

## **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.

# Price Waterhouse & Co Chartered Accountants LLP

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

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

1. We have audited the accompanying Statement containing the annual audited standalone financial results of National Stock Exchange of India Limited (the "Company") 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 standalone financial results

2. Management is responsible for the preparation of the accompanying Statement. The Management is also responsible for the preparation of the annual statutory 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 standalone 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 standalone financial results for the year ended March 31, 2018 as set out in the Statement gives a true and fair view of the total comprehensive income (comprising of profit and other comprehensive income),] and other financial information of the Company for the year ended March 31, 2018 in accordance with the accounting principles generally accepted in India.

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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)



# Price Waterhouse & Co Chartered Accountants LLP

## Emphasis of Matter

7. We draw your attention to Note 1 of the Statement regarding the figures for the quarter ended March 31, 2018, which are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the current financial year. Our opinion is not qualified in respect of this matter.

## Other Matter

8. 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 financial statements of the Company 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

9. This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purposes set out in paragraph 8 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 STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

(₹ in crores unless otherwise stated)

Sr. No. Particulars	Quarter ended			Year ended	
	31.03.2018 Unaudited	31.12.2017 Unaudited	31.03.2017 Unaudited	31.03.2018 Audited	31.03.2017 Audited
<b>1 Income</b>					
(a) Revenue from operations	616.77	548.13	453.52	2,132.72	1,690.50
(b) Other Income	78.46	134.06	126.59	459.51	627.91
<b>Total Income</b>	<b>695.23</b>	<b>682.19</b>	<b>580.11</b>	<b>2,592.23</b>	<b>2,318.41</b>
<b>2 Expenses</b>					
(a) Employee benefits expense	28.97	27.67	24.53	109.24	107.47
(b) Clearing & settlement charges	33.43	30.59	26.07	120.65	100.05
(c) Depreciation and amortisation expense	28.64	28.50	26.92	114.70	111.70
(d) Other expenses	209.41	125.42	121.18	541.42	442.20
<b>Total expenses (excluding contribution to Core Settlement Guarantee Fund)</b>	<b>300.45</b>	<b>212.18</b>	<b>198.70</b>	<b>886.01</b>	<b>761.42</b>
<b>3 Profit before contribution to Core SGF and tax (1-2)</b>	<b>394.78</b>	<b>470.01</b>	<b>381.41</b>	<b>1,706.22</b>	<b>1,556.99</b>
4 Contribution to Core Settlement guarantee fund (Core SGF) ( Note 5)	-	-	-	-	(134.07)
<b>5 Profit before tax (3-4)</b>	<b>394.78</b>	<b>470.01</b>	<b>381.41</b>	<b>1,706.22</b>	<b>1,422.92</b>
6 Less: Income Tax expenses					
(a) Current tax	136.15	135.00	105.27	533.15	376.27
(b) Deferred tax	11.20	3.25	1.49	11.26	13.72
<b>Total Tax expenses</b>	<b>147.35</b>	<b>138.25</b>	<b>106.76</b>	<b>544.41</b>	<b>389.99</b>
<b>7 Profit / (loss) for the period / year (5-6)</b>	<b>247.43</b>	<b>331.76</b>	<b>274.65</b>	<b>1,161.81</b>	<b>1,032.93</b>
<b>8 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	(1.70)	(13.22)	(4.65)	(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	0.63	0.03	0.25	(0.09)	(4.81)
Changes in fair value of FVOCI equity instruments	7.45	(0.31)	(28.95)	6.67	(23.58)
<b>Total other comprehensive income / (loss) for the period / year, net of taxes</b>	<b>6.38</b>	<b>(13.50)</b>	<b>(33.35)</b>	<b>(8.24)</b>	<b>(20.14)</b>
<b>9 Total comprehensive income / (loss) for the period / year (7+8)</b>	<b>253.81</b>	<b>318.26</b>	<b>241.30</b>	<b>1,153.57</b>	<b>1,012.79</b>
10 Paid-up equity share capital (Face value ₹ 1 per share)	49.50	49.50	49.50	49.50	49.50
11 Reserves (excluding Revaluation Reserve)				5,921.26	5,890.14
12 Earnings per equity share (EPS) ( FV ₹ 1 each)					
- Basic and Diluted (₹)	5.00 *	6.70 *	5.55 *	23.47	20.87
Before contribution to Core Settlement Guarantee Fund					
- Basic and Diluted (₹)	5.00 *	6.70 *	5.55 *	23.47	22.64

\* Not annualised

Notes :

- 1 The above standalone financial results for the quarter and 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 and the figures for the last quarter of the current year and corresponding quarter of the previous year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto third quarter. The figures up to the end of the third quarter were only reviewed by the Statutory Auditors of the Company and not subjected to audit.
- 2 The Company had paid Final Dividend of ₹ 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 ₹ 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% (₹ 7.75 per equity shares 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 provision for 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 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 ₹ 163.33 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 ₹ 690.52 crores in its 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 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 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 March 31, 2017, which has been paid during the year. During the 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 ₹ 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 ₹ 1,065.58 crores contributed in past years in the form of 25% transfer of profits by stock exchange under the SEBI regulations on March 31, 2018, an amount of ₹ 350.59 crores is lying with NSCCL Core SGF available for set off against any future contribution to the MRC of Core SGF, if and as required.

- 6 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 ₹ 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 investments as a part of current investments. 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 for the year ended March 31, 2018.
- 7 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



May Prosperity always bloom

Vikram Limaye  
Managing Director & CEO  
DIN : 00488534

<b>Statement of Asset and Liabilities</b>		
	(₹ in crores unless otherwise stated)	
<b>Particulars</b>	<b>As at 31.03.2018 Audited</b>	<b>As at 31.03.2017 Audited</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	502.45	473.33
Capital work-in-progress	22.55	74.77
Other intangible assets	36.40	36.56
Intangible assets under development	20.04	26.82
Investment in subsidiaries, associates and joint ventures	941.67	916.67
Financial assets		
- Investments	3,039.41	2,650.90
- Other financial assets		
Non-current bank balances	58.70	32.64
Others	6.46	15.63
Income tax assets (net)	250.05	291.39
Other non-current assets	14.48	15.84
<b>Total non-current assets</b>	<b>4,892.21</b>	<b>4,534.55</b>
<b>Current assets</b>		
Financial assets		
- Investments	2,246.55	2,349.84
- Trade receivables	328.28	266.52
- Cash and cash equivalents	44.81	94.60
- Bank balances other than cash and cash equivalents	179.73	693.90
- Other financial assets	42.97	104.03
Other current assets	66.36	39.90
<b>Total current assets</b>	<b>2,908.70</b>	<b>3,548.79</b>
<b>TOTAL ASSETS</b>	<b>7,800.91</b>	<b>8,083.34</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity share capital	49.50	49.50
Other equity	5,921.26	5,890.14
<b>TOTAL EQUITY</b>	<b>5,970.76</b>	<b>5,939.64</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Other financial liabilities	9.64	9.19
Provisions	11.03	14.13
Deferred tax liabilities (net)	44.91	40.09
Other non-current liabilities	5.39	5.39
<b>Total non-current liabilities</b>	<b>70.97</b>	<b>68.80</b>
<b>Current liabilities</b>		
Financial liabilities		
Deposits	1,139.08	1,115.68
Trade payables		
Total Outstanding dues of micro enterprises and small enterprises	1.20	0.07
Total Outstanding dues of creditors other than micro enterprises and small enterprises	129.40	90.89
Other financial liabilities	125.21	133.53
	<b>1,394.88</b>	<b>1,340.17</b>
Provisions	41.43	40.69
Income tax liabilities (net)	12.38	12.38
Other current liabilities	310.48	681.66
<b>Total current liabilities</b>	<b>1,759.17</b>	<b>2,074.90</b>
<b>TOTAL LIABILITIES</b>	<b>1,830.14</b>	<b>2,143.70</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,800.91</b>	<b>8,083.34</b>