: Nil) pertains to Risk reserve.

### 6 Other assets

	Non-current		Current	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Capital advances	0.09	-	-	11.14
Deposit with SEBI - Colocation [Refer note 31(i)(a)]	676.47	-	-	707.47
Other Advances recoverable	-	-	14.57	-
Balances with statutory authorities	-	-	388.92	-
Prepaid expenses	7.86	-	140.98	21.21
Securities Transaction Tax paid (Refer note 6.1)	10.60	-	-	10.60
	<b>695.02</b>	<b>-</b>	<b>544.47</b>	<b>750.42</b>
				<b>640.14</b>

6.1 Securities Transaction Tax ("STT") paid represents amounts recovered by tax authorities towards STT, interest and penalty thereon recoverable from few members and ad-hoc STT, interest and penalty thereon which is disputed by the Company. The Company has recovered an amount of ₹5.41 Crores against the STT paid to tax authorities from the respective members and which is held as deposit and disclosed under other non current liabilities. (Refer note no. 19).



## NOTES TO STANDALONE FINANCIAL STATEMENTS

as at March 31, 2024

### Note 7: Current Investments

Particulars	31.03.2024		31.03.2023	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
<b>A) Investment in bonds</b>				
<b>Quoted bonds at amortised cost</b>				
(i) Taxable bonds (Refer note 7.3)		66.11		265.93
(ii) Tax free bonds		-		29.58
		<b>66.11</b>		<b>295.51</b>
<b>B) Investment in debentures</b>				
<b>(i) Quoted debentures at amortised cost</b>		61.23		66.37
Less: Impairment losses on financial assets (Refer note 7.2)		(61.23)		(66.37)
<b>Total quoted debentures</b>		-		-
<b>C) Investment in Government Securities</b>				
Quoted investment in government securities at FVOCI (Refer note 7.3)		365.41		86.22
		<b>365.41</b>		<b>86.22</b>
<b>D) Investment in Commercial Paper</b>				
Quoted investment in commercial paper at amortised cost		-		99.09
		-		<b>99.09</b>
<b>E) Investment in Certificate of Deposits</b>				
Quoted investment in certificate of deposits at amortised cost		-		321.36
		-		<b>321.36</b>
<b>F) Investment in mutual funds</b>				
(i) Quoted investments in mutual funds at FVPL (Refer note 7.3)		744.51		693.01
(ii) Unquoted investments in mutual funds at FVPL (Refer note 7.1)		6,463.17		4,559.20
<b>Total Investment in Mutual Funds</b>		<b>7,207.68</b>		<b>5,252.21</b>
<b>Total current investments</b>		<b>7,639.20</b>		<b>6,054.39</b>
Aggregate amount of quoted investments		1,176.03		1,495.19
Aggregate market value of quoted investments		1,175.92		1,494.61
Aggregate amount of unquoted investments		6,463.17		4,559.20
Aggregate amount of impairment in the value of investments		61.23		66.37

7.1 The investments in mutual funds includes ₹20.74 Crores (March 31, 2023: ₹18.09 Crores) invested from contribution received from issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund" as per SEBI circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020.

7.2 The Company's investment in Non convertible debenture of IL&FS Group amounting to ₹80.13 Crores have been classified as credit impaired in the financial year 2018-19 on account of significant financial difficulty of the issuer, disappearance of an active market for their securities and credit rating downgrade from "AAA" to "D". Accordingly, the Company recognised impairment loss of ₹80.13 Crores on such financial assets in the financial year 2018-19. During the current year, the Company has received an amount of ₹5.14 Crores (March 31, 2023: ₹13.77 Crores) which is disclosed under other expenses "reversal of impairment losses on financial assets".

7.3 These investments includes ₹431.42 Crores as of March 31, 2024 [March 31, 2023: ₹ Nil] towards Risk reserve.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

as at March 31, 2024

### 8 Trade Receivables

	(₹ in Crores)	
	Current 31.03.2024	Current 31.03.2023
Trade Receivables - Unbilled (Refer note 8.2)	1,610.20	1,452.15
Trade Receivables - Billed	56.02	44.79
Less: Credit impaired	(1.57)	(8.46)
	<b>1,664.65</b>	<b>1,488.48</b>
Break up of security details		
Trade Receivables considered good - Secured (Refer note 8.1)	1,643.82	1,460.53
Trade Receivables considered good - Unsecured	20.83	27.95
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	1.57	8.46
<b>Total</b>	<b>1,666.22</b>	<b>1,496.94</b>
Credit impaired	(1.57)	(8.46)
<b>Total Trade Receivables</b>	<b>1,664.65</b>	<b>1,488.48</b>

8.1 Trade Receivables are secured against deposits received from members (Refer note: 20 & 37)

8.2 The receivable is 'Unbilled' because the Company has not yet issued an invoice; however, the balance has been included under trade receivables (as opposed to contract assets) because there is an unconditional right to consideration.

8.3 Trade receivables have a short credit period (less than 12 months) and does not have any significant financing component.

#### Ageing of Trade Receivables as on March 31, 2024

Description	(₹ in Crores)						Total
	Unbilled	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Undisputed Trade Receivables</b>							
Trade Receivables considered good - Secured	1,610.20	31.42	1.03	1.17	-	-	1,643.82
Trade Receivables considered good - Unsecured	-	10.87	6.88	3.08	-	-	20.83
Trade Receivables - credit impaired	-	-	-	-	1.57	-	1.57
<b>Total</b>	<b>1,610.20</b>	<b>42.29</b>	<b>7.91</b>	<b>4.25</b>	<b>1.57</b>	-	<b>1,666.22</b>
Less: Credit impaired	-	-	-	-	(1.57)	-	(1.57)
<b>Total</b>	<b>1,610.20</b>	<b>42.29</b>	<b>7.91</b>	<b>4.25</b>	-	-	<b>1,664.65</b>

#### Ageing of Trade Receivables as on March 31, 2023

Description	(₹ in Crores)						Total
	Unbilled	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Undisputed Trade Receivables</b>							
Trade Receivables considered good - Secured	1,452.15	7.36	0.65	0.37	-	-	1,460.53
Trade Receivables considered good - Unsecured	-	13.84	8.33	5.78	-	-	27.95
Trade Receivables - credit impaired	-	-	-	2.19	3.24	3.03	8.46
<b>Total</b>	<b>1,452.15</b>	<b>21.20</b>	<b>8.98</b>	<b>8.34</b>	<b>3.24</b>	<b>3.03</b>	<b>1,496.94</b>
Less: Credit impaired	-	-	-	(2.19)	(3.24)	(3.03)	(8.46)
<b>Total</b>	<b>1,452.15</b>	<b>21.20</b>	<b>8.98</b>	<b>6.15</b>	-	-	<b>1,488.48</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS**

as at March 31, 2024

**9 Cash and cash equivalents**

	(₹ in Crores)	
	Current 31.03.2024	Current 31.03.2023
Balances with banks: in current accounts	20.32	120.23
Government Securities		
- with original maturity less than 3 months	-	39.98
Certificate of Deposits with banks		
- with original maturity less than 3 months	710.84	493.55
Earmarked Fixed Deposits		
- with original maturity less than 3 months (Refer note 9.1)	108.65	-
Cash on hand	0.01	0.01
	<b>839.82</b>	<b>653.77</b>

9.1 It pertains to unspent CSR amount. (Refer note 34)

**10 Bank balances other than cash and cash equivalents**

	(₹ in Crores)	
	Current 31.03.2024	Current 31.03.2023
Balances with banks: in current accounts (Refer note 10.1 & 34)	4.03	35.72
Fixed Deposits (Refer note 10.4)		
- with original maturity for more than 3 months but less than 12 months	164.54	114.03
- with maturity of less than 12 months at the balance sheet date	459.50	520.09
Certificate of Deposits with banks		
- with original maturity for more than 3 months but less than 12 months	2,241.56	2,964.76
Earmarked Fixed Deposits (Refer note 10.2)		
- with original maturity for more than 3 months but less than 12 months	106.53	57.18
- with maturity of less than 12 months at the balance sheet date (Refer note 10.3)	408.64	346.85
Unpaid dividends	1.65	0.65
	<b>3,386.45</b>	<b>4,039.28</b>

10.1 This include an amount of NIL (March 31, 2023: 31.13 Crores) towards unspent CSR and an amount of ₹4.03 Crores (March 31, 2023: ₹4.59 Crores) towards defaulter members.

10.2 Earmarked deposits are restricted and includes deposits towards listing entities, defaulter members, investor services fund and other restricted deposits.

10.3 This include an amount of ₹26 Crores (March 31, 2023: NIL) towards unspent CSR. (Refer note 34)

10.4 This amount of ₹624.04 Crores as at March 31, 2024 (March 31, 2023: Nil) pertains to Risk reserve.

**NOTES TO STANDALONE FINANCIAL STATEMENTS**

as at March 31, 2024

**11a Equity share capital**

	(₹ in Crores)	
	Current 31.03.2024	Current 31.03.2023
Authorised		
50,00,00,000 Equity Shares of ₹1 each.		
(Previous year: 50,00,00,000 equity shares of ₹1 each)	50.00	50.00
Issued, subscribed and paid-up		
49,50,00,000 equity shares of ₹1 each, fully paid up	49.50	49.50
(Previous year: 49,50,00,000 equity shares of ₹1 each, fully paid up)		
<b>Total</b>	<b>49.50</b>	<b>49.50</b>

**Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹1 per share. They entitle the holder to participate in dividends. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Every holder of equity shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

**A reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31.03.2024		As at 31.03.2023	
	(Numbers in Crores)	(₹ in Crores)	(Numbers in Crores)	(₹ in Crores)
At the beginning of the year Face value of ₹1 each	49.50	49.50	49.50	49.50
changes in equity share capital during the year	-	-	-	-
At the end of the year Face value of ₹1 each	<b>49.50</b>	<b>49.50</b>	<b>49.50</b>	<b>49.50</b>

**Details of shareholders holding more than 5% share in the Company**

Particulars	31.03.2024		31.03.2023	
	No.	% holding	No.	% holding
Life Insurance Corporation of India	5,30,55,000	10.72%	5,30,55,000	10.72%

**Note 11b Other Equity:**

Particulars	Reserves and surplus				Total reserves and surplus	Other reserves		Total other reserves	Total
	Securities premium reserve	Retained earnings*	Risk reserve	Other reserves		Equity instruments through other comprehensive income	Debt instruments through other comprehensive income		
<b>Balance at the April 1, 2022</b>	35.50	11,395.75	-	11.50	11,442.75	54.16	1.39	55.55	11,498.30
Profit for the year	-	7,232.90	-	-	7,232.90	-	-	-	7,232.90
Transfer to Risk reserve	-	(6,583.00)	6,583.00	-	-	-	-	-	-
Dividend paid (Refer Note 1 below)	-	(2,079.00)	-	-	(2,079.00)	-	-	-	(2,079.00)
<b>Items of Other Comprehensive Income</b>									
Remeasurements of post-employment benefit obligations, net of tax	-	0.83	-	-	0.83	-	-	-	0.83
Changes in fair value of FVOCI equity instruments, net of tax	-	-	-	-	-	(4.52)	-	(4.52)	(4.52)
Changes in fair value of FVOCI debt instruments, net of tax	-	-	-	-	-	-	(21.60)	(21.60)	(21.60)
<b>Balance as at March 31, 2023</b>	<b>35.50</b>	<b>9,967.48</b>	<b>6,583.00</b>	<b>11.50</b>	<b>16,597.48</b>	<b>49.64</b>	<b>(20.21)</b>	<b>29.43</b>	<b>16,626.91</b>
<b>Balance at the April 1, 2023</b>	35.50	9,967.48	6,583.00	11.50	16,597.48	49.64	(20.21)	29.43	16,626.91
Profit for the year	-	6,635.31	-	-	6,635.31	-	-	-	6,635.31
Transfer to Risk reserve	-	(1,950.00)	1,950.00	-	-	-	-	-	-
Dividend paid (Refer Note 2 below)	-	(3,960.00)	-	-	(3,960.00)	-	-	-	(3,960.00)
<b>Items of Other Comprehensive Income</b>									
Remeasurements of post-employment benefit obligations, net of tax	-	(1.35)	-	-	(1.35)	-	-	-	(1.35)
Changes in fair value of FVOCI equity instruments, net of tax	-	-	-	-	-	(4.18)	-	(4.18)	(4.18)
Changes in fair value of FVOCI debt instruments, net of tax	-	-	-	-	-	-	15.59	15.59	15.59
<b>Balance as at March 31, 2024</b>	<b>35.50</b>	<b>10,691.44</b>	<b>8,533.00</b>	<b>11.50</b>	<b>19,271.44</b>	<b>45.46</b>	<b>(4.62)</b>	<b>40.84</b>	<b>19,312.28</b>

(₹ in Crores)

	31.03.2024	31.03.2023
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\*Includes General Reserves

	3,690.00	3,690.00
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**Securities premium reserve:**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

**Other Reserves:**

The Company has in the past created Other Reserves for investor compensation activities and staff welfare activities.

**Risk reserve:**

The Board of Directors of the Company has appropriated an amount of ₹1,950 Crores for the year ended March 31, 2024, (March 31, 2023: ₹6,583 Crores) from retained earnings to a separate reserve within equity towards adequate risk capital management.

**Equity instruments through other comprehensive income:**

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**Debt Instruments through Other Comprehensive Income:**

The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in debt instruments through other comprehensive income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Standalone Statement of Profit and Loss.

Note 1: The Board of Directors, in their meeting held on May 6, 2022, proposed a dividend of ₹42/- per equity share which has been approved by the shareholders at the Annual General Meeting held on July 12, 2022. The total dividend paid during the year ended March 31, 2023 amounts to ₹2,079 Crores.

Note 2: The Board of Directors, in their meeting held on May 15, 2023, proposed a dividend of ₹80/- per equity share which has been approved by the shareholders at the Annual General Meeting held on August 23, 2023. The total dividend paid during the year ended March 31, 2024 amounts to ₹3,960 Crores.

**12 Trade payables**

(₹ in Crores)

	Current	Current
	31.03.2024	31.03.2023
Trade payables	275.99	201.21
Trade payables to MSME (Refer Note 32)	4.09	1.30
Trade payables to related parties (Refer note 29b)	114.64	92.33
<b>Total</b>	<b>394.72</b>	<b>294.84</b>

**Ageing of Trade Payables as on March 31, 2024**

(₹ in Crores)

Description	Outstanding for following periods from the due date					Total
	Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 year	
<b>Undisputed</b>						
Trade Payables - MSME	-	4.09	-	-	-	4.09
Trade Payables - Others	345.98	39.66	1.04	1.10	2.85	390.63
<b>Total</b>	<b>345.98</b>	<b>43.75</b>	<b>1.04</b>	<b>1.10</b>	<b>2.85</b>	<b>394.72</b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS**

as at March 31, 2024

**Ageing of Trade Payables as on March 31, 2023**

(₹ in Crores)

Description	Outstanding for following periods from the due date					Total
	Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 year	
Undisputed						
Trade Payables - MSME	-	1.30	-	-	-	1.30
Trade Payables - Others	257.61	26.54	5.44	1.98	1.97	293.54
<b>Total</b>	<b>257.61</b>	<b>27.84</b>	<b>5.44</b>	<b>1.98</b>	<b>1.97</b>	<b>294.84</b>

**13 Other financial liabilities**

(₹ in Crores)

	Non-current	Current	Non-current	Current
	31.03.2024	31.03.2024	31.03.2023	31.03.2023
Deposits - Premises	-	5.21	-	5.49
Creditors for capital expenditure	-	74.40	-	36.13
Defaulters fund pending claims	-	403.81	-	351.60
Unpaid Dividend	-	1.64	-	0.65
Other liabilities	17.36	44.66	16.35	42.55
<b>Total</b>	<b>17.36</b>	<b>529.72</b>	<b>16.35</b>	<b>436.42</b>

**14 Contract Liabilities**

(₹ in Crores)

	Non-current	Current	Non-current	Current
	31.03.2024	31.03.2024	31.03.2023	31.03.2023
Contract Liabilities related to Listing services (Refer note 14.1 & 21.2)	82.46	6.17	69.34	3.86
	<b>82.46</b>	<b>6.17</b>	<b>69.34</b>	<b>3.86</b>

14.1 Contract liabilities mainly consist of processing fees in relation to listing fees which is recognised on straight-line basis over estimated period of 10 years.

**15 Provisions**

(₹ in Crores)

	Non-current	Current	Non-current	Current
	31.03.2024	31.03.2024	31.03.2023	31.03.2023
<b>Employee benefits obligation</b>				
Provision for gratuity	-	0.73	-	-
Provision for variable pay and other allowances	19.91	64.28	30.82	58.67
Provision for leave encashment	-	12.03	-	11.58
	<b>19.91</b>	<b>77.04</b>	<b>30.82</b>	<b>70.25</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS**

as at March 31, 2024

**16 Income taxes****(a) Income tax expense**

(₹ in Crores)

	31.03.2024	31.03.2023
<b>Current Tax</b>		
Current tax expense	2,060.00	2,214.00
<b>Total Current Tax</b>	<b>2,060.00</b>	<b>2,214.00</b>
<b>Deferred Tax</b>		
(Increase)/Decrease in deferred tax assets	28.78	(47.40)
Increase/(Decrease) in deferred tax liabilities	96.55	52.93
<b>Total deferred tax expense (benefit)</b>	<b>125.33</b>	<b>5.53</b>
<b>Total Income tax expenses*</b>	<b>2,185.33</b>	<b>2,219.53</b>

\*This excludes deferred tax (expense)/benefit on other comprehensive income of ₹(1.84) Crores for the year ended March 31, 2024 and ₹9.50 Crores for the year ended March 31, 2023.

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

(₹ in Crores)

	31.03.2024	31.03.2023
Profit before income tax expense	8,820.64	9,452.43
Tax rate (%)	25.168%	25.168%
Tax at the Indian Tax Rate	2,219.98	2,378.99
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Dividend income	(62.22)	(211.03)
Interest on tax free bonds	(10.24)	(11.90)
Expenditure related to exempt income	1.41	1.67
Other non deductible expenditure	36.40	61.80
<b>Income Tax Expense</b>	<b>2,185.33</b>	<b>2,219.53</b>

The applicable Indian statutory tax rate for year ended March 31, 2024 is 25.168% (March 31, 2023: 25.168%).

**(c) Deferred tax liabilities (net)**

The balance comprises temporary differences attributable to:

(₹ in Crores)

	31.03.2024	31.03.2023
<b>Deferred income tax assets</b>		
Provision for leave encashment	3.03	2.92
Others	43.32	85.36
Property, plant and equipment and investment property	25.51	11.90
Financial Assets at Fair Value through OCI	0.09	2.39
<b>Total deferred tax assets</b>	<b>71.95</b>	<b>102.57</b>
<b>Deferred income tax liabilities</b>		
Financial Assets at Fair Value through profit and Loss	208.02	111.47
Others	0.02	0.02
<b>Total deferred tax liabilities</b>	<b>208.04</b>	<b>111.49</b>
<b>Net Deferred tax liabilities/(assets)</b>	<b>136.09</b>	<b>8.92</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS

as at March 31, 2024

### (d) Deferred tax assets

Movements in deferred tax assets

(₹ in Crores)				
	Provision for leave encashment	Property, plant and equipment	Others	Total
<b>At 1 April 2022</b>	3.65	1.86	47.55	53.06
Charged/(credited)				
- to profit or loss	(0.73)	10.04	38.09	47.40
- to other comprehensive income	-	-	(0.28)	(0.28)
<b>At 31 March 2023</b>	<b>2.92</b>	<b>11.90</b>	<b>85.36</b>	<b>100.18</b>
Charged/(credited)				
- to profit or loss	0.11	13.61	(42.50)	(28.78)
- to other comprehensive income	-	-	0.46	0.46
<b>At 31 March 2024</b>	<b>3.03</b>	<b>25.51</b>	<b>43.32</b>	<b>71.86</b>

Note: Deferred tax asset on indexation benefit of investment in subsidiaries of ₹132.74 Crores as at March 31, 2024 (March 31, 2023: ₹113.01 Crores) has not been recognised as the Company does not have any intention to sell and consequently such temporary difference in investments in subsidiaries is not expected to be recovered in the foreseeable future.

### (e) Movements in deferred tax liabilities

(₹ in Crores)				
	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI on Equity & Debt instruments	Others	Total
<b>At 1 April 2022</b>	58.54	7.39	0.02	65.95
Charged/(credited)				
- to profit or loss	52.93	-	-	52.93
- to other comprehensive income	-	(9.78)	-	(9.78)
<b>At 31 March 2023</b>	<b>111.47</b>	<b>(2.39)</b>	<b>0.02</b>	<b>109.10</b>
Charged/(credited)				
- to profit or loss	96.55	-	-	96.55
- to other comprehensive income	-	2.30	-	2.30
<b>At 31 March 2024</b>	<b>208.02</b>	<b>(0.09)</b>	<b>0.02</b>	<b>207.95</b>

### 17 Income tax liabilities (net) - Current\*

(₹ in Crores)		
	31.03.2024	31.03.2023
Wealth tax (net of advances)	0.29	0.29
Income tax (net of advances)	26.29	429.84
	<b>26.58</b>	<b>430.13</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS

as at March 31, 2024

### 18 Income tax assets (net) - Non-current\*

(₹ in Crores)		
	31.03.2024	31.03.2023
Income tax paid including TDS (Net of provisions)	505.70	355.23
Wealth tax (net of provisions)	0.02	0.02
	<b>505.72</b>	<b>355.25</b>

\*The Company is subject to tax assessments and ongoing proceedings, which are pending before various Tax Appellate Authorities. Management periodically evaluates the positions taken in tax returns with respect to such matters, including unresolved tax disputes, which involves interpretation of applicable tax regulations and judicial precedents. Current tax liability and tax asset balances are presented, after recognising as appropriate, provision for taxes payable and contingencies basis management's assessment of outcome of such ongoing proceedings and amounts that may become payable to the tax authorities. Considering the nature of such estimates and uncertainties involved, the amount of such provisions may change upon final resolution of the matters with tax authorities. Refer also note 31 for details of contingent liabilities and litigations.

### 19 Other liabilities

(₹ in Crores)				
	Non-current	Current	Non-current	Current
	31.03.2024	31.03.2024	31.03.2023	31.03.2023
Deposit - STT (Refer note 6.1)	5.41	-	5.41	-
Securities Transaction Tax payable	-	3,219.31	-	228.32
Statutory dues payable	-	575.83	-	445.93
Advance from customers	-	100.65	-	93.33
Contribution payable to Core SGF (Refer note 42)	-	3.17	-	199.45
Unspent Corporate Social Responsibility	-	134.81	-	31.12
SEBI Regulatory Fees Payable	-	1,140.83	-	549.63
Others	-	47.78	-	20.36
<b>Total</b>	<b>5.41</b>	<b>5,222.38</b>	<b>5.41</b>	<b>1,568.14</b>

### 20 Deposits - Current

(₹ in Crores)		
	31.03.2024	31.03.2023
Deposits from trading members	975.40	967.71
Deposits from applicants for membership	0.46	0.46
Deposits from mutual fund distributors	0.79	0.95
Deposits towards equipments	48.92	4.13
Deposit - listing & book building	208.50	110.19
<b>Total</b>	<b>1,234.07</b>	<b>1,083.44</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS**

as at March 31, 2024

**21 Revenue from operations**

(₹ in Crores)

	For the year ended 31.03.2024		For the year ended 31.03.2023	
<b>Revenue from contracts with customers:</b>				
<b>Trading services</b>				
Transaction charges		12,048.60		10,172.73
<b>Listing services</b>				
Listing fees	119.64		108.27	
Book building Fees	54.52		35.68	
Processing fees	48.35	222.51	35.71	179.66
<b>Data Centre &amp; Connectivity charges</b>		884.15		613.42
<b>Others</b>		272.45		156.29
<b>Total (Refer note 21.2)</b>		<b>13,427.71</b>		<b>11,122.10</b>
<b>Other operating revenues:</b>				
Income on investments (Refer note 21.3)	82.83	82.83	58.93	58.93
<b>Total</b>		<b>13,510.54</b>		<b>11,181.03</b>

**21.1 Revenue Recognised**

(₹ in Crores)

	For the year ended 31.03.2024	For the year ended 31.03.2023
Point in time	12,402.01	10,387.32
Over the period of time	1,108.53	793.71
<b>Total</b>	<b>13,510.54</b>	<b>11,181.03</b>

**21.2 Reconciliation of revenue recognised with contract price:**

(₹ in Crores)

	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>Contract Price</b>	13,443.14	11,134.49
Adjustments for contract liabilities	(15.43)	(12.39)
<b>Revenue from contracts with customers</b>	<b>13,427.71</b>	<b>11,122.10</b>

**21.3** Represents income generated from sources of funds related to operating activity of the Company.**NOTES TO STANDALONE FINANCIAL STATEMENTS**

as at March 31, 2024

**22 Other income**

(₹ in Crores)

	For the year ended 31.03.2024		For the year ended 31.03.2023	
Dividend income				
- from equity investments designated at FVOCI	0.01		0.39	
- from subsidiary companies	242.40		833.28	
- from other investments	4.80	247.21	4.80	838.47
Interest income from financial assets at amortised cost		468.87		227.58
Interest income from financial assets designated at FVOCI		188.29		114.86
Rental income		10.70		8.29
Miscellaneous income		4.71		14.76
		<b>919.78</b>		<b>1,203.96</b>
<b>Other gains/(losses)</b>				
Net gain/(loss) on financial assets mandatorily measured at Fair Value through Profit or Loss	409.43		216.91	
Net gain/(loss) on sale of financial assets measured at FVOCI (Refer note 22.1)	(0.00)		-	
Net gain on sale of investments mandatorily measured at Fair Value through Profit or Loss	119.61		90.29	
Net foreign exchange gains (Refer note 22.1)	0.11		0.00	
Net gain on disposal of property, plant and equipment	0.02		-	
		529.17		307.20
<b>Total other income</b>		<b>1,448.95</b>		<b>1,511.16</b>

**22.1** 0.00 denotes amounts below the rounding off convention.**23 Employee benefits expenses**

(₹ in Crores)

	For the year ended 31.03.2024	For the year ended 31.03.2023
Salaries and bonus	295.36	247.53
Contribution to provident and other fund (Refer note 26)	10.64	9.10
Gratuity (Refer note 26)	5.33	5.23
Staff welfare expenses	21.33	18.74
<b>Total</b>	<b>332.66</b>	<b>280.60</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS**

as at March 31, 2024

**24 Other expenses**

	(₹ in Crores)	
	For the year ended 31.03.2024	For the year ended 31.03.2023
Repairs & maintenance		
- To computers, trading & telecommunication systems	350.04	297.56
- To buildings	4.31	3.84
- To others	22.24	17.08
License fees for index	179.00	158.05
IT management and consultancy charges	83.35	62.15
Software expenses	196.02	148.59
Network infrastructure management charges	6.60	6.78
Lease line charges	63.00	54.84
Water and electricity charges	63.52	53.06
Rates and taxes	6.29	6.29
Directors' sitting fees	0.34	0.65
Legal and professional fees	62.42	71.66
Advertisement and publicity	44.92	12.88
Travel and conveyance	13.60	8.24
Corporate Social Responsibility expenditure (Refer note 34)	105.13	62.25
Contribution to Investor protection fund trust (Refer note 24.1 & 44)	15.15	(24.57)
Investor education expenses	12.32	16.57
SMS & Email charges	61.44	45.41
Payment to auditors (Refer note below)	1.04	0.98
Penalty - SEBI (Refer note 31)	-	100.00
(Reversal) of Impairment losses on financial assets (Refer note 7.2)	(5.14)	(13.77)
Intangible assets/assets under development w/off (Refer note 3.5)	-	60.81
Other expenses	220.89	147.85
<b>Total</b>	<b>1,506.48</b>	<b>1,297.20</b>
<b>Note:</b>		
<b>Payment to auditors</b>		
<b>As auditors:</b>		
Audit fees	0.60	0.60
Limited review	0.30	0.30
<b>In other capacities</b>		
Certification matters	0.05	0.04
Other services including out of pocket expenses	0.09	0.04
<b>Total</b>	<b>1.04</b>	<b>0.98</b>

24.1 It also includes contribution to National Stock Exchange Investor Protection fund trust formed as required under SEBI regulation, which amounts to 3% of listing fees income.

24.2 The Company has disclosed SEBI regulatory fees separately on the face of the Standalone Statement of Profit and Loss considering the material direct expense. The comparative amount for FY 2022-23 has been accordingly reclassified.

**NOTES TO STANDALONE FINANCIAL STATEMENTS**

as at March 31, 2024

**25 Earnings per share**

	(₹ in Crores)	
	31.03.2024	31.03.2023
Profit attributable to the equity holders of the company used in calculating basic earnings per share and diluted earnings per share		
Profit for the year (₹ in Crores)	6,635.31	7,232.90
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (No. in Crores) (Refer note 25.1)	49.50	49.50
<b>Earnings per equity share (basic and diluted)</b>	<b>134.05</b>	<b>146.12</b>

25.1 The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Company remain the same.

26 i) **Defined contribution plan**

The Company's contribution towards superannuation fund during the year ended March 31, 2024 amounting to ₹1.11 Crore (March 31, 2023: ₹1.03 Crore) has been charged to Statement of Profit & Loss [Reimbursement of cost charged to subsidiaries was - March 31, 2024: ₹NIL (March 31, 2023: ₹0.43 crore)].

a) **Provident Fund:**

The Company is registered with Regional Provident Fund Office, Bandra, Mumbai, and both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively. The Company has contributed ₹8.73 Crore and ₹7.70 Crore towards Provident Fund to Employee Provident Fund Organisation during the year ended March 31, 2024, and year ended March 31, 2023, respectively. The contribution of ₹NIL during the year ended March 31, 2024, and ₹0.62 Crore during the year ended March 31, 2023, was reimbursed by the subsidiaries.

b) **Gratuity:**

The Company provides for gratuity for employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of Gratuity is payable on retirement/termination of the employee's last drawn basic salary per month multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contribution to recognised funds with Life Insurance Corporation of India (LIC).

**Balance Sheet**(i) **The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the years are as follows:**

	(₹ in Crores)		
	31.03.2024		Total
	Present Value of Obligation	Fair Value of Plan Assets	
<b>At the beginning of the year</b>	<b>49.33</b>	<b>(51.43)</b>	<b>(2.10)</b>
Current service Cost	5.49	-	5.49
Interest cost/(income)	3.64	(3.80)	(0.16)
Expenses recognised in the Statement of Profit & Loss	<b>9.13</b>	<b>(3.80)</b>	<b>5.33</b>
<b>Remeasurements</b>			
Expected return on plan assets	-	0.41	0.41
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	0.58	-	0.58
Actuarial (gains)/losses on obligations - due to experience	0.82	-	0.82
Net (income)/expense for the year recognised in OCI	<b>1.40</b>	<b>0.41</b>	<b>1.81</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS**

as at March 31, 2024

(₹ in Crores)

	31.03.2024		
	Present Value of Obligation	Fair Value of Plan Assets	Total
Employer Contributions	-	(1.55)	(1.55)
Liability/(Asset) transferred	(2.76)	-	(2.76)
Benefits paid	(8.71)	8.71	-
<b>At the end of the year</b>	<b>48.39</b>	<b>(47.66)</b>	<b>0.73</b>

(₹ in Crores)

	31.03.2023		
	Present Value of Obligation	Fair Value of Plan Assets	Total
<b>At the beginning of the year</b>	<b>52.84</b>	<b>(51.08)</b>	<b>1.76</b>
Current service Cost	5.25	-	5.25
Interest cost/(income)	3.61	(3.48)	0.13
Expenses recognised in the Statement of Profit & Loss *	<b>8.86</b>	<b>(3.48)</b>	<b>5.38</b>
<b>Remeasurements</b>			
Expected return on plan assets	-	(0.20)	(0.20)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(1.61)	-	(1.61)
Actuarial (gains)/losses on obligations - due to experience	0.67	-	0.67
Net (income)/expense for the year recognised in OCI #	<b>(0.94)</b>	<b>(0.20)</b>	<b>(1.14)</b>
Employer Contributions	-	(3.82)	(3.82)
Liability transferred	(4.28)	-	(4.28)
Benefits paid	(7.15)	7.15	-
<b>At the end of the year</b>	<b>49.33</b>	<b>(51.43)</b>	<b>(2.10)</b>

\* Includes ₹0.15 Crores charged to the subsidiaries.

# Includes ₹0.03 Crores charged to the subsidiaries.

**(ii) The net liability disclosed above relates to funded plans are as follows:**

(₹ in Crores)

Particulars	31.03.2024	31.03.2023
Fair value of plan assets as at the end of the year	47.66	51.43
Liability as at the end of the year	(48.39)	(49.33)
<b>Net (liability)/asset</b>	<b>(0.73)</b>	<b>2.10</b>

**(iii) Significant actuarial assumptions are as follows:**

Particulars	31.03.2024	31.03.2023
Discount rate	7.19%	7.39%
Rate of return on plan assets	7.19%	7.39%
Salary escalation	10.00%	10.00%
Attrition rate	12.00%	12.00%

**NOTES TO STANDALONE FINANCIAL STATEMENTS**

as at March 31, 2024

**(iv) Sensitivity Analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in Crores)

Particulars	31.03.2024	31.03.2023
Projected benefit obligation on current assumptions	48.39	49.33
Delta effect of +1% change in rate of discounting	(2.77)	(2.69)
Delta effect of -1% change in rate of discounting	3.12	3.00
Delta effect of +1% change in salary increase	3.00	2.90
Delta effect of -1% change in salary increase	(2.73)	(2.65)
Delta effect of +1% change in employee turnover	(0.62)	(0.51)
Delta effect of -1% change in employee turnover	0.67	0.56

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

**(v) The expected maturity analysis of undiscounted gratuity defined benefits is as follows:**

(₹ in Crores)

Particulars	31.03.2024	31.03.2023
1 <sup>st</sup> Following Year	4.85	5.06
2 <sup>nd</sup> Following Year	4.48	4.90
3 <sup>rd</sup> Following Year	6.09	5.01
4 <sup>th</sup> Following Year	4.75	7.23
5 <sup>th</sup> Following Year	5.68	5.30
Sum of Years 6 to 10	22.09	23.37

**(vi)** Expected contribution to gratuity plan for the year ending March 31, 2025 are ₹6.97 Crore.**(vii)** The leave obligations cover the Company's liability for earned leave which are classified as other long-term benefits.

The entire amount of the provision of ₹12.03 Crores (March 31, 2023: ₹11.58 Crores) is presented as current. Since, the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

**27** 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 statements has disclosed the segment information as to the extent applicable as required under Indian Accounting Standard 108 "Operating Segments".

**NOTES TO STANDALONE FINANCIAL STATEMENTS**

as at March 31, 2024

**Note 28****(i) Fair Value Hierarchy:**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in Crores)

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements At March 31, 2024	Notes	Level 1	Level 2	Level 3	Total March 31, 2024
<b>Financial Assets</b>					
<b>Financial Investments at FVPL</b>					
Mutual Fund - Growth Plan	7	7,207.68	-	-	7,207.68
<b>Financial Investments at FVOCI</b>					
Debt Instrument at FVOCI - Government Securities	4, 7	-	2,753.16	-	2,753.16
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd.	4	-	-	104.74	104.74
Quoted Equity Investments - Multi Commodity Exchange of India Limited	4	1.67	-	-	1.67
<b>Total Financial Assets</b>		<b>7,209.35</b>	<b>2,753.16</b>	<b>104.74</b>	<b>10,067.25</b>

(₹ in Crores)

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements At March 31, 2023	Notes	Level 1	Level 2	Level 3	Total March 31, 2023
<b>Financial Assets</b>					
<b>Financial Investments at FVPL</b>					
Mutual Fund - Growth Plan	7	5,252.21	-	-	5,252.21
<b>Financial Investments at FVOCI</b>					
Debt Instrument at FVOCI - Government Securities	4, 7, 9	-	2,850.76	-	2,850.76
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd.	4	-	-	112.78	112.78
Quoted Equity Investments - Multi Commodity Exchange of India Limited	4	0.76	-	-	0.76
<b>Total Financial Assets</b>		<b>5,252.97</b>	<b>2,850.76</b>	<b>112.78</b>	<b>8,216.51</b>

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for

**NOTES TO STANDALONE FINANCIAL STATEMENTS**

as at March 31, 2024

identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

**- Level 1:**

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded on the stock exchanges are valued using the closing price as at the end of the reporting period. Listed Mutual Funds are valued using the closing quoted NAV.

**- Level 2:**

The fair value of financial instruments that are not traded in an active market (for example, government securities is determined using Financial Benchmarks India Private Limited valuation techniques which maximise the use of observable market data, fixed maturity plan based on NAV declared by the fund) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**- Level 3:**

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

- The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.
- There were no transfers between levels during the year ended March 31, 2024 and March 31, 2023.

**ii) Valuation technique used to determine fair value:**

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis and price to book value multiple, as applicable.

**(iii) Fair value measurements using significant unobservable inputs (level 3)**

- The following table presents the changes in level 3 items for the periods ended March 31, 2024 and March 31, 2023.

(₹ in Crores)

Particulars	Unlisted Equity security
As at April 1, 2022	60.32
Gain/(loss) recognised in Other Comprehensive Income	(7.09)
As at March 31, 2023	53.23
Gain/(loss) recognised in Other Comprehensive Income	(8.04)
As at March 31, 2024	45.19

**(iv) Valuation inputs and relationships to fair value:**

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted.

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Particulars	Fair Value	Fair Value	Significant Unobservable inputs*	Fair Value	Fair Value
	31-Mar-24	31-Mar-23		31-Mar-24	31-Mar-23
Unquoted Equity Shares - NCDEX (₹ in Crores)	104.74	112.78	P/B Multiple	5.0x	5.0x
			Business Risk Discount	60%	60%
			Resultant P/B multiple	2.0x	2.0x
			Liquidity Discount	20%	20%
			Applicable P/B Multiple	1.6x	1.6x
			Estimated Book value as at balance sheet date (₹ in Crores)	436.43	469.92
			Equity valuation of NCDEX (₹ in Crores)	698.29	751.87
			Valuation of 15% stake (₹ in Crores)	104.74	112.78

\* There were no significant inter relationship between unobservable inputs that materially affect fair value

**(v) Valuation processes:**

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO) and the Audit Committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every three months, in line with the reporting periods. At the year end external valuers are engaged to provide independent valuation of level 3 instruments.

**vi) Fair value of financial assets and liabilities measured at amortised cost:**

(₹ in Crores)

	31.03.2024		31.03.2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Taxable Bonds	2,653.21	2,633.32	1,019.41	996.02
Tax free Bonds	539.27	570.99	573.32	606.13
Certificate of Deposits	2,952.40	2,948.70	3,779.67	3,777.90
Government Securities	1,335.26	1,343.33	-	-
Fixed Deposits with Banks including accrued interest	2,281.76	2,284.09	1,442.20	1,443.48
Commercial Papers	-	-	99.09	98.99
Security Deposits	12.84	12.84	7.41	7.41
<b>Total Financial Assets</b>	<b>9,774.74</b>	<b>9,793.27</b>	<b>6,921.10</b>	<b>6,929.93</b>

The carrying amounts of trade receivables, trade payables, other receivables, cash and cash equivalent including other current bank balances and other liabilities are considered to be approximate their fair values, due to current and short term nature of such balances.

The fair value of taxable bonds, tax free bonds, certificate of deposits with banks, fixed deposits, commercial papers, and security deposit are based on discounted cash flow.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**Significant estimates**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

**NOTES TO STANDALONE FINANCIAL STATEMENTS**

as at March 31, 2024

**29** In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016, the required disclosures are given in the table below:

**(a) Names of the related parties and related party relationships**

Sr. No.	Related Party	Nature of Relationship	Principal Activities	% Holding
1	NSE Clearing Limited	Subsidiary Company	Clearing and Settlement	100% (FY 22-23: 100%)
2	NSE Investments Ltd	Subsidiary Company	Investment Entity	100% (FY 22-23: 100%)
3	NSE IFSC Limited	Subsidiary Company	Trading Facility	100% (FY 22-23: 100%)
4	NSE Administration & Supervision Limited	Subsidiary Company (w.e.f. January 9, 2024)	Administration of SEBI registered Research Analyst	100% (FY 22-23: NA)
5	NSE IFSC Clearing Corporation Limited	Subsidiary's Subsidiary Company	Clearing and Settlement	100% (FY 22-23: 100%)
6	NSEIT Limited	Subsidiary's Subsidiary Company	IT Services	100% (FY 22-23: 100%)
7	NSE Data & Analytics Limited	Subsidiary's Subsidiary Company	Data Vending	100% (FY 22-23: 100%)
8	NSE Indices Ltd	Subsidiary's Subsidiary Company	Index Services	100% (FY 22-23: 100%)
9	NSE Infotech Services Limited	Subsidiary's Subsidiary Company	IT Services	100% (FY 22-23: 100%)
10	NSEIT (US) Inc.*	Subsidiary's Subsidiary's Subsidiary Company	IT Services	100% (FY 22-23: 100%)
11	Aujas Cybersecurity Limited	Subsidiary's Subsidiary's Subsidiary Company	IT Services	100% (FY 22-23: 100%)
12	NSE Academy Limited	Subsidiary's Subsidiary Company	Financial Literacy Programme	100% (FY 22-23: 100%)
13	NSE Foundation	Subsidiary Company	CSR Activities	76% (FY 22-23: 76%)
14	National Securities Depository Limited	Associate Company	Depository Services	24% (FY 22-23: 24%)
15	NSDL Database Management Limited	Associate's Subsidiary Company	Data Vending	24% (FY 22-23: 24%)
16	NSDL Payments Bank Limited	Associate's Subsidiary Company	Payment Bank	24% (FY 22-23: 24%)
17	BFSI Sector Skill Council of India	Associate Company	Skill Council	49% (FY 22-23: 49%)
18	Power Exchange India Limited	Subsidiary's Associate	Trading Facility in power	29.21% (FY 22-23: 29.21%)
19	Protean e-Governance Technologies Limited	Subsidiary's Associate	E-Governance Solutions	20.34% (FY 22-23: 25.05%)
20	Market Simplified India Limited	Subsidiary's Associate	Software Industry	30% (FY 22-23: 30%)
21	Receivables Exchange Of India Limited	Subsidiary's Associate	Online Platform for financing receivables (TReDS)	30% (FY 22-23: 30%)
22	Cogencis Information Services Limited	Subsidiary's Subsidiary's Subsidiary Company	Data Terminal	100% (FY 22-23: 100%)
23	Capital Quants Solutions Private Limited	Subsidiary's Subsidiary's Associate	Data processing	19% (FY 22-23: 19%)
24	Talentsprint Private Limited	Subsidiary's Subsidiary's Subsidiary Company	Financial Literacy Programme	90.26% (FY 22-23: 80.82%)
25	Talentsprint Inc.	Subsidiary's Subsidiary's Subsidiary Company	Financial Literacy Programme	100% (FY 22-23: 100%)
26	NSE Sustainability Ratings & Analytics Limited	Subsidiary's Subsidiary's Subsidiary Company (w.e.f. March 30, 2024)	ESG Rating	100% (FY 22-23: NA)

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Sr. No.	Related Party	Nature of Relationship	Principal Activities	% Holding
27	Indian Gas Exchange Limited	Subsidiary's Associate	Gas Exchange	25.61% (FY 22-23: 25.61%)
28	CXIO Technologies Private Limited	Subsidiary's Subsidiary's Subsidiary Company	IT Services	100% (FY 22-23: 92.50%)
29	India International Bullion Holding IFSC Ltd	Associate Company	Investment Entity	20% (FY 22-23: 20%)
30	India International Bullion Exchange IFSC Ltd	Associate's Subsidiary Company	Bullion Exchange	20% (FY 22-23: 20%)
31	India International Depository IFSC Limited	Associate's Subsidiary Company	Depository Services	20% (FY 22-23: 20%)
<b>Key Management Personnel</b>		<b>Nature of Relationship</b>		
32	Mr. Ashishkumar Chauhan	Managing Director & CEO (w.e.f. July 26, 2022)		
33	Mr. Vikram Limaye	Managing Director & CEO (upto July 16, 2022)		
34	Mr. Girish Chandra Chaturvedi	Chairman & Public Interest Director (Upto November 27, 2023)		
35	Mr. Sundararajaram Sudarshan	Public Interest Director		
36	Mr. Narsimha Murthy Kummamuri	Public Interest Director (upto November 27, 2023)		
37	Ms. Mona Bhide	Public Interest Director (upto November 27, 2023)		
38	Mr. Veneet Nayar	Shareholder Director		
39	Mr. Bishnu Charan Patnaik	Shareholder Director (upto April 29, 2023)		
40	Mr. S Ravindran	Public Interest Director		
41	Ms. Anuradha Rao	Public Interest Director (upto December 16, 2022)		
42	Mr. Tablesh Pandey	Shareholder Director (w.e.f August 31, 2023)		
43	Ms. Sunita Sharma	Shareholder Director (upto July 12, 2022)		

\* The principal place of business of NSEIT (US) Inc and Talentsprint Inc is located in US.

**(b) Details of transactions (including GST as levied) with related parties are as follows:**

Name of the Related Party	Nature of Transactions	₹ in Crores)	
		Year ended 31.03.2024	Year ended 31.03.2023
NSE Clearing Limited	Usage charges received	25.18	25.13
	Usage charges paid for interoperability	1.66	1.66
	Space and Infrastructure usage charges received	6.81	4.45
	Recovery of Electronic Bidding Platform income	0.85	0.84
	Reimbursement received for expenses on staff on deputation	0.09	6.60
	Transfer of retiral benefits on transfer of employees	2.38	-
	Reimbursement received for other expenses incurred	81.35	71.50
	Reimbursement paid for CAMS Charges	1.67	0.11
	Reimbursement paid for asset purchase	0.85	-
	Dividend received	22.50	180.00
	Clearing and Settlement charges paid	1,315.80	710.92
	Logo Sharing Income	23.68	-
	Contribution to Core SGF (Refer note 42)	1,937.25	4.00
	Investment in Equity Share Capital	1,400.00	-
	Closing balance (Payable)/Receivable	(69.82)	(44.11)

**NOTES TO STANDALONE FINANCIAL STATEMENTS**

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Name of the Related Party	Nature of Transactions	₹ in Crores)	
		Year ended 31.03.2024	Year ended 31.03.2023
NSE IFSC Limited	Reimbursement received for expenses on staff on deputation	0.11	1.39
	Transfer of retiral benefits on transfer of employees	0.85	-
	Investment in Equity Share Capital	200.00	50.00
	Usage charges received	0.50	0.50
	Logo Sharing Income	0.76	-
	Reimbursement received for other expenses incurred	0.02	0.27
	Sale of assets/Consumables	0.12	1.41
	Closing balance (Payable)/Receivable	(0.26)	0.48

Name of the Related Party	Nature of Transactions	₹ in Crores)	
		Year ended 31.03.2024	Year ended 31.03.2023
NSE IFSC Clearing Corporation Limited [Refer note: 31(i)(j)]	Reimbursement received for expenses on staff on deputation	-	0.02
	Transfer of retiral benefits on transfer of employees	0.06	-
	Logo Sharing Income	0.11	-
	Sale of assets/Consumables	0.11	-
	Reimbursement received for other expenses incurred	0.08	0.01
	Closing balance (Payable)/Receivable	0.08	(0.05)

Name of the Related Party	Nature of Transactions	₹ in Crores)	
		Year ended 31.03.2024	Year ended 31.03.2023
NSEIT Limited	Reimbursement paid for other expenses incurred	0.25	0.20
	Software Development Charges paid	0.99	1.51
	Software Expenses	4.27	4.11
	Logo Sharing Income	5.80	-
	Repairs and maintenance – Computer trading , Telecommunication systems	77.12	88.61
	Empanelment charges received	0.06	0.06
	Laptop hire charges paid	-	0.08
	IT management and consultancy charges paid	64.13	23.18
	Space & Infra charges paid	0.82	1.48
	Closing balance (Payable)/Receivable	(27.39)	(22.39)

Name of the Related Party	Nature of Transactions	₹ in Crores)	
		Year ended 31.03.2024	Year ended 31.03.2023
NSE Data & Analytics Limited	Space and Infrastructure usage charges received	0.53	1.00
	Reimbursement received for expenses on staff on deputation	0.18	2.99
	Reimbursement received for other expenses incurred	0.48	0.71
	Sale of asset	-	0.72
	Logo Sharing Income	3.09	-
	Amount received towards revenue sharing on account of info feed services	79.28	45.20
	Subscription fees paid for bond valuation data & historical data & KYC	1.68	2.05
	Closing balance (Payable)/Receivable	11.87	6.87



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		(₹ in Crores)	
Name of the Related Party	Nature of Transactions	Year ended 31.03.2024	Year ended 31.03.2023
NSE Indices Limited	License fees paid	211.21	186.46
	Logo Sharing Income	3.34	-
	Usage Charges received	1.27	0.89
	Space and Infrastructure usage charges received	1.98	0.66
	Reimbursement received for expenses on staff on deputation	0.36	1.11
	Transfer of retiral benefits on transfer of employees	1.04	-
	Reimbursement received for other expenses incurred	1.49	0.60
	Closing balance (Payable)/Receivable	(14.64)	(19.41)

		(₹ in Crores)	
Name of the Related Party	Nature of Transactions	Year ended 31.03.2024	Year ended 31.03.2023
NSE Investments Limited	Space and Infrastructure usage charges received	0.08	0.08
	Dividend Received	219.90	653.28
	Logo Sharing Income	6.91	-
	Reimbursement received for expenses on staff on deputation	0.02	1.65
	Transfer of retiral benefits on transfer of employees	0.17	-
	Reimbursement received for other expenses incurred	0.29	0.44
	Closing balance (Payable)/Receivable	0.95	0.48

		(₹ in Crores)	
Name of the Related Party	Nature of Transactions	Year ended 31.03.2024	Year ended 31.03.2023
NSE Academy Limited	Reimbursement received for expenses on staff on deputation	0.05	2.83
	Transfer of retiral benefits on transfer of employees	0.05	-
	Logo Sharing Income	0.54	-
	Payment of NISM income received on their behalf	17.40	14.21
	Reimbursement received for other expenses incurred	0.90	0.76
	Reimbursement paid for other expenses	-	0.17
	Training expenses paid	0.37	-
	Space and Infrastructure usage charges received	1.12	1.53
	Closing balance (Payable)/Receivable	(1.28)	(0.67)

		(₹ in Crores)	
Name of the Related Party	Nature of Transactions	Year ended 31.03.2024	Year ended 31.03.2023
NSE Foundation	Space and Infrastructure usage charges received	0.12	0.18
	Reimbursement received for expenses on staff on deputation	0.19	1.82
	Transfer of retiral benefits on transfer of employees	0.32	-
	Reimbursement received for other expenses incurred	0.15	0.15
	Contribution towards CSR	1.61	31.12
	Closing balance (Payable)/Receivable	0.19	0.53

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		(₹ in Crores)	
Name of the Related Party	Nature of Transactions	Year ended 31.03.2024	Year ended 31.03.2023
NSE Administration & Supervision Limited	Investment in Equity Share Capital	1.00	-
	Transfer of retiral benefits on transfer of employees	1.39	-
	Reimbursement received for other expenses incurred	0.04	-
	Space and Infrastructure usage charges received	0.01	-
	Closing balance (Payable)/Receivable	(0.47)	-

		(₹ in Crores)	
Name of the Related Party	Nature of Transactions	Year ended 31.03.2024	Year ended 31.03.2023
National Securities Depository Limited	Dividend received	4.80	4.80
	Reimbursement paid for OFS related expenditure	4.79	-
	DP Validation Charges paid	0.47	0.72
	STP Charges Received	-	0.01
	Sitting Fees Received	0.04	0.07
	Closing balance (Payable)/Receivable	(0.56)	(0.58)

		(₹ in Crores)	
Name of the Related Party	Nature of Transactions	Year ended 31.03.2024	Year ended 31.03.2023
Protean e-Governance Technologies Limited (formerly known as NSDL e-Governance Infrastructure Limited)	PAN verification charges paid	0.65	0.45
	Software usage charges received	0.30	-
	Closing balance (Payable)/Receivable	-	-

		(₹ in Crores)	
Name of the Related Party	Nature of Transactions	Year ended 31.03.2024	Year ended 31.03.2023
Aujas Cybersecurity Limited	IT management and consultancy charges paid	0.70	3.05
	Software Expenses	-	7.69
	Logo Sharing Income	4.35	-
	Repairs and maintenance – Computer trading, Telecommunication systems	10.79	11.78
	Reimbursement of expenses paid	0.22	0.09
	Closing balance (Payable)/Receivable	1.75	(4.93)

		(₹ in Crores)	
Name of the Related Party	Nature of Transactions	Year ended 31.03.2024	Year ended 31.03.2023
Cogencis Information Services Limited	Data feed charges paid	0.96	0.12
	Data feed charges paid for investor service portal	6.91	-
	Space & Infra charges paid	1.54	1.46
	Logo Sharing Income	1.00	-
	Closing balance (Payable)/Receivable	(0.22)	(0.19)

		(₹ in Crores)	
Name of the Related Party	Nature of Transactions	Year ended 31.03.2024	Year ended 31.03.2023
Receivables Exchange Of India Limited	Reimbursement received for expenses on staff on deputation	-	-
	Closing balance (Payable)/Receivable	-	0.19

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		(₹ in Crores)	
Name of the Related Party	Nature of Transactions	Year ended 31.03.2024	Year ended 31.03.2023
India International Bullion Holding IFSC Ltd	Subscription of Equity share capital	-	10.00
	Closing balance (Payable)/Receivable	-	-

		(₹ in Crores)	
Name of the Related Party	Nature of Transactions	Year ended 31.03.2024	Year ended 31.03.2023
India International Bullion Exchange IFSC Ltd	Reimbursement of Expenses Received	-	0.14
	Closing balance (Payable)/Receivable	-	-

		(₹ in Crores)	
Name of the Related Party	Nature of Transactions	Year ended 31.03.2024	Year ended 31.03.2023
Talentsprint Private Limited	Logo Sharing Income	1.49	-
	Closing balance (Payable)/Receivable	1.41	-

		(₹ in Crores)	
Name of the Related Party	Nature of Transactions	Year ended 31.03.2024	Year ended 31.03.2023
NSEIT US Inc.	Logo Sharing Income	0.23	-
	Closing balance (Payable)/Receivable	0.23	-

		(₹ in Crores)	
Name of the Related Party	Nature of Transactions	Year ended 31.03.2024	Year ended 31.03.2023
CXIO Technologies Private Limited	Logo Sharing Income	2.87	-
	Closing balance (Payable)/Receivable	2.13	-

		(₹ in Crores)	
Name of the Related Party	Nature of Transactions	Year ended 31.03.2024	Year ended 31.03.2023
Mr. Ashishkumar Chauhan (Refer note 29.2)	Remuneration	11.26	5.65
Mr. Vikram Limaye	Remuneration	-	9.19
Mr. Girish Chandra Chaturvedi	Sitting fees to Director	0.18	0.33
Mr. Sundararajao Sudarshan	Sitting fees to Director	0.35	0.39
Mr. Narsimha Murthy Kummamuri	Sitting fees to Director	0.28	0.47
Ms. Mona Bhide	Sitting fees to Director	0.28	0.51
Mr. Veneet Nayar	Sitting fees to Director	0.11	0.21
Mr. Bishnu Charan Patnaik	Sitting fees to Director	0.03	-
Mr. S Ravindran	Sitting fees to Director	0.43	0.11
Ms. Anuradha Rao	Sitting fees to Director	-	0.45
Ms. Sunita Sharma	Sitting fees to Director	-	0.08
M/s Life Insurance Corporation of India	Sitting fees to Director	0.12	0.08

29.1 As the liabilities for defined benefit plan are provide on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.

29.2 includes 50% of the variable pay payable after 3 years subject to certain conditions.

29.3 Outstanding balances as at the year end are unsecured and settlement occurs in cash. The Company has not recorded any impairment of receivables relating to amount owed by related parties.

29.4 Other than as disclosed in note 31(i)(j) there have been no guarantee provided or received for any related parties receivable or payables as of and for the year ended March 31, 2024, and March 31, 2023.

**NOTES TO STANDALONE FINANCIAL STATEMENTS**

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**30 Capital and other commitments**

	(₹ in Crores)	
	31.03.2024	31.03.2023
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided	172.60	255.91
Other Commitments (Primarily in respect of operating expenses)	841.48	707.79
Investment Commitment in subsidiary	-	100.00

**31 Contingent liabilities, litigations and other regulatory matters**

- (i) (a) Securities and Exchange Board of India (SEBI) directed National Stock Exchange of India Limited ('the Company/ NSE') to carry out an investigation including forensic examination by independent external agencies in respect of certain aspects of NSE's Colocation facility and further directed that pending completion of the investigations, all revenues emanating from the colocation facility be transferred to a separate bank account with effect from September, 2016.

Three separate show cause notices (SCN) on May 22, 2017, July 03, 2018, and July 31, 2018, were issued by SEBI to NSE and to some of its present and former employees, in respect of NSE's Colocation facility, Dark Fibre and Governance and conflict of interest related matters. Subsequently, SEBI had passed orders in respect of all the three SCNs vide its letter dated April 30, 2019.

In the Colocation order, Whole Time Member (WTM) passed a direction on NSE inter-alia to disgorge an amount of ₹624.89 Crores along with interest at the rate of 12% per annum from April 01, 2014, till the actual date of payment and certain non-monetary and restrictive directions prohibiting NSE from accessing securities market, for a period of six months from the date of the order. In the Dark Fibre order, WTM passed a direction to deposit a sum of ₹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 Governance and Conflict of Interest matter WTM had passed certain non-monetary and remedial directions on NSE.

Additionally, NSE also received notices from Adjudicating Officer (AO) covering the above three issues pertaining to NSE's Colocation facility, Dark Fibre and Governance and conflict of interest matters, and subsequent orders dated February 10, 2021, June 28, 2022, and February 11, 2022, levying monetary penalty of ₹1 crore, ₹7 crore and ₹1 crore, respectively.

NSE filed appeals with the Hon'ble Securities Appellate Tribunal (SAT) against the above three WTM and AO orders. In the Colocation and Dark Fibre matters, SAT vide its interim order dated May 22, 2019, stayed the disgorgement of the amount, however it directed NSE to transfer the amount of ₹624.89 crore in the Colocation matter and ₹62.58 crore in the Dark Fibre matter totalling to ₹687.47 crore to SEBI. Further, NSE was also directed to continue to transfer all revenues emanating from its co-location facility to a separate bank account. Additionally in the Governance and conflict of interest matters, Hon'ble SAT vide its interim order dated August 11, 2022, has kept the directions passed in the SEBI order in abeyance.

The Hon'ble SAT, vide its interim order dated May 17, 2021, allowed NSE's application for withdrawal of amounts transferred to separate account and to discontinue the transfer of all revenues emanating from its-colocation facility to such separate bank account. Additionally, the Hon'ble SAT directed NSE to transfer an amount of ₹420 Crores into an interest-bearing account with SEBI. Accordingly, NSE had, deposited a total amount of ₹1107.47 Crores with SEBI.

In relation to the appeal filed for colocation matter, Hon'ble SAT vide its final order dated January 23, 2023, upheld the non-monetary directives of SEBI inter-alia setting aside SEBI's direction for disgorgement. The Hon'ble SAT exercising its power imposed a penalty of ₹100 Crores on NSE as a deterrent for the lack of due diligence.

On July 12, 2023, SAT vide its final order in Colocation AO Appeal set aside SEBI's order levying a penalty of ₹1 Crore.

In the Dark Fibre WTM matter, SAT vide its final order dated August 9, 2023, partly allowed the appeal to the extent that the WTM order for disgorgement has been reversed and the amount deposited by NSE with SEBI to be refunded by SEBI within a period of 4 weeks from the date of the order.

On December 14, 2023, SAT vide its final order in Dark Fibre AO Appeal set aside SEBI's order levying a penalty of ₹7 Crores.



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In the proceedings pertaining to the Governance and Conflict of interest matters challenging SEBI's WTM and Adjudication orders are pending for final hearing and disposal by SAT.

SEBI appealed against the SAT Colocation WTM Order dated January 23, 2023, before the Hon'ble Supreme Court and vide an interim order dated March 20, 2023, the Hon'ble Supreme Court rejected the application for stay and directed SEBI to refund an amount of ₹300 Crores. The amount of ₹300 Crores was received by NSE on April 21, 2023.

SEBI appealed against the SAT Colocation AO Order dated July 12, 2023, before the Hon'ble Supreme Court and vide an interim order dated October 10, 2023, the Hon'ble Supreme Court directed the parties to complete the pleadings and tagged the AO appeal with the Colocation WTM Appeal. Both the Appeals are pending for final hearing and disposal.

SEBI appealed against the SAT Dark Fibre WTM order dated August 9, 2023, before the Hon'ble Supreme Court and vide an interim order dated October 17, 2023, the Hon'ble Supreme Court rejected the application for stay and directed SEBI to refund an amount of ₹31 Crores. The amount of ₹31 Crores was received by NSE on November 17, 2023.

SEBI appealed against the SAT Dark Fibre AO Order dated December 14, 2023 before the Hon'ble Supreme Court and vide its interim order dated April 10, 2024 the Hon'ble Supreme Court tagged the Dark Fibre AO Appeal along with the Dark Fibre WTM Appeal, which is adjourned to September 9, 2024, for final hearing and disposal.

Basis the SAT order dated January 23, 2023, SEBI's WTM issued another SCN dated May 17, 2023, to consider the charge of connivance and collusion of OPG Securities and its directors with NSE employees. NSE filed a detailed response on August 3, 2023, against the same. Personal hearing in the matter has been concluded on February 2, 2024, and the order is awaited.

The Company believes that it has strong grounds to contest each of the above orders/appeals 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 for the year ended March 31, 2024, other than a penalty of ₹100 Crores imposed by the Hon'ble SAT which had been duly adjusted against the amount deposited by NSE during the year ended March 31, 2023.

- (b) 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 certain 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. SEBI vide order dated February 11, 2022, levied penalty of ₹2 Crores which was paid by the Company. In this direction investigating agencies have been making inquiries and seeking various information, data etc. from the Company, which is being provided.
- (c) 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. Subsequently, SEBI vide its order dated October 01, 2020, levied a penalty of ₹6 Crore on NSE (₹1 crore for each in respect of the investments made by NSE and its subsidiaries). NSE appealed against the SEBI order. SAT vide its order dated January 04, 2022, quashed the Adjudicating Notice including the penalty levied. SEBI appealed before the Supreme Court against the SAT order. No stay has been granted and the matter is pending for final hearing and disposal. The Company believes that it has strong grounds to contest each of the above orders/appeals 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 for the year ended March 31, 2024.
- (d) The Company 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. The Company filed its detailed response with SEBI. Subsequently, SEBI passed an order dated April 12, 2022, levying penalty of ₹2 Crores. The Company preferred an appeal against the said order and SAT vide its interim order dated June 24, 2022 has stayed the SEBI directive. The Appeal before SAT is pending for final hearing and disposal. The Company believes that it has strong grounds to contest each of the above orders/appeals 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 for the year ended March 31, 2024.

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- (e) 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 (NCL) and other systems such as clearing and settlement, index and surveillance systems becoming unavailable. SEBI vide its letter dated July 2, 2021, directed NSE to pay financial disincentive of ₹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 directives 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 in connection to the said trading halt for which a detailed response was filed by the Company. The Company, thereafter, has filed consent application with SEBI.

SEBI vide its email dated June 9, 2023 accepted the said Settlement proposal subject to acceptance of the certain non-monetary terms of settlement by the Individual Show Cause Noticees.

The Individual Show Cause Noticees agreed to the above non-monetary terms of settlement and filed respective undertakings with SEBI on June 12, 2023. An aggregate payment of ₹49.67 Crores was made on June 16, 2023 on behalf of NSE and its employees and thereafter, final orders dated June 20, 2023 and June 28, 2023 were passed by SEBI. The amount paid is duly been recognised in financial statements for the year ended March 31, 2024.

- (f) The Company has received various correspondences on matters relating to operations of the Company, including inspections from SEBI which have been replied to by the Company. Basis the replies filed, the Company's management do not expect any material impact on the financial statements of the Company.
- (g) In a complaint filed by a competitor against the Company, the Competition Commission of India directed the Company to pay a penalty of ₹55.50 Crores. The Company had appealed against the order before the Hon'ble Competition Appellate Tribunal (COMPAT) which rejected the appeal. The Company has thereafter appealed before the Hon'ble Supreme Court of India, which stayed the penalty. In respect of the same subject matter, a separate compensation claim has been filed against the Company in January 2015 for an amount of ₹856.99 Crores, which has been disputed by the Company. The Compensation proceedings are also stayed by the Hon'ble Supreme Court of India. Based on the legal advice, the Company is of the view that there exist strong grounds in the appeal filed by the Company before the Hon'ble Supreme Court. In view of the same no provision has been made in respect of penalty and compensation claimed in these financial statements.
- (h) A criminal writ petition has been filed by clients of the Anugrah Stock and Broking Ltd (Defaulted Member) before the Hon'ble High Court of Bombay, seeking investigation by a special investigating team (SIT) in to alleged wrong doing, cheating, fraud, breach of trust committed upon the public at large, by NSE, BSE Ltd, NCL, Defaulted Member and its officers, Teji Mandi and its officers and Edelweiss Custodial Services Pvt Ltd (ECL) in collusion with each other. The matter is currently pending before the Hon'ble High Court of Bombay. Based on the opinion of the legal counsel, the Company is of the view that there exists strong grounds to contest the above writ petition filed against the Company. In view of the same, no provision for any liability in this regard is considered necessary in the financial statements as of and for the year ended March 31, 2024, and March 31, 2023.
- (i) The Company and the employees, past and present received a SCN 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. 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 reasonable amount in line with the settlement regulations. Thereafter, on July 10, 2023, NSE filed a detailed reply to the Show Cause Notice with SEBI. Basis the Settlement Application filed by NSE and the employees, SEBI conducted several Internal Committee meetings with NSE and the employees through their Advocates. On March 5, 2024, NSE had filed as Revised Settlement Terms (RST) with SEBI. NSE is awaiting revert on the RST filed with SEBI.
- (j) National Stock Exchange (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 connect and ensure member readiness prior to its implementation. Further, NSE IFSC Clearing Corporation Limited entered into an operational agreement on March 28, 2022 with SGX India Connect IFSC Private Limited, Singapore Exchange Derivatives Clearing Limited (SGX DC) and NSE IFSC Limited to operationalise the NSE IFSC-SGX Connect. The same has been launched on July 29, 2022. As per this



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operational agreement, NSE IFSC CC Limited is required to provide collateral to SGX-DC for the due performance of its clearing obligations in respect of the trades placed by SGX-SPV on NSE IFSC. NSE IFSC CC Limited has availed Bank Guarantee facility from Standard Chartered Bank to the tune of USD 20 million (₹163.10 crore) and USD 30 million (₹250.38 Crore) during the year ended March 31, 2023 and March 31, 2024 respectively. In respect of this the Company has provided corporate guarantee to the bank and its outstanding as at the year end.

Based on the legal opinion/advice received, the Company is of the view that the above matters are not likely to have any material impact on the financial statements of the Company.

(ii) Other contingent liabilities include disputed demand on account of the following:

- Income Tax: ₹223.11 Crores (March 31, 2023: ₹499.93 Crores) along with interest thereon.
- Wealth Tax: ₹0.09 Crores (March 31, 2023: ₹0.09 Crores). Wealth Tax liability includes ₹0.02 Crores (March 31, 2023: ₹0.02 Crores) on account of Tax Department appeals pending disposal before the Bombay High Court.
- Service Tax, GST & MVAT: ₹79.92 Crores (March 31, 2023: ₹78.40 Crores) along with penalty thereon.
- Bank guarantees ₹1 crore (March 31, 2023: ₹1 crore)

The Company's pending litigations comprise of claims against the Company and proceedings pending with Statutory and Tax Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, as applicable, in its financial statements as described above. The Company does not expect the outcome of these proceedings to have a material impact on its financial statements as at March 31, 2024.

(iii) Other claims against the company not acknowledged as debts amounts to: ₹6.09 Crores (March 31, 2023: ₹6.54 Crores).

### 32 Details of dues to micro and small, medium enterprises as defined under the MSMED Act, 2006

Trade Payables includes ₹4.09 Crores (March 31, 2023: ₹1.30 Crores) due to Micro, Small & Medium Enterprises. Total outstanding dues to Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"). The disclosure pursuant to the said MSMED Act are as follows.

Description	(₹ in Crores)	
	31.03.2024	31.03.2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	4.09	1.30
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Interest Accrued and remaining unpaid at the end of each accounting year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

## NOTES TO STANDALONE FINANCIAL STATEMENTS

as at March 31, 2024

**33** On February 28, 2019, the Honourable Supreme Court of India delivered a judgement in the case of "Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal" in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Employees' Provident Fund Organisation also issued a circular (Circular No. C-1/1(33)2019/Vivekananda Vidyamandir/284) dated March 20, 2019 in relation to aforesaid matter. The Company has given effect to this judgment with effect from April 1, 2019. In Company's assessment, this did not have a significant impact on its financial statements.

### 34 Disclosure in relation to Corporate Social Responsibility (CSR) expenditure

(₹ in Crores)		
	31.03.2024	31.03.2023
Contribution to NSE Foundation (Refer note below)	1.61	31.12
<b>Total</b>	<b>1.61</b>	<b>31.12</b>
Amount required to be spent during the year as per section 135 of the Act	105.13	62.25
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purpose other than (i) above out of previous year shortfall	1.13	-
(iii) On purpose other than (i) above out of current year obligation	0.48	31.12
Shortfall for the year (Refer note 34.1)	104.65	31.13
Cumulative shortfall at the end of the year	134.65	31.13

#### Details of ongoing CSR projects under section 135(6) of the Act

Year	Balance as at April 1, 2023		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2024	
	With the Company	In separate CSR unspent account		From the Company's bank account	From separate CSR unspent account	With the Company	In separate CSR unspent account (Refer note 34.1)
2022-23	-	31.13	-	1.13	-	30.00	
2023-24	-	-	105.13	0.48	-	104.65	

#### Details of CSR expenditure under section 135(5) of the Act in respect of other than ongoing projects

(₹ in Crores)				
Balance unspent as at April 1, 2023	Amount deposited in specified schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2024
-	-	-	-	-

#### Details of excess CSR expenditure under Section 135(5) of the Act

(₹ in Crores)			
Balance excess spent as at April 1, 2023	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2024
-	-	-	-

#### Movement in provision for CSR activities

(₹ in Crores)		
Particulars	31.03.2024	31.03.2023
<b>Balance as at beginning of the year</b>	<b>31.12</b>	<b>-</b>
Add: Provision made	104.65	31.12
Less: Amount utilised during the year	(1.13)	-
<b>Balance as at the end of the year</b>	<b>134.65</b>	<b>31.12</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS

as at March 31, 2024

**Nature of CSR Activities:** NSE Foundation, a group company undertakes the following CSR activities which includes

Primary Education, Sanitation and Safe Drinking Water, Elder Care, Skill Development And Entrepreneurship, Environment Sustainability, Health and Nutrition, Disaster Relief and Rehabilitation, Incubation, Environmental Sustainability.

34.1 The Company has transferred the unspent CSR amount to a separate bank account for its ongoing project to build the cancer hospital for Tata Memorial Trust. (Refer note 9.1 & 10.3)

### 35 Lease

#### (i) Amounts recognised in balance sheet

The balance sheet includes the following amount relating to leases:

(₹ in Crores)		
Particulars	31.03.2024	31.03.2023
<b>Right-of-use-assets</b>		
Land	70.81	72.11
Buildings	79.31	99.88
Plant & Equipment	3.53	3.98
<b>Total</b>	<b>153.65</b>	<b>175.97</b>

(₹ in Crores)		
Particulars	31.03.2024	31.03.2023
<b>Lease liabilities</b>		
Current	27.16	22.93
Non Current	80.11	101.93
<b>Total</b>	<b>107.27</b>	<b>124.86</b>

#### (ii) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows the following amount relating to leases:

(₹ in Crores)		
Particulars	31.03.2024	31.03.2023
<b>Depreciation charge of Right-of-use assets</b>		
Buildings	24.31	10.52
Land	1.30	1.30
Plant & Equipment	0.45	0.57
<b>Total</b>	<b>26.06</b>	<b>12.39</b>

(₹ in Crores)		
Particulars	31.03.2024	31.03.2023
Interest expenses	10.26	7.85
<b>Total</b>	<b>10.26</b>	<b>7.85</b>

#### (iii) Extension and termination options

Extension and termination options are included in many of the leases. In determining the lease term, the Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Company. Extension option are included in the lease term in case it is reasonable certain to be extended.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

as at March 31, 2024

#### (iv) Net debt reconciliation

This section sets out an analysis of net debt and the movements in the net debt for each of the periods presented.

(₹ in Crores)			
Particulars	Lease obligations	Cash & Cash equivalents	Total
<b>Net debt as on April 1, 2022</b>	82.72	102.57	(19.85)
Cash flows	-	551.20	(551.20)
Add: Addition to leases	50.36	-	50.36
Add: Interest expense	7.85	-	7.85
Less: Cash flows	(16.06)	-	(16.06)
<b>Net debt as at March 31, 2023</b>	<b>124.86</b>	<b>653.77</b>	<b>(528.91)</b>
Cash flows	-	186.05	(186.05)
Add: Addition to leases	3.74	-	3.74
Add: Interest expense	10.26	-	10.26
Less: Cash flows	(31.59)	-	(31.59)
<b>Net debt as at March 31, 2024</b>	<b>107.27</b>	<b>839.82</b>	<b>(732.55)</b>

#### (v) Critical judgements in determining incremental borrowing rate.

The lease payments for the Company's lease agreement are discounted using the interest rate implicit in the lease, of if not available, the Company's incremental borrowing rates, being rate that the Company would have to pay to borrow the funds necessary to obtain an asset similar value to Right-of-use asset in a similar economic environment with similar terms, security and conditions.

### 36 Other events after the reporting period

#### (i) Dividend:

The Board of Directors have recommended the payment of final dividend of ₹90 per fully paid equity shares (FV ₹1 each) (March 31, 2023: ₹80 per fully paid equity share (FV ₹1 each)). This proposed dividend is subject to approval of shareholders in the ensuing general meeting and if approved would result in cash outflow of approximately ₹4,455 Crores.

(ii) The Board of Directors in its meeting held on May 3, 2024, has decided to appropriate an amount of ₹1,950 Crores (March 31, 2023: ₹6,583 Crores) from retained earnings to a separate reserve within equity towards adequate risk capital management.

(iii) The Board of Directors of the Company in their meeting held on May 3, 2024, recommended issue of bonus equity shares in the proportion of 4 (four) bonus shares of ₹1/- (Rupee one each) for every existing 1 (one) fully paid up equity shares of ₹1 each and increase in Authorised Share Capital from ₹50 Crores (comprising 50 Crores shares of ₹1 each) to ₹500 Crores (comprising 500 Crores shares of ₹1 each) subject to approval of shareholders and regulators.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

as at March 31, 2024

### 37 Offsetting Financial assets and Financial Liabilities

(₹ in Crores)

As at 31.03.2024	Effects of offsetting on the balance			Related amount not offset	
	Gross Amount	Gross Amount Set off in the balance sheet	Net Amount presented in Balance sheet	Amounts subject to master netting arrangements	Financial Instrument Collateral (Member deposit)
Financial Assets					
Trade Receivables	1,643.82	-	1,643.82	-	975.40

(₹ in Crores)

As at 31.03.2023	Effects of offsetting on the balance			Related amount not offset	
	Gross Amount	Gross Amount Set off in the balance sheet	Net Amount presented in Balance sheet	Amounts subject to master netting arrangements	Financial Instrument Collateral (Member deposit)
Financial Assets					
Trade Receivables	1,460.53	-	1,460.53	-	967.71

37.1 The Company does not have a master netting arrangement and accordingly, financial assets and liabilities are disclosed at gross amount.

### Note 38 - Fair Value Measurements

#### Financial Instruments by category

(₹ in Crores)

	31.03.2024			31.03.2023		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Investments						
Equity Instruments	-	106.41	-	-	113.54	-
Taxable Bonds	-	-	2,653.21	-	-	1,019.41
Tax free Bonds	-	-	539.27	-	-	573.32
Certificate of Deposits	-	-	2,952.40	-	-	3,779.67
Fixed Deposits with Banks including accrued interest	-	-	2,281.76	-	-	1,442.20
Commercial Papers	-	-	-	-	-	99.09
Government Securities	-	2,753.16	1,335.26	-	2,850.76	-
Mutual Funds	7,207.68	-	-	5,252.21	-	-
Trade Receivables	-	-	1,664.65	-	-	1,488.48
Cash and Cash equivalents including other bank balances (Refer note 10.1)	-	-	24.36	-	-	155.96
Security deposits	-	-	12.84	-	-	7.41
Other receivables	-	-	38.04	-	-	24.99
<b>Total financial assets</b>	<b>7,207.68</b>	<b>2,859.57</b>	<b>11,501.79</b>	<b>5,252.21</b>	<b>2,964.30</b>	<b>8,590.53</b>
<b>Financial liabilities</b>						
Deposits	-	-	1,234.07	-	-	1,083.44
Trade Payables	-	-	394.72	-	-	294.84
Other financial liabilities	-	-	547.08	-	-	452.77
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>2,175.87</b>	<b>-</b>	<b>-</b>	<b>1,831.05</b>

The Company had acquired certain equity instruments for the purpose of holding for a longer duration and not for the purpose of selling in near term for short term profit. Such instruments have been categorised as FVOCI.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

as at March 31, 2024

### Note 39 Financial Risk Management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management Committee of the Company is supported by the Treasury department to oversee that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Treasury department activities are designed to:

- protect the Company's financial position from financial risks.
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.
- performs periodic risk assessments of the Company's investment portfolio

The Treasury department is responsible to maximise the return on Company's generated funds and investments.

#### A Management Of Liquidity Risk

Liquidity risk is the risk that the Company will face difficulties in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring avoidable costs. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in the Company's cash flow could impair investor confidence.

The Company maintained a cautious funding strategy, with a positive cash balance throughout the years ended March 31, 2024 and March 31, 2023. Cash flows from operating and investing activities provides the funds to service the financing of liabilities on a day-to-day basis.

The Company's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated by the operations, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing deposits, other marketable debt investments not invested in equity linked funds including government securities, mutual funds and exchange traded funds with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

(₹ in Crores)

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
<b>As at March 31, 2024</b>				
Trade payables	394.72	389.73	4.99	394.72
Deposits	1,234.07	1,234.07	-	1,234.07
Lease liabilities	107.27	27.16	195.14	222.30
Other financial liabilities	547.08	529.72	17.36	547.09
<b>As at March 31, 2023</b>				
Trade payables	294.84	285.45	9.39	294.84
Deposits	1,083.44	1,083.44	-	1,083.44
Lease liabilities	124.86	22.93	215.03	237.96
Other financial liabilities	452.77	436.42	16.35	452.77



# NOTES TO STANDALONE FINANCIAL STATEMENTS

as at March 31, 2024

## B Management Of Market Risk

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- price risk; and
- interest rate risk

The above risks may affect the Company's income or the value of its financial instruments. The objective of the Company's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to, and management of, these risks is explained below.

Potential Impact Of Risk	Management Policy	Sensitivity To Risk
<p><b>1. Price Risk</b></p> <p>The Company is mainly exposed to the price risk due to its investment in mutual funds, exchange traded funds and investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments.</p> <p>At March 31, 2024, the exposure to price risk due to investment in mutual funds amounted to ₹7,207.68 Crores (March 31, 2023: ₹5,252.21 Crores).</p> <p>At March 31, 2023, the exposure to price risk due to investment in equity instruments amounted to ₹106.41 Crores (March 31, 2023: ₹113.54 Crores).</p>	<p>In order to manage its price risk arising from investments in mutual funds, exchange traded funds and investments in equity instruments, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.</p> <p>The Treasury department maintains a list of approved financial instruments. The investment in any new instrument must be approved by the internal Investment Committee within the criterias approved by the Board."</p>	<p>As an estimation of the approximate impact of price risk, with respect to mutual funds, exchange traded funds and investments in equity instruments, the Company has calculated the impact as follows.</p> <p>For mutual funds, a 0.25% increase in prices would have led to approximately an additional ₹18.02 Crores gain in the Statement of Profit and Loss (2022-23: ₹13.13 Crores gain). A 0.25% decrease in prices would have led to an equal but opposite effect.</p> <p>For equity instruments, a 10% increase in prices would have led to approximately an additional ₹10.64 Crores gain in the Statement of Profit and Loss (2022-23: ₹11.35 Crores gain). A 10% decrease in prices would have led to an equal but opposite effect.</p>
<p><b>2. Interest Rate Risk</b></p> <p>The Company is mainly exposed to the interest rate risk due to its investment in government securities measured at FVOCI. The interest rate risk arises due to uncertainties about the future market interest rate which impacts the price of these investments.</p> <p>As at March 31, 2024, the exposure to interest rate risk due to investment in government securities amounted to ₹2,753.16 Crores (March 31, 2023: ₹2,850.76 Crores).</p> <p>The Company invests in term deposits for a period ranging from 3 months to 3 years. The Company's investments are primarily in fixed rate bearing investments. Hence, the Company is not significantly exposed to interest rate risk.</p>	<p>In order to manage its interest rate risk arising from investments in government securities, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.</p> <p>The Treasury department maintains a list of approved financial instruments. The investment in any new instrument must be approved by the internal Investment Committee within the criterias approved by the Board.</p>	<p>As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 0.25% change in interest rates.</p> <p>A 0.25% increase in interest rates would have led to approximately an additional ₹19.46 Crores loss in the Statement of Profit and Loss (2022-23: ₹24.35 Crores loss). A 0.25% decrease in interest rates would have led to an equal but opposite effect.</p>

## C Management Of Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

### Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse and also on account of member's deposits kept by the Company as collateral which can be utilised in case of member default. All trade receivables are reviewed and assessed for default on a quarterly basis. Based on historical experience of collecting receivables, supported by the level of default, the Company's assessment of credit risk is low. Accordingly, the provision for expected credit loss on trade receivable is not material as they are settled fairly quickly.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

as at March 31, 2024

## Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks/financial institutions and investments in marketable debt investments including the government securities, mutual funds and exchange traded funds. The Company has diversified portfolio of investment with various number of counter-parties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company's Treasury department. The Company's investments are primarily into AAA/AA high rating instruments and based on the historical experience of investee company, the Company's our assessment for credit risk is low. Accordingly, the provision for expected credit loss on other financial assets is not material. The Company's maximum exposure to credit risk as at March 31, 2024, and 2023, is the carrying value of each class of financial assets as disclosed in note 4, 5, 7, 8, 9 and 10.

## D Concentration Risk

The Company does not have any single customer/supplier which constitute more than 10% of the total trade receivables/trade payables balance as at March 31, 2024 and March 31, 2023.

## Note - 40: Capital Management

### The Company considers the following components of its Balance Sheet to be managed capital:

Total equity (as shown in the balance sheet, including retained profits, other reserves, share capital, share premium).

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In the current year ended March 31, 2024, the Company has appropriated an amount of ₹1,950 Crores (March 31, 2023: ₹6,583 Crores) from retained earnings to a separate risk reserve within equity towards adequate risk capital management. This has been determined taking into consideration various factors and risks including market risk, credit risk, members default risk, operational risk, etc. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Company is not subject to financial covenants in any of its significant financing agreements.

The Company's management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods. Refer note 11 (b) for the final dividend declared and paid.

Compliance with externally imposed capital requirements:

In accordance with regulation 14 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, as amended from time to time, the Company shall have a minimum net worth of ₹100 Crores at all times. The Company is in compliance with this requirement.

**NOTES TO STANDALONE FINANCIAL STATEMENTS**

as at March 31, 2024

**Note - 41: Additional Regulatory Information required by Schedule III****(i) Details of Benami Property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

**(ii) Borrowing secured against current assets**

The Company doesn't have any borrowings from banks and/or financial institutions.

**(iii) Willful Defaulter**

The Company has not been declared willful defaulter by any bank or financial institutions or government or any government authority.

**(iv) Relationship with struck off Companies**

The Company has no transactions with the companies struck off under the Companies Act, 2013.

**(v) Compliance with number of layer of Companies**

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

**(vi) Compliance with approved scheme(s) of arrangements**

The Company has not entered into any scheme of arrangement which has an accounting impact on current of previous financial year.

**(vii) Utilisation of Borrowed funds and Share premium**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**(viii) Undisclosed Income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**(ix) Details of crypto currency of virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**(x) Valuation of PP&E, intangible asset and investment property**

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year. The fair value of investment property (as measured for disclosure purposes in the financial statements) is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

**(xi) Title deeds of immovable properties not held in name of the company**

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee), as disclosed in note no. 2 to the financial statements, are held in the name of the Company.

**NOTES TO STANDALONE FINANCIAL STATEMENTS**

as at March 31, 2024

**(xii) Registration of charges or satisfaction with Registrar of Companies**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

**(xiii) Core Investment Company (CIC)**

The Company has one subsidiary company namely NSE Investments Ltd which is a deemed CIC and is not required to be registered with RBI as per the directions laid down in Core Investment Companies (Reserve Bank) Directions, 2016. There are no other CIC in the group.

**(xiv) Loans or advances to specified persons**

The Company has not granted any loans or advances to promoters, directors, KMPs and related parties either severally or jointly with any other person, that are:

- (a) repayable on demand or
- (b) without specifying any terms or period for repayment

**(xv) Analytical Ratios**

Ratio	Numerator	Denominator	31.03.2024	31.03.2023	% Variance	Remarks
Current Ratio (in times)	Total current assets	Total current liabilities	1.88	3.31	-43%	Due to increase in STT liability for the month of March, 24 which was not paid till March 31, 2024. However, for March 31, 2023, STT was paid before the year end.
Debt - Equity Ratio (in times)	Total debt (represents lease liability)	Shareholder's equity	0.01	0.01	-26%	Due to increase in Shareholder's equity and reduction in lease liability.
Debt service coverage Ratio (in times)	Earnings available for debt service (Net profit after taxes + depreciation)	Debt service (interest and principal payments including lease payments)	220.78	469.19	-53%	Due to increase in lease payments and also reduction in net profit after tax.
Return on equity (%)	Profit for the year less preference dividend, if any	Average total equity	37%	51%	-28%	Due to increase in contribution to core SGF and reduction in net profit after tax.
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	8.57	7.92	8%	Not Applicable
Trade payables turnover ratio (in times)	Other expenses less depreciation including clearing & settlement charges	Average trade payables	11.77	10.70	10%	Not Applicable
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. current assets minus current liabilities)	1.72	1.56	10%	Not Applicable
Net profit Ratio (%)	Net profit after tax	Revenue from operations	49%	65%	-24%	Not Applicable
Return on capital employed (%)	Profit before tax and finance cost	Capital employed = Net worth + lease liabilities + deferred tax liabilities	45%	56%	-20%	Not Applicable
Return on Investment (%)	Income generated from invested funds	Average invested funds in treasury investments	7%	6%	23%	Not Applicable



# NOTES TO STANDALONE FINANCIAL STATEMENTS

as at March 31, 2024

- 42** The Board of Directors of the Company in their meeting held on March 23, 2023, approved the voluntary contribution at 2% of the transaction charges earned to the Core Settlement Guarantee Fund (Core SGF) to maintain the corpus of the said Fund based on the assessment of the current trends in volumes and overall increase in market activities. Further, the Board in its meeting held on November 1, 2023, approved additional contribution of ₹500 Crores to the Core SGF each quarter for the remainder of FY 23-24 to augment the corpus of the Core SGF as desired by SEBI. Subsequently, the Board in its meeting held on March 11, 2024, noted and approved the Contribution of ₹500 Crores for the quarter ended March 31, 2024. Accordingly, during the year ended March 31, 2024, the Company has recognised an expense of ₹1,740.97 Crores (March 31, 2023: ₹203.45 Crores), towards contribution to the Core SGF in the financial statements.
- 43** The Company holds 24% shares in National Securities Depository Limited (NSDL) and accounts the same as an investment in an associate as per Ind AS 28- Investments in Associates and Joint Ventures, (Equity accounting). As per Regulation 22 of the SEBI (Depositories and Participants) Regulations, 2018 (DP Regulations), the Company was required to bring down its shareholding to 15% within five years from the date of commencement of the DP Regulations i.e by October 03, 2023. However, the Company had sought extension of time from SEBI to bring down its shareholding in NSDL. SEBI vide its letter dated October 6, 2023, has accepted the above request and directed that the voting rights and all corporate actions in respect of excess shareholding held by the Company in NSDL above 15% post October 3, 2023, shall be frozen till the excess shareholding is divested. The Management of the Company has assessed the above direction of SEBI and concluded that the Company continues to exercise significant influence in accordance with Ind AS 28 - Investments in Associates and Joint Ventures.
- 44** In accordance with the relevant provisions of the Companies Act, 2013, the Company has long term contracts as of March 31, 2024, and March 31, 2023, for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2024, and March 31, 2023.
- 45** For the year ended March 31, 2024, and March 31, 2023, the Company is not required to transfer any amount to the Investor Education & Protection Fund as required under section 125 of the Companies Act, 2013.

For **Price Waterhouse & Co. Chartered Accountants LLP**  
Chartered Accountants  
Firm's Registration no: 304026E/E-300009

For and on behalf of the Board of Directors

**S Ravindran**  
Director  
[DIN: 09778966]

**S Sudarshan**  
Director  
[DIN: 08636735]

**Amit Borkar**  
Partner  
Membership No.: 109846

**Tablesh Pandey**  
Director  
[DIN: 10119561]

**Ashishkumar Chauhan**  
Managing Director & CEO  
[DIN: 00898469]

Place: Pune  
Date: May 3, 2024

**Yatrik Vin**  
Group CFO & Head Corporate Affairs

**Rohit Gupte**  
Company Secretary

Place: Mumbai  
Date: May 3, 2024





**Registered Office**

Exchange Plaza, Plot No. C-1,  
Block-G, Bandra Kurla Complex,  
Bandra (East) Mumbai, Maharashtra – 400051