

Disclaimer

The standalone unaudited financial results for the quarter and half year ended September 30, 2017 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, 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, ICICI Securities Limited at www.icicisecurities.com, IDFC Bank Limited at www.idfcbank.com and IIFL Holdings Limited at 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.

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2017

(₹ in crores unless otherwise stated)

Sr. No. Particulars	Quarter ended			Half year ended		Year ended
	30.09.2017 Unaudited	30.06.2017 Unaudited	30.09.2016 Unaudited	30.09.2017 Unaudited	30.09.2016 Audited	31.03.2017 Audited
1 Income						
(a) Revenue from operations	508.22	459.60	440.01	967.82	826.62	1,690.50
(b) Other Income	90.50	156.49	287.96	246.99	413.40	627.91
Total Income	598.72	616.09	727.97	1,214.81	1,240.02	2,318.41
2 Expenses						
(a) Employee benefits expense	26.43	26.17	27.41	52.60	58.72	107.47
(b) Clearing & settlement charges	29.31	27.32	25.26	56.63	49.32	100.05
(c) Repairs & maintenance - computers, trading & telecommunication systems	34.41	27.95	29.44	62.36	55.97	120.53
(d) Depreciation and amortisation expense	29.99	27.57	30.25	57.56	56.73	111.70
(e) Other expenses	80.39	63.84	69.91	144.23	147.02	321.67
Total expenses (excluding contribution to Core Settlement Guarantee Fund)	200.53	172.85	182.27	373.38	367.76	761.42
3 Profit before contribution to Core SGF and tax (1-2)	398.19	443.24	545.70	841.43	872.26	1,556.99
4 Contribution to Core Settlement guarantee fund (Core SGF) (Note 5)	-	-	(77.85)	-	(134.07)	(134.07)
5 Profit before tax (3-4)	398.19	443.24	467.85	841.43	738.19	1,422.92
6 Less: Income Tax expenses						
(a) Current tax	137.00	125.00	85.00	262.00	167.00	376.27
(b) Deferred tax	(5.17)	1.98	8.51	(3.19)	8.94	13.72
Total Tax expenses	131.83	126.98	93.51	258.81	175.94	389.99
7 Profit for the period (5-6)	266.36	316.26	374.34	582.62	562.25	1,032.93
8 Other Comprehensive Income						
(a) <i>Items that will be reclassified to profit or loss (net of tax)</i>						
Changes in fair value of FVOCI debt instruments	(6.94)	7.04	14.33	0.10	22.76	8.25
(b) <i>Items that will not be reclassified to profit or loss (net of tax)</i>						
Remeasurements of post-employment benefit obligations	0.29	(1.04)	(3.83)	(0.75)	(5.08)	(4.81)
Changes in fair value of FVOCI equity instruments	(1.50)	1.03	4.55	(0.47)	4.64	(23.58)
Total other comprehensive income for the period, net of taxes	(8.15)	7.03	15.05	(1.12)	22.32	(20.14)
9 Total comprehensive income for the period / year (7+8)	258.21	323.29	389.39	581.50	584.57	1,012.79
10 Paid-up equity share capital (Face value ₹ 1 per share)	49.50	49.50	49.50	49.50	49.50	49.50
11 Reserves (excluding Revaluation Reserve)						5,890.14
12 Earnings per equity share (EPS) (FV ₹ 1 each) (Refer Note 6)						
- Basic and Diluted (₹)	5.38 *	6.39 *	7.56 *	11.77 *	11.36 *	20.87
Before contribution to Core Settlement Guarantee Fund						
- Basic and Diluted (₹)	5.38 *	6.39 *	8.59 *	11.77 *	13.13 *	22.64

* Not annualised

Statement of Asset and Liabilities		
	(₹ in crores unless otherwise stated)	
Particulars	As at 30.09.2017 Unaudited	As at 31.03.2017 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	521.36	473.33
Capital work-in-progress	9.10	74.77
Other intangible assets	37.38	36.56
Intangible assets under development	25.48	26.82
Investment in subsidiaries, associates and joint ventures	941.67	916.67
Financial assets		
- Investments	2,987.65	2,650.90
- Other financial assets		
Non-current bank balances	85.23	32.64
Others	10.03	15.63
Income tax assets (net)	244.27	291.39
Other non-current assets	15.11	15.84
Total non-current assets	4,877.28	4,534.55
Current assets		
Financial assets		
- Investments	2,060.09	2,349.84
- Trade receivables	262.43	266.52
- Cash and cash equivalents	66.95	94.60
- Bank balances other than cash and cash equivalents	793.33	693.90
- Other financial assets	85.82	104.03
Other current assets	60.41	39.90
Total current assets	3,329.03	3,548.79
TOTAL ASSETS	8,206.31	8,083.34
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	49.50	49.50
Other equity	5,756.48	5,890.14
TOTAL EQUITY	5,805.98	5,939.64
LIABILITIES		
Non-current liabilities		
Other financial liabilities	9.53	9.19
Provisions	9.27	14.13
Deferred tax liabilities (net)	36.89	40.09
Other non-current liabilities	5.39	5.39
Total non-current liabilities	61.08	68.80
Current liabilities		
Financial liabilities		
Deposits	1,118.44	1,115.68
Trade payables		
Total Outstanding dues of micro enterprises and small enterprises	0.01	0.07
Total Outstanding dues of creditors other than micro enterprises and small enterprises	61.08	90.89
Other financial liabilities	124.33	133.53
	1,303.86	1,340.17
Provisions	32.06	40.69
Income tax liabilities (net)	12.38	12.38
Other current liabilities	990.95	681.66
Total current liabilities	2,339.25	2,074.90
TOTAL LIABILITIES	2,400.33	2,143.70
TOTAL EQUITY AND LIABILITIES	8,206.31	8,083.34

Notes :

- 1 The above standalone unaudited financial results for the quarter and half year ended September 30, 2017 has been reviewed by the Audit Committee in its meeting held on November 2, 2017 and approved by the Board of Directors in its meeting held on November 3, 2017. The financial results for the quarter and half year ended September 30, 2017 have been reviewed by the Statutory Auditor of the Company.
- 2 The Company has paid Dividend of ₹ 715.16 crores (including Dividend distribution tax) during the quarter ended September 30, 2017, approved by the Shareholders in the Annual General Meeting held on August 4, 2017.
- 3 The Board of Directors at its meeting held on November 3, 2017 have declared an interim dividend of ₹ 7 per equity share of face value of ₹ 1 each.
- 4 Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the MD & CEO of the Company. The Company operates only in one Business Segment i.e. facilitating trading in securities and the activities incidental thereto within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".
- 5 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 it's 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 Company had recorded a provisional appropriation of ₹ 527.19 crores as at March 31, 2015 (net of ₹ 170 crores for contribution to MRC of Core SGF for the year ended March 31, 2015) and the same had been disclosed as Core Settlement Guarantee Fund in the Balance Sheet of the Company as on April 1, 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 will 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 ₹ 527.19 crores disclosed as provision in the Balance Sheet of the Company as on March 31, 2015 was reversed and an expense of ₹ 527.19 crores was recorded in the Statement of Profit and Loss for the year ended March 31, 2016. During the year ended March 31, 2016, the Company had also recorded an expense of ₹ 163.30 crores (net of ₹ 71 crores for contribution to MRC of Core SGF for the year ended March 31, 2016) in its Statement of Profit and Loss and other current liability of ₹ 690.50 crores in its balance sheet as of March 31, 2016.

Effective August 29, 2016, SEBI has amended Regulation 33 of SECC Regulations, 2012 and the Company is now required to contribute only towards the MRC of Core SGF. Accordingly, during the half year ended September 30, 2016 and year ended March 31, 2017, the Company has recorded an expense of ₹ 121.07 crores (pro-rata based on profits till the date of amendment of the Regulation) (net of ₹ 13 crores for contribution to MRC of Core SGF for the half year ended September 30, 2016 and year ended March 31, 2017) in its Statement of Profit and Loss and disclosed ₹ 284.39 crores as the amount payable to Core SGF as other current liability in its Balance Sheet as of September 30, 2016 and March 31, 2017. Subsequently, SEBI, vide its letter dated June 29, 2017, has advised to transfer the same to the Core SGF maintained by the clearing corporation. Accordingly, an amount of ₹ 284.39 crores has been transferred on July 7, 2017.
- 6 The Board of directors of the company in their meeting held on October 4, 2016 had recommended issue of Bonus equity shares in the proportion of 1 (one) bonus share of ₹ 10/- (Rupees Ten each) for every existing 10 (Ten) fully paid up equity shares of ₹ 10 each, which was approved by the shareholders in the general meeting held on November 10, 2016. The record date for issue of bonus shares was November 23, 2016. Also the board of directors had recommended the sub-division of equity shares of ₹ 10 each, into equity shares having a face value of ₹ 1 each. The same was approved by the shareholders in the general meeting held on November 10, 2016 and also approved by SEBI on November 27, 2016. Accordingly, basic and diluted earning per share figures for the previous period September 2016 has been restated and is based on the new weighted average number of shares.
- 7 SEBI has directed the Company to carry out an investigation including forensic examination by an independent external agency in respect of Company'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, till date, an amount of ₹ 737.88 crores was transferred to a separate bank account and the same along with income earned thereon has been remain invested in fixed deposits and mutual funds. Fixed deposits are shown as restricted balance under the head "Bank balances other than cash and cash equivalents" and mutual fund investment is shown as restricted investment in current investment. Further, the Company has filed consent application with SEBI on July 20, 2017. 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 for the quarter and half year ended September 30, 2017.
- 8 Previous period's / year figures have been regrouped / reclassified / restated wherever necessary to correspond with the current period classification/disclosure.

For and on behalf of the Board of Directors

Place : Mumbai
Date : November 3, 2017



May prosperity always bloom

Vikram Limaye
Managing Director & CEO