

## **Disclaimer**

The audited financial results for the quarter and year ended March 31, 2018 have been published in compliance with the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporation) Regulations, 2012. Potential investors should not rely on such results for making any investment decision.

National Stock Exchange of India Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, an initial public offer of its equity shares and has filed a draft red herring prospectus dated December 28, 2016 ("DRHP") with Securities and Exchange Board of India ("SEBI"). The DRHP is available on the website of SEBI as well as on website of the Managers, Citigroup Global Markets India Private Limited at <http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm>, JM Financial Institutional Securities Limited at [www.jmfi.com](http://www.jmfi.com), Kotak Mahindra Capital Company Limited at <http://www.investmentbank.kotak.com>, Morgan Stanley India Company Private Limited at <http://www.morganstanley.com/about-us/global-offices/india/>, HDFC Bank Limited at [www.hdfcbank.com](http://www.hdfcbank.com), ICICI Securities Limited at [www.icicisecurities.com](http://www.icicisecurities.com), IDFC Bank Limited at [www.idfcbank.com](http://www.idfcbank.com) and IIFL Holdings Limited at [www.iiflcap.com](http://www.iiflcap.com). Potential investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see "Risk Factors" beginning on page 19 of the DRHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision.

Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

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

### **Independent Auditor's Report on the Statement of consolidated financial results**

1. We have audited the accompanying Statement containing the annual audited consolidated financial results of National Stock Exchange of India Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and associate companies; (refer Note 39 to the consolidated financial statements) for the year ended March 31, 2018 together with the notes thereon (hereinafter referred to as the "Statement"), which we have signed under reference to this report.

### **Management's Responsibility for the consolidated financial results**

2. Management of the Holding Company is responsible for the preparation of the accompanying Statement. The Management is also responsible for the preparation of the annual statutory consolidated financial statements in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the "accounting principles generally accepted in India"), basis which the above Statement containing the annual audited consolidated financial results has been prepared. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Statement.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us:
- (i) the Statement, together with the notes thereon are presented in the format prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
  - (ii) the annual audited consolidated financial results for the year ended March 31, 2018 as set out in the Statement gives a true and fair view of the total consolidated comprehensive income (comprising of consolidated profit and consolidated other comprehensive income),] and other financial information of the Group and its associate companies for the year ended March 31, 2018 in accordance with the accounting principles generally accepted in India.

## **Other Matter**

7. We did not audit the financial statements of eleven subsidiaries, whose financial statements reflect total assets of Rs.11,381 crores and net assets of Rs. 2,360 crores as at March 31, 2018, total revenue from operations of Rs. 955 crores, total comprehensive income (comprising of profit/ loss and other comprehensive income) of Rs. 445 crores and net cash outflows amounting to Rs. 1,889 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements of the Group. The consolidated Ind AS financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 34 crores for the year ended March 31, 2018 as considered in the consolidated Ind AS 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 Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and associate companies and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
8. The consolidated Ind AS financial information include the Group's share of total comprehensive income (comprising of profit/ loss and other comprehensive income) of Rs. 88 crores for the year ended March 31, 2018 as considered in the consolidated Ind AS financial statements, in respect of five associate companies whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial information insofar as it relates to the amounts and disclosures included in respect of these associate companies and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group. Further, with respect to the one associate company referred to in paragraph 7 above, the auditors' report did not include the reporting under Section 143(3) of the Act.

Our opinion is not qualified in respect of paragraph 7 and 8 above.

9. The Statement dealt with by this report has been prepared for the express purpose of complying with Regulation 35 of Securities Contracts (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2012 (the "SECC Regulations") read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"). This Statement is based on and should be read with the audited consolidated financial statements of the Group and its associate companies, for the year ended March 31, 2018 on which we issued an unmodified audit opinion vide our report dated May 4, 2018.

**Restriction on Use**

10. This report is addressed to the Board of Directors of the Holding Company and has been prepared for and only for the purposes set out in paragraph 9 above. This report should not be otherwise used by any other party for any other purpose.

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/ E - 300009  
Chartered Accountants

Sumit Seth  
Partner  
Membership Number 105869

Place: Mumbai  
Date: May 4, 2018



## STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in crores unless otherwise stated)

Sr. No. Particulars	Year ended	
	31.03.2018 Audited	31.03.2017 Audited
<b>1 Income</b>		
(a) Revenue from operations	2,609.14	2,104.26
(b) Other Income	423.42	576.40
<b>Total Income</b>	<b>3,032.56</b>	<b>2,680.66</b>
<b>2 Expenses</b>		
(a) Employee benefits expense	263.28	240.18
(b) Depreciation and amortisation expense	125.59	118.14
(c) Other expenses	568.99	525.30
<b>Total expenses (excluding contribution to Core Settlement Guarantee Fund)</b>	<b>957.86</b>	<b>883.62</b>
<b>3 Profit before, share of net profits of investments accounted for using equity method, contribution to Core Settlement Guarantee Fund and tax(1-2)</b>	<b>2,074.70</b>	<b>1,797.04</b>
4 Share of net profit of associates and joint ventures accounted by using equity method	122.34	111.67
<b>5 Profit before contribution to Core SGF and tax (3+4)</b>	<b>2,197.04</b>	<b>1,908.71</b>
6 Contribution to Core Settlement guarantee fund (Core SGF) ( Note 4)	-	(134.07)
<b>7 Profit before tax (5-6)</b>	<b>2,197.04</b>	<b>1,774.64</b>
8 Less: Income Tax expense		
(a) Current tax	681.05	516.31
(b) Deferred tax	54.52	39.51
<b>Total Tax expenses</b>	<b>735.57</b>	<b>555.82</b>
<b>9 Profit for the year (7-8)</b>	<b>1,461.47</b>	<b>1,218.82</b>
<b>10 Other Comprehensive Income</b>		
(a) <i>Items that will be reclassified to profit or loss (net of tax)</i>		
Changes in fair value of FVOCI debt instruments	(14.82)	8.25
(b) <i>Items that will not be reclassified to profit or loss (net of tax)</i>		
Remeasurements of post-employment benefit obligations	(0.91)	(6.87)
Changes in fair value of FVOCI equity instruments	6.67	(23.58)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	-	(1.75)
Changes in foreign currency translation reserve	0.29	(2.40)
<b>Total other comprehensive income for the year, net of taxes</b>	<b>(8.77)</b>	<b>(26.35)</b>
<b>11 Total comprehensive income for the year (9+10)</b>	<b>1,452.70</b>	<b>1,192.47</b>
12 Paid-up equity share capital (Face value Re. 1 per share)	49.50	49.50
13 Reserves (excluding Revaluation Reserve)	7,300.06	7,160.13
14 Earnings per equity share (EPS) ( FV Re. 1 each)		
- Basic and Diluted (Rs.)	29.52	24.62
Before contribution to Core Settlement Guarantee Fund ( FV Re. 1 each)		
- Basic and Diluted (Rs.)	29.52	26.39

<b>Statement of Asset and Liabilities</b>		
(Rs. in crores unless otherwise stated)		
<b>Particulars</b>	As at	As at
	31.03.2018 Audited	31.03.2017 Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	535.35	484.82
Capital work-in-progress	31.72	78.90
Goodwill	67.35	67.35
Other intangible assets	50.30	45.31
Intangible assets under development	33.69	34.98
Investment in associates/ joint venture accounted for using the equity method	744.93	770.33
Financial assets		
- Investments	3,403.25	2,946.18
- Other financial assets		
Non-current bank balances	1,014.62	1,129.55
Others	60.82	97.94
Income tax assets (net)	275.59	305.69
Deferred tax assets (net)	5.49	3.73
Other non-current assets	14.64	21.10
<b>Total non-current assets</b>	<b>6,237.75</b>	<b>5,985.88</b>
<b>Current assets</b>		
Inventories	0.01	0.02
Financial assets		
- Investments	2,873.89	2,868.14
- Trade receivables	397.68	314.29
- Cash and cash equivalents	6,244.14	7,927.75
- Bank balances other than cash and cash equivalents	2,100.94	2,173.88
- Other financial assets	202.74	163.43
Other current assets	86.85	60.92
	<b>11,906.25</b>	<b>13,508.43</b>
Assets classified as held for sale	82.07	-
<b>Total current assets</b>	<b>11,988.32</b>	<b>13,508.43</b>
<b>TOTAL ASSETS</b>	<b>18,226.07</b>	<b>19,494.31</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity share capital	49.50	49.50
Other equity	7,300.06	7,160.13
<b>TOTAL EQUITY</b>	<b>7,349.56</b>	<b>7,209.63</b>
<b>CORE SETTLEMENT GUARANTEE FUND</b>		
- Core Settlement Guarantee Fund paid	2,421.22	1,684.95
- Core Settlement Guarantee Fund payable	12.41	290.58
	<b>2,433.63</b>	<b>1,975.53</b>
<b>INVESTOR PROTECTION FUND</b>	<b>0.10</b>	<b>-</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Other financial liabilities	9.64	9.19
Provisions	20.87	18.94
Deferred tax liabilities (net)	156.89	118.97
Other non-current liabilities	5.39	5.39
<b>Total non-current liabilities</b>	<b>192.79</b>	<b>152.49</b>
<b>Current liabilities</b>		
Financial liabilities		
Deposits	1,915.91	1,803.28
Trade payables		
Total Outstanding dues of micro enterprises and small enterprises	1.21	0.07
Total Outstanding dues of creditors other than micro enterprises and small enterprises	128.25	97.40
Other financial liabilities	5,697.69	7,667.43
	<b>7,743.06</b>	<b>9,568.18</b>
Provisions	61.00	56.66
Income tax liabilities (net)	97.87	95.44
Other current liabilities	348.06	436.38
<b>Total current liabilities</b>	<b>8,249.99</b>	<b>10,156.66</b>
<b>TOTAL LIABILITIES</b>	<b>8,442.78</b>	<b>10,309.15</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18,226.07</b>	<b>19,494.31</b>

## 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 Company. The Group has identified the following segments i.e. Trading Services, Clearing Services, Data Feed, Index licensing and strategic investment as reporting segments based on the information reviewed by CODM.

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

2: **Clearing Services**: This part of the business offers clearing and settlement of the trades executed in the Capital Markets, Future & Options and Currency Derivative segments.

3: **Datafeed Services** : This part of business offers services related to dissemination of price, volume, order book and trade data relating to securities and various indexes to the stock and commodity brokers.

4: **Index Licensing Fees**: This part of the business is primary provider of indices and related products and services to various participants in India.

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

6: Other segments includes End to End Solution, E-learning Solutions, Web Trading, IT services, IT Process Support charges, and Software application development. The results of these operations are included in the "all other segments". This column includes head office and group services.

The above business segments have been identified considering :

- a) the nature of products and services
- b) the differing risks
- c) the internal organisation and management structure, and
- d) the internal financial reporting systems.

The segment information presented is in accordance with the accounting policies adopted for preparing the consolidated financial statements of the Group. Segment revenues, expenses and results include inter-segment transfers. Such transfers are undertaken either at competitive market prices charged to unaffiliated customers for similar goods or at contracted rates. These transfers are eliminated on consolidation.

### (b) Segment Revenue :

Segment revenue is measured in the same way as in the statement of profit or loss. Revenue and expenses which relate to the enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as Unallocable. Transactions between segments are eliminated on consolidation. The CODM primarily uses a measure of profit before tax to assess the performance of the operating segments. However, the CODM also receives information about the segment revenue and assets on a quarterly basis.

Segments	31st March, 2018				31st March 2017			
	Segment Revenue	Inter-segment revenue	Revenue from external customers	Segment Results	Segment Revenue	Inter-segment revenue	Revenue from external customers	Segment Results
Trading Services *	2,132.72	35.96	2,096.76	1,247.87	1,690.50	34.86	1,655.64	817.30
Clearing Services	312.68	120.65	192.03	191.45	267.03	100.05	166.98	143.68
Datafeed Services	76.67	0.44	76.23	50.21	73.37	0.33	73.04	50.30
Index Licensing Services	89.13	11.66	77.47	74.88	80.72	11.44	69.28	72.57
Strategic Investments	115.55	97.33	18.21	106.39	52.04	35.39	16.65	29.41
Other Segments	361.18	212.74	148.43	74.66	229.57	106.91	122.66	15.82
<b>Total</b>	<b>3,087.92</b>	<b>478.78</b>	<b>2,609.14</b>	<b>1,745.46</b>	<b>2,393.23</b>	<b>288.98</b>	<b>2,104.25</b>	<b>1,129.08</b>
<b>RESULT</b>								
Add: Unallocable income (Net of Exp.)				144.76				353.71
Add: Profit on sale of investment in equity instruments in Associates				-				2.06
Add : Contribution to Core Settlement guarantee fund (Core SGF)				-				134.07
Interest income				184.48				178.12
<b>Profit before share of net profits of investments accounted for using equity method and tax</b>				<b>2,074.70</b>				<b>1,797.04</b>
Add: Share of profit (net) of Associates				122.34				111.67
<b>Profit before contribution to Core Settlement Guarantee Fund and tax</b>				<b>2,197.04</b>				<b>1,908.71</b>
Less: Contribution to Core Settlement guarantee fund (Core SGF)				-				(134.07)
<b>Profit before Tax</b>				<b>2,197.04</b>				<b>1,774.64</b>
<b>Less: Tax Expense:</b>								
Current Tax				(681.05)				(516.31)
Deferred Tax				(54.52)				(39.51)
<b>Total Tax Expense</b>				<b>(735.57)</b>				<b>(555.82)</b>
<b>Net profit after tax</b>				<b>1,461.47</b>				<b>1,218.82</b>

\* Segment result for trading segment is net of contribution to Core SGF as follows:

Particulars	31.03.2018	31.03.2017
Contribution to Core SGF	-	134.07

### (c) Revenue From External Customers based on geographies

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

	31.03.2018	31.03.2017
India	2,489.94	1,984.48
Outside India	119.20	119.77



**(d) Segment Assets :**

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

<b>Segments</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
Trading Services	2,278.87	2,191.61
Clearing Services	8,810.87	9,942.00
Datafeed Services	6.36	9.19
Index Licensing Services	19.27	11.56
Strategic Investments	975.11	993.62
Other Segments	177.80	99.45
<b>Total Segment Assets</b>	<b>12,268.29</b>	<b>13,247.43</b>
Unallocable Assets	5,957.78	6,246.88
<b>Total Assets</b>	<b>18,226.07</b>	<b>19,494.31</b>

There are no non current assets situated outside domicile of India.

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

\* Segment Asset include amount pertaining to Core SGF maintained by NSCCL as follows:

<b>Particulars</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
Contribution to Core SGF	2,421.22	1,684.95

**(e) Segment Liabilities**

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

<b>Segments</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
Trading Services	1,756.22	2,075.86
Clearing Services	8,812.80	9,954.14
Datafeed Services	11.81	10.84
Index Licensing Services	3.90	5.09
Strategic Investments	1.39	2.02
Other Segments	106.22	71.39
<b>Total Segment Liabilities</b>	<b>10,692.33</b>	<b>12,119.35</b>
Unallocable Liabilities	184.08	165.33
Core Settlement Guarantee Fund	(2,433.63)	(1,975.53)
<b>Total Liabilities</b>	<b>8,442.78</b>	<b>10,309.15</b>

Notes :

- 1 The above consolidated financial results for the year ended March 31, 2018 have been reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on May 4, 2018. The financial results for the year ended March 31, 2018 were subjected to an audit by the Statutory Auditors.
- 2 The Company had paid Final Dividend of Rs.715.16 crores (including Dividend distribution tax) as approved by the Shareholders in the Annual General Meeting held on August 4, 2017. The Company had also paid an Interim Dividend of Rs.407.29 crores (including Dividend distribution tax) as approved by the Board of Directors at its meeting held on November 2, 2017.
- 3 The Board of Directors have recommended a dividend of 775% (Rs.7.75 per equity shares of Re.1/- each).
- 4 In case of National Stock Exchange of India Limited ('NSE' or 'the Company'), On June 20, 2012, Securities Exchange Board of India ('SEBI') notified Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ("the Regulations") to regulate recognition, ownership and governance in stock exchanges and clearing corporations in India. In accordance with Regulation 33 of the Regulations, every recognized stock exchange was required to transfer twenty five percent (25%) of its annual profits every year to a Settlement Guarantee Fund ("SGF") of the recognized clearing corporation(s) which clears and settles trades executed on that stock exchange to guarantee settlement of trades. Subsequently, SEBI in its press release No.66/2012 dated June 21, 2012 made an announcement about expert committee being formed to inter-alia look into the norms for adequacy of the core corpus of the SGF and its sourcing, including transfer of profits by stock exchanges to SGF in the long run. As a matter of prudence, the Company had recorded the provisional appropriation from reserve at 25% of its annual profit after tax in its financial statements.

On August 27, 2014, SEBI vide its circular no. CIR/MRD/DRMNP/25/2014 issued norms relating to Core Settlement Guarantee Fund ("Core SGF") and contribution requirements by recognised stock exchange to Core SGF maintained by clearing corporations. As per the circular, stock exchange contribution to Core SGF shall be at least 25% of the Minimum Required Contribution ("MRC") determined by clearing corporation. The contribution towards Core SGF is eligible to be adjusted against twenty five percent transfer of profits by stock exchange under the Regulations. Accordingly, the National Stock Exchange of India Limited had recorded a provisional appropriation of Rs. 527.19 crores as at March 31, 2015 (net of Rs.170 crores for contribution to MRC of Core SGF for the year ended March 31, 2015) and the same had been disclosed as provision for Core Settlement Guarantee Fund in the Balance Sheet of the Company as on March 31, 2015 .

On May 4, 2016, SEBI in its circular no. SEBI/HO/MRD/DRMNP/CIR/2016/54 notified that the provisions made by stock exchange towards the transfer of profits to SGF until March 31, 2015 shall be transferred to the Core SGF maintained by the clearing corporation within one month of the date of issuance of the notification. Further, as per the circular, SEBI was to notify the amounts to be transferred by the stock exchange to the Core SGF maintained by the clearing corporation in respect of the period from April 01, 2015 till the date of amendment of the Regulations by SEBI. Accordingly, the provisional appropriations made out of reserve aggregating to Rs.527.19 crores disclosed as provision in the Balance Sheet of the Company as on March 31, 2015 was reversed and an expense of Rs. 527.19 was recorded in the Statement of Profit and Loss for the year ended March 31, 2016. During the year ended March 31, 2016, the National Stock Exchange of India Limited had also recorded an expense of Rs.163.33 crores (net of Rs 71 crores for contribution to MRC of Core SGF for the year ended March 31, 2016) in its Statement of Profit and Loss and payable of Rs. 690.52 crores in balance sheet as of March 31, 2016.

Effective August 29, 2016, SEBI amended Regulation 33 of SECC Regulations, 2012 and the Company was required to contribute only towards the MRC of Core SGF. During the previous year ended March 31, 2017, the National Stock Exchange of India Limited has recorded an expense of Rs. 121.07 crores (pro-rata based on profits till the date of amendment of the Regulation) (net of Rs.13 crores for contribution to MRC of Core SGF for the year ended March 31, 2017) in its Statement of Profit and Loss and disclosed Rs.284.39 crores as the amount payable to Core SGF as payable in Balance Sheet as of March 31, 2017, which has been paid during the current year ended March 31, 2018. During the current year ended March 31, 2018, as per the SEBI amended Regulation 33 of SECC regulation 2012, the Company was required to contribute a sum of Rs.223 crores towards MRC of Core SGF. However, as permitted vide SEBI circular no. CIR/MRD/DRMNP/25/2014 dated August 27, 2014, the same has been adjusted against 25% transfer of profits already made in past years including income generated there from. Accordingly, there were no additional contribution necessary to be made to the MRC of Core SGF during the current year ended March 31, 2018. Further, out of the total amount of Rs.1,065.58 crores contributed in the past years in the form of 25% transfer of profits by stock exchange under the SEBI regulations as at March 31, 2018, amount of Rs.350.59 crores is lying with Core SGF available for set off against any future contribution to the MRC of Core SGF, if and as required.

Accordingly, the total Core SGF of National Securities Clearing Corporation Limited as at March 31, 2018 is Rs.2,414 crores comprising of: a) Rs.717 crores contributed by NSCCL by appropriating reserves / profits b) Rs.359 crores received from NSE towards Core SGF, c) Member's contribution to Core SGF amounting to Rs. 356 crores is utilised out of the amount received from NSE towards 25% of its annual profits d) the balance amount of 25% of the Exchange's profits amounting to Rs. 351 crores is credited to Core SGF e) Rs.31 crores, Rs.15, crores and Rs.16 crores adjusted towards the incremental requirement of MRC from the interest accrual on the cash contribution by NSCCL, NSE and NSE's contribution on behalf of members, respectively. Additionally, fines and penalties collected by NSCCL amounting to Rs.303 crore and amount of Rs.267 crores (Net off Rs.62 crores adjusted towards incremental requirement of MRC as per SEBI letter reference no. SEBI/HO/MRD/DRMNP/OW/P/2018/4559/1 dated February 12, 2018) being income from investments of Core SGF funds have been credited to Core SGF.

NSCCL's own contribution to Core SGF for the year ended March 31, 2018 amounting to Rs.192 crores (March 31, 2017 : Rs.37 crores) have been appropriated out of its profits.

Further, SEBI vide circular no. SEBI/HO/MRD/DSA/ CIR / P/2016/125 dated November 28, 2016 has issued norms for set up of a fund and minimum corpus of such fund to guarantee the settlement of trades executed in the stock exchanges in International Financial Service Centre (IFSC). Accordingly, NSE's subsidiary- NSE IFSC Clearing Corporation Limited has contributed Rs.6.89 crs towards its Core SGF.

5 In case of National Stock Exchange of India Limited, SEBI had directed the Company to carry out an investigation including forensic examination by an independent external agency in respect of NSE's Colocation facility.

In this regard, SEBI has directed that, pending completion of investigation to the satisfaction of SEBI, all revenues emanating from colocation facility including the transaction charges on the trades executed through colocation facility be placed in a separate bank account. Accordingly, as of March 31, 2018, an amount of Rs.1,197.26 crores was transferred to a separate bank account and the same along with income earned thereon remains invested in mutual funds. These mutual fund investments have been shown under restricted/earmarked investments as a part of current investments in the balance sheet. The Company had filed consent application with SEBI on July 20, 2017, SEBI vide its letter dated February 26, 2018 returned the same to the Company. The management is of the view that pending conclusion of this matter with SEBI, a reliable estimate of the obligation in respect of this matter cannot be presently made and therefore no provision / adjustment to this effect has been made in the financial results as at and for the year ended March 31, 2018.

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

For and on behalf of the Board of Directors

Place : Mumbai  
Date : May 4, 2018



Vikram Limaye  
Managing Director & CEO

May prosperity always bloom