

KHANDELWAL JAIN & CO.

CHARTERED ACCOUNTANTS

Website: www.kjco.net • E-mail: kjco@kjco.net

6-B&C, Pil Court, 6th Floor,
111, M. Karve Road, Churchgate,
Mumbai - 400 020.
Tel.: (+91-22) 4311 5000
Fax : 4311 5050

12-B, Baldota Bhavan, 5th Floor,
117, M. Karve Road, Churchgate,
Mumbai - 400 020.
Tel.: (+91-22) 4311 6000
Fax : 4311 6060

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NSE STRATEGIC INVESTMENT CORPORATION LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **NSE STRATEGIC INVESTMENT CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

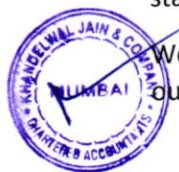
Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



- 2 -

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by 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, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report 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;
 - (b) 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;
 - (c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
 - (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 Company does not have any pending litigations which would impact its financial position – Refer Note 23 to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 24 to the financial statements;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – Refer Note 25 to the financial statements.

For Khandelwal Jain & Co
Chartered Accountants
Firm's Registration No. 105049W

Narendra Jain
(Narendra Jain)
Partner

Membership No. 048725

Place : Mumbai

Date : April 22, 2016



6-B&C, Pil Court, 6th Floor,
111, M. Karve Road, Churchgate,
Mumbai - 400 020.
Tel.: (+91-22) 4311 5000
Fax : 4311 5050

12-B, Baldota Bhavan, 5th Floor,
117, M. Karve Road, Churchgate,
Mumbai - 400 020.
Tel.: (+91-22) 4311 6000
Fax : 4311 6060

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF NSE STRATEGIC INVESTMENT CORPORATION LIMITED

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statement for the year ended March 31, 2016. We report that:


- i) The Company does not have fixed assets. Therefore, the provisions of clause 3(i) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- ii) The Company is a Core Investment Company as defined under The CICs (Reserve Bank) Directions, 2011. Accordingly, it does not hold inventories. Therefore, the provisions of clause 3(ii) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of clause 3(iii) of Companies (Auditor's Report) Order, 2016 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 section 185 and 186 of the Act, with respect to the loans and investments made.
- v) The Company has not accepted any deposits from the public.
- vi) We are informed that the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013.
- vii) a) According to the information and explanations given to us and on the basis of records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service-tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues, wherever applicable. According to the records of the Company, there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
b) According to the information and explanations given to us, there were no dues on account of any dispute in respect of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax.
- viii) The Company has not taken any loan from banks, financial institutions or government and the Company has not issued any debentures. Therefore, the provisions of clause 3(viii) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- ix) The Company has not taken any term loans and has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provisions of clause 3(ix) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- x) Based upon the audit procedures performed and information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.



- 2 -

- xi) According to the information and explanations given to us, the Company has not paid or provided managerial remuneration. Therefore, the provisions of clause 3(xi) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and section 188 of the Act, where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause 3(xv) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Khandelwal Jain & Co
Chartered Accountants
Firm's Registration No. 105049W

Narendra Jain


(Narendra Jain)
Partner
Membership No. 048725

Place : Mumbai
Date : April 22, 2016

KHANDELWAL JAIN & CO.

CHARTERED ACCOUNTANTS

Website: www.kjco.net • E-mail: kjco@kjco.net

6-B&C, Pil Court, 6th Floor,
111, M. Karve Road, Churchgate,
Mumbai - 400 020.
Tel.: (+91-22) 4311 5000
Fax : 4311 5050

12-B, Baldota Bhavan, 5th Floor,
117, M. Karve Road, Churchgate,
Mumbai - 400 020.
Tel.: (+91-22) 4311 6000
Fax : 4311 6060

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF NSE STRATEGIC INVESTMENT CORPORATION LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **NSE STRATEGIC INVESTMENT CORPORATION LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and 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 Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 over financial reporting.



- 2 -

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 issued by the Institute of Chartered Accountants of India.

For Khandelwal Jain & Co
Chartered Accountants
Firm's Registration No. 105049W

(Narendra Jain)
Partner
Membership No. 048725

Place : Mumbai
Date : April 22, 2016

NSE STRATEGIC INVESTMENT CORPORATION LIMITED

BALANCE SHEET AS AT MARCH 31, 2016


Particulars	Notes	As at 31.03.2016 (₹)	As at 31.03.2015 (₹)
Equity and liabilities			
1 Shareholder's funds			
a Share Capital	3	8,25,99,34,060	8,25,99,34,060
b Reserves and surplus	4	1,29,92,65,491	68,97,37,683
		<u>9,55,91,99,551</u>	<u>8,94,96,71,743</u>
2 Non-current liabilities			
a Deposits (Unsecured)		-	-
b Deferred tax liabilities (net)		-	-
c Other long-term liabilities		-	-
d Long-term provisions		-	-
3 Current liabilities			
a Deposits (Unsecured)		-	-
b Trade payables		-	-
c Other current liabilities	5	1,38,61,360	58,97,396
d Short-term provisions	6	25,520	24,500
		<u>1,38,86,880</u>	<u>59,21,896</u>
TOTAL		<u><u>9,57,30,86,431</u></u>	<u><u>8,95,55,93,639</u></u>
Assets			
1 Non-current assets			
a Fixed assets			
Tangible assets		-	-
Intangible assets		-	-
Capital work-in-progress		-	-
Intangible assets under development		-	-
b Non-current investments	7	7,82,22,58,540	8,12,37,80,922
c Long-term loans and advances	8	27,32,282	5,277
d Other non-current assets		-	-
		<u>7,82,49,90,822</u>	<u>8,12,37,86,199</u>
2 Current assets			
a Current investments	9	1,72,17,34,700	83,17,21,523
b Trade receivable		-	-
c Cash and bank balances	10	2,20,18,576	82,147
d Short-term loans and advances	11	30,27,584	3,770
e Other Current assets	12	13,14,749	-
		<u>1,74,80,95,609</u>	<u>83,18,07,440</u>
TOTAL		<u><u>9,57,30,86,431</u></u>	<u><u>8,95,55,93,639</u></u>

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors


For KHANDELWAL JAIN & CO.
Chartered Accountants
Firm's Registration no : 105049W



CHITRA RAMKRISHNA
Chairperson


J. RAVICHANDRAN
Managing Director

NARENDRA JAIN
Partner
Membership No.: 048725




T.T. Srinivasaraghavan
Director


Prasad Joshi
Chief Financial Officer


Ritu Sajani
Company Secretary

Place : Mumbai
Date : April 22, 2016

NSE STRATEGIC INVESTMENT CORPORATION LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Notes	For the year ended 31.03.2016 (₹)	For the year ended 31.03.2015 (₹)
Income			
Revenue from operations	13	63,72,52,380	70,97,90,477
Other income	14	6,91,11,745	58,085
Total Revenue (I)		70,63,64,125	70,98,48,562
Expenses			
Deputed Personnel Cost	20	1,53,16,130	-
Finance Costs		-	-
Depreciation and amortisation expenses		-	-
Other expenses	15	72,73,332	63,72,802
Total Expenses (II)		2,25,89,462	63,72,802
Profit before tax and exceptional items		68,37,74,663	70,34,75,760
Less : Loss on buyback of shares by Subsidiary Company		5,10,22,413	-
Profit before tax		63,27,52,250	70,34,75,760
Less : Tax Expense			
Current tax		2,32,24,442	18,000
Wealth tax		-	-
Deferred tax		-	-
Total tax expenses		2,32,24,442	18,000
Profit after tax		60,95,27,808	70,34,57,760
Earnings Per Share			
Basic	18	1.48	1.70
Diluted	18	0.74	0.85

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors

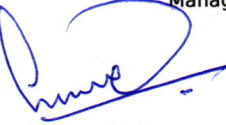
For KHANDELWAL JAIN & CO.
Chartered Accountants
Firm's Registration no : 105049W

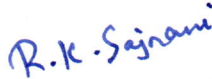

CHITRA RAMKRISHNA
Chairperson


J. RAVICHANDRAN
Managing Director

NARENDRA JAIN
Partner
Membership No.: 048725


T.T. Srinivasaraghavan
Director


Prasad Joshi
Chief Financial Officer


R.K. Sajnani
Company Secretary

Place : Mumbai
Date : April 22, 2016

NSE STRATEGIC INVESTMENT CORPORATION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

Particulars	For the year ended 31.03.2016 (₹)	For the year ended 31.03.2015 (₹)
A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	63,27,52,250	70,34,75,760
Adjustments for :		
Profit on Sale of Investments	(6,73,90,912)	-
Dividend Income	(63,72,52,380)	-
Loss on Sale of Investments	5,10,22,413	-
Interest Income	(14,60,833)	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(2,23,29,462)	70,34,75,760
Adjustments for :		
Current Assets / Loans & Advances	(30,23,179)	3,51,176
Current Liabilities & Provisions	79,63,964	55,53,902
CASH GENERATED FROM OPERATIONS BEFORE DIVIDEND INCOME	(1,73,88,677)	70,93,80,838
Dividend Income	63,72,52,380	-
CASH GENERATED FROM OPERATIONS	61,98,63,703	70,93,80,838
Direct Taxes paid (Net of Refunds)	(2,59,51,064)	(3,78,500)
NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)	59,39,12,639	70,90,02,338
B) CASHFLOW FROM INVESTING ACTIVITIES		
Interest Received	1,46,084	-
Sale of Mutual Funds	1,08,51,38,555	11,41,915
Purchase of Mutual Funds	(1,90,77,60,819)	(71,01,00,000)
Consideration received on buyback of shares by Subsidiary Company	25,50,00,000	-
Investment in Equity Shares	(45,00,030)	-
Investments in Fixed Deposits	(1,98,00,000)	-
NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)	(59,17,76,210)	(70,89,58,085)
C) CASHFLOW FROM FINANCING ACTIVITIES		
Issue of Equity and Preference Shares	-	-
Share Issue Expenses	-	-
NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)	-	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	21,36,429	44,253
CASH AND CASH EQUIVALENTS : OPENING BALANCE	82,147	37,894
CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE	22,18,576	82,147
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	21,36,429	44,253


Notes to Cash Flow Statement :

- 1 Since the company is an Investment Holding Company, purchase and sale of investments have been considered as a part of ' Cash Flows from Investing Activities and dividend on equity shares earned have been considered as a part 'Cash Flow from Operating Activities'
- 2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements notified under the Companies (Accounts) Rules, 2014, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 3 Previous years' figures are regrouped, reclassified and rearranged wherever necessary.

As per our report of even date attached

For and on behalf of the Board of Directors


For KHANDELWAL JAIN & CO.
Chartered Accountants
Firm's Registration no : 105049W


CHITRA RAMKRISHNA
Chairperson ..


J. RAVICHANDRAN
Managing Director

NARENDRA JAIN
Partner
Membership No.: 048725

Place : Mumbai
Date : April 22, 2016


T.T. Srinivasaraghavan
Director


Prasad Joshi
Chief Financial Officer


Ritu Sajjani
Company Secretary



1 Background of the Company

The Company is inter alia, formed to make or hold all strategic investments in the equity shares and / or other securities of various companies. It holds more than 90% of its net assets in the form of investment in equity shares in group companies, not held for the purpose of trading, it also holds more than 60% of its net assets as investment in equity shares and does not carry any other financial activity. The Company did not raise or hold public funds. In view of the same, the Company is not required to be registered with RBI as per the directions laid down in Core Investment Companies (Reserve Bank) Directions, 2011.

2 Summary of significant accounting policies :

a) Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (India GAAP). The company has prepared these financial statements to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

b) Use of estimates

The preparation of financial statements in conformity with India GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Revenue Recognition

- (i) Revenue is being recognised as and when there is reasonable certainty of ultimate realisation.
- (ii) Income from Dividend is accounted as and when such dividend has been declared and the Company's right to receive payment is established.
- (iii) Interest income is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

d) Investments

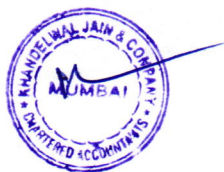
- (i) Long term investments are considered as held till maturity and are valued at cost. Provision is made for diminution in the value of investment, if any, other than temporary in nature.
- (ii) Short term investments are valued at cost or fair value whichever is lower.
- (iii) The cost of investment includes acquisition charges such as brokerage, etc. Front-end discount / incentive earned in respect of direct subscription is adjusted towards the cost of investment. Income on investments is accounted for on accrual basis.

e) Taxation

Tax expense for the year, comprising current tax and deferred tax is included in determining the net profit for the year. A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted tax rates. Deferred tax assets are recognised only if there is a reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

f) Provisions, contingent liabilities & contingent assets :-

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.



Share Capital

	As at 31.03.2016 (₹)	As at 31.03.2015 (₹)
Authorised		
45,00,00,000 Equity Shares of ₹ 10 each.	4,50,00,00,000	4,50,00,00,000
(Previous Year : 45,00,00,000 Equity Shares of ₹ 10 each.)		
45,00,00,000 Non - Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each.	4,50,00,00,000	4,50,00,00,000
(Previous Year : 45,00,00,000 Non - Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each.)		
	9,00,00,00,000	9,00,00,00,000
Issued, Subscribed and Paid-up		
41,30,21,703 Equity Shares of ₹ 10 each, fully paid	4,13,02,17,030	4,13,02,17,030
(Previous Year : 41,30,21,703 Equity Shares of ₹ 10 each, fully paid)		
41,29,71,703 6% Non - Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each, fully paid	4,12,97,17,030	4,12,97,17,030
(Previous Year : 41,29,71,703 6% Non - Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each, fully paid)		
Total	8,25,99,34,060	8,25,99,34,060

Note:

Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Director is subject to the approval of the shareholder in the ensuing Annual General Meeting except in the case of interim dividend.

In the event of liquidation of the company, the holder 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 shareholder.

Preference Shares

The Company has issued 6% Non - Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each. The Company declares and pays dividend in Indian rupees. All the said Preference shares are convertible into equity shares in the ratio of 1:1 at the end of nine years from the date of its issue as mentioned below.

Date Of Issue Of Shares	No. Of Preference Shares
28 March 2013	2,25,00,000
28 June 2013	3,15,70,000
22 July 2013	90,20,000
02 September 2013	5,41,20,000
01 October 2013	2,66,50,000
02 January 2014	5,75,64,000
20 February 2014	21,15,47,703

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 31.03.2016		As at 31.03.2015	
	Nos.	Amount (₹)	Nos.	Amount (₹)
At the beginning of the period	41,30,21,703	4,13,02,17,030.00	41,30,21,703	4,13,02,17,030.00
Add: Issued during the period	-	-	-	-
At the end of the period	41,30,21,703	4,13,02,17,030.00	41,30,21,703	4,13,02,17,030.00

A reconciliation of the number of **Preference Shares** outstanding at the beginning and at the end of the reporting period

Name of the Company	As at 31.03.2016		As at 31.03.2015	
	Nos.	Amount (₹)	Nos.	Amount (₹)
At the beginning of the period	41,29,71,703	4,12,97,17,030.00	41,29,71,703	4,12,97,17,030.00
Add: Issued during the period	-	-	-	-
At the end of the period	41,29,71,703	4,12,97,17,030.00	41,29,71,703	4,12,97,17,030.00

Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate

Equity Shares :

Name of the Company	As at 31.03.2016		As at 31.03.2015	
	Nos.	% holding	Nos.	% holding
National Stock Exchange of India Limited and its nominees	41,30,21,703	100.00%	41,26,08,681	99.90%
National Securities Clearing Corporation Limited	-	-	4,13,022	0.10%
Total	41,30,21,703	100.00%	41,30,21,703	100.00%

Preference Shares :

Name of the Company	As at 31.03.2016		As at 31.03.2015	
	Nos.	% holding	Nos.	% holding
National Stock Exchange of India Limited and its nominees	41,29,71,703	100.00%	41,25,58,731	99.90%
National Securities Clearing Corporation Limited	-	-	4,12,972	0.10%
Total	41,29,71,703	100.00%	41,29,71,703	100.00%

Details of **Equity Shareholder** holding more than 5% share in the Company

	As at 31.03.2016		As at 31.03.2015	
	Nos.	% holding	Nos.	% holding
National Stock Exchange of India Limited and its nominees	41,30,21,703	100.00%	41,26,08,681	99.90%

Details of **Preference Shareholder** holding more than 5% share in the Company

	As at 31.03.2016		As at 31.03.2015	
	Nos.	% holding	Nos.	% holding
National Stock Exchange of India Limited and its nominees	41,29,71,703	100.00%	41,25,58,731	99.90%



4	Reserve and surplus				
			As at 31.03.2016		As at 31.03.2015
			(₹)		(₹)
	Surplus / (Deficit) in the Statement of Profit and Loss				
	Balance as per last financial statements	68,97,37,683		(1,37,20,077)	
	Profit / (Loss) for the period	60,95,27,808		70,34,57,760	
	Less : Appropriations				
	Proposed dividend	-		-	
	Tax on proposed dividend	-	1,29,92,65,491	-	68,97,37,683
	Total reserves and surplus		<u>1,29,92,65,491</u>		<u>68,97,37,683</u>
5	Other Current liabilities				
			As at 31.03.2016		As at 31.03.2015
			(₹)		(₹)
	Other Liabilities				
	Statutory Liabilities	12,86,960		5,43,296	
	Due to Holding Company	1,13,87,133		-	
	Liability for expenses	11,87,267	1,38,61,360	53,54,100	58,97,396
	Total		<u>1,38,61,360</u>		<u>58,97,396</u>
6	Short-term provisions				
			As at 31.03.2016		As at 31.03.2015
			(₹)		(₹)
	Other Provisions				
	Income Tax (Net of Advances including TDS)		25,520		24,500
	Total		<u>25,520</u>		<u>24,500</u>



NSE STRATEGIC INVESTMENT CORPORATION LIMITED

Note 7 - NON CURRENT INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE)

	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.03.2016 (₹)	Number of Units	As at 31.3.2015 (₹)
NON CURRENT INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE)						
INVESTMENTS IN EQUITY SHARES						
UNQUOTED EQUITY SHARES IN SUBSIDIARY COMPANIES						
DOTEX INTERNATIONAL LIMITED	90,00,000	10	9,00,00,000	91,80,67,238	1,20,00,000	1,22,40,89,650
INDIA INDEX SERVICES & PRODUCTS LTD.	13,00,000	10	1,30,00,000	1,33,41,46,338	13,00,000	1,33,41,46,338
NSE.IT LTD	1,00,00,010	10	10,00,00,100	60,00,58,735	1,00,00,010	60,00,58,735
NSE INFOTECH SERVICES LTD	50,000	10	5,00,000	3,75,80,097	50,000	3,75,80,097
NSE EDUCATIONAL FACILITIES LIMITED ^^	2,50,000	10	25,00,000	25,00,000	-	-
		Sub-Total (i)		2,89,23,52,408		3,19,58,74,820
IN JOINT VENTURE						
RECEIVABLES EXCHANGE OF INDIA LIMITED ^^	2,00,003	10	20,00,030	20,00,030	-	-
		Sub-Total (ii)		20,00,030		-
IN ASSOCIATE COMPANIES						
COMPUTER AGE MANAGEMENT SERVICES PRIVATE LIMITED EXTENT OF HOLDING 44.99% (P.Y - 44.99%)	2,19,38,400	10	21,93,84,000	4,12,13,33,939	2,19,38,400	4,12,13,33,939
MARKET SIMPLIFIED INDIA LIMITED EXTENT OF HOLDING 30.00% (P.Y - 30.00%)	45,05,175	10	4,50,51,750	4,50,54,090	45,05,175	4,50,54,090
NSDL E - GOVERNANCE INFRASTRUCTURE LIMITED EXTENT OF HOLDING 25.05% (P.Y - 25.05%)	1,00,18,000	10	10,01,80,000	55,10,17,720	1,00,18,000	55,10,17,720
POWER EXCHANGE INDIA LIMITED EXTENT OF HOLDING 30.95% (P.Y - 32.28%)	1,50,00,030	10	15,00,00,300	15,03,75,353	1,50,00,030	15,03,75,353
		Sub-Total (iii)		4,86,77,81,102		4,86,77,81,102
IN OTHERS						
GOODS AND SERVICE TAX NETWORK	10,00,000	10	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000
		Sub-Total (iv)		1,00,00,000		1,00,00,000
INVESTMENTS IN PREFERENCE SHARES						
UNQUOTED PREFERENCE SHARES IN ASSOCIATE COMPANIES						
10% OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES OF POWER EXCHANGE OF INDIA LIMITED	50,00,000	10	5,00,00,000	5,01,25,000	50,00,000	5,01,25,000
		Sub-Total (v)		5,01,25,000		5,01,25,000
		TOTAL		7,82,22,58,540		8,12,37,80,922

Notes:

Aggregate Book Value - Quoted Investments

Aggregate Book Value - Unquoted Investments

Aggregate Market Value of Quoted Investments

Share Certificate are yet to be received by the company.



7,82,22,58,540

8,12,37,80,922



	As at 31.03.2016 (₹)	As at 31.03.2015 (₹)
Other loans and advances (Unsecured , Considered Good)		
Income Tax paid including TDS (Net of Provisions)	27,27,642	-
Prepaid Expenses	4,640	5,277
Total	27,32,282	5,277



NSE STRATEGIC INVESTMENT CORPORATION LIMITED

Note 9 - CURRENT INVESTMENTS (VALUED AT LOWER OF COST OR FAIR VALUE)

	Number of Units	As at 31.03.2016 (₹)	Number of Units	As at 31.3.2015 (₹)
CURRENT INVESTMENTS (VALUED AT LOWER OF COST OR FAIR VALUE)				
INVESTMENTS IN MUTUAL FUNDS - UNQUOTED				
AXIS TREASURY ADVANTAGE FUND - GROWTH - DIRECT PLAN	79,234.97	13,01,60,820	-	-
ICICI PRUDENTIAL ULTRA SHORT TERM PLAN - DIRECT - GROWTH	1,10,52,392.85	15,28,37,491	1,86,28,284.05	25,76,00,000
BARODA PIONEER TREASURY ADVANTAGE FUND - PLAN B - DIRECT - G	97,086.89	15,95,49,520	-	-
KOTAK TREASURY ADVANTAGE FUND - DIRECT - GROWTH	68,38,293.79	15,90,84,699	-	-
HDFC FLOATING RATE INCOME FUND - STP - DIRECT - GROWTH	60,98,830.22	15,20,00,000	-	-
UTI FLOATING RATE FUND - STP - DIRECT - GROWTH	62,902.10	15,00,00,000	-	-
BIRLA SUN LIFE SAVINGS FUND - DIRECT - GROWTH	5,35,517.79	15,30,05,841	-	-
IM HIGH LIQUIDITY FUND - DIRECT GROWTH	27,09,786.76	11,00,00,000	-	-
PRINCIPAL CASH MANAGEMENT - DIRECT PLAN - GROWTH	1,09,352.96	13,95,96,329	96,389.10	11,73,90,563
RELIANCE LIQUID FUND - CASH PLAN - DIRECT - GROWTH	48,450.61	11,60,00,000	-	-
IDFC MONEY MANAGER - TREASURY PLAN - DIRECT - GROWTH	64,58,674.99	14,95,00,000	-	-
RELIANCE MEDIUM TERM FUND - DIRECT - GROWTH	49,25,558.39	15,00,00,000	-	-
IP MORGAN INDIA LIQUID FUND - DIRECT - GROWTH	-	-	2,58,038.86	42,30,960
IP MORGAN INDIA TREASURY FUND - DIRECT - GROWTH	-	-	2,61,57,815.83	45,25,00,000
TOTAL		1,72,17,34,700		83,17,21,523

Notes:

Aggregate Book Value - Quoted Investments

Aggregate Book Value - Unquoted Investments

Aggregate Market Value of Quoted Investments

-
1,72,17,34,700
-

-
83,17,21,523
-



10 Cash and bank balances

	Current As at 31.03.2016 (₹)	Current As at 31.03.2015 (₹)
Cash and cash equivalents		
Balances with banks :		
On current accounts	22,18,576	82,147
Cash on hand	-	-
	<u>22,18,576</u>	<u>82,147</u>
Other bank balances :		
Bank Deposit with Original maturity of more than 12 months	99,00,000	-
Bank Deposit with Original maturity of more than 3 months & less than 12 months	99,00,000	-
	<u>1,98,00,000</u>	<u>-</u>
Total	<u><u>2,20,18,576</u></u>	<u><u>82,147</u></u>

11 Short Term Loans and advances

	As at 31.03.2016 (₹)	As at 31.03.2015 (₹)
Advance Recoverable in Cash or Kind from related parties	30,24,081	-
Other loans and advances (Unsecured , Considered Good) Prepaid Expenses	3,503	3,770
Total	<u><u>30,27,584</u></u>	<u><u>3,770</u></u>
Advance Recoverable in Cash or Kind from related parties pertains to :		
NSE Educational Facilities Limited	4,64,771	-
Receivables Exchange of India Limited	25,59,310	-
	<u><u>30,24,081</u></u>	<u><u>-</u></u>

12 Other Current Assets

	As at 31.03.2016 (₹)	As at 31.03.2015 (₹)
(Unsecured , Considered Good) Accrued Interest on Fixed Deposits	13,14,749	-
Total	<u><u>13,14,749</u></u>	<u><u>-</u></u>

13 Revenue from operations

	For the year ended ended 31.03.2016 (₹)	For the year ended 31.03.2015 (₹)
Operating revenues		
Dividend from :		
Subsidiary Companies	36,50,00,052	45,22,00,045
Associate Companies	27,22,52,328	25,75,90,432
	63,72,52,380	70,97,90,477
Total	<u><u>63,72,52,380</u></u>	<u><u>70,97,90,477</u></u>

14 Other Income

	For the year ended ended 31.03.2016 (₹)	For the year ended 31.03.2015 (₹)
Interest on Fixed Deposits	14,60,833	-
Profit on Sale / Redemption of Mutual Funds	6,73,90,912	58,085
Sitting Fees Received	2,60,000	-
Total	<u><u>6,91,11,745</u></u>	<u><u>58,085</u></u>

15 Other expenses

	For the year ended ended 31.03.2016 (₹)	For the year ended 31.03.2015 (₹)
Committee Sitting Fees	10,50,750	1,00,000
Director Sitting Fees	15,03,000	2,00,000
Insurance	1,41,457	1,27,801
Legal & Profesional Fees	6,90,720	57,40,618
Payment to auditor (Refer note below)	2,38,083	1,47,429
Space & Infrastructure Usage Charges (Refer note 20)	19,74,924	-
CSR Expenses	4,51,051	-
Other expenses	12,23,347	56,954
Total	<u><u>72,73,332</u></u>	<u><u>63,72,802</u></u>

Note :

Payment to Auditor

As Auditor

Audit Fees

In other Capacity

Certification Matters

Taxation Matters

Out of Pocket Expenses

Total

	1,14,500	84,270
	28,625	56,180
	85,875	-
	9,083	6,979
Total	<u><u>2,38,083</u></u>	<u><u>1,47,429</u></u>



16 In the opinion of the management the Company has no activities other than those of an Investment Company, the segment reporting under Accounting Standard 17 - "Segment Reporting" notified under the Rule 7 of the Companies (Accounts) Rules, 2014 is not applicable. The Company does not have any reportable geographical segment.

17 In compliance with Accounting Standard 18 - "Related Party Disclosures" notified under the Rule 7 of the Companies (Accounts) Rules, 2014, the required disclosures are given in the table below:

(a) Names of the related parties and related party relationship

Sr. No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited	Promoter Company
2	National Securities Clearing Corporation Limited	Promoter Company (upto 28.09.2015) Promoter's Subsidiary Company (w.e.f 29.09.2015)
3	India Index Services & Products Limited	Subsidiary Company
4	NSE Infotech Services Limited	Subsidiary Company
5	NSE.IT Limited	Subsidiary Company
6	DotEx International Limited	Subsidiary Company
7	NSE.IT (US) Inc.	Subsidiary's Subsidiary Company
8	Market Simplified India Limited	Associate Company
9	Power Exchange India Limited	Associate Company
10	NSDL e-Governance Infrastructure Limited (formerly known as National Securities Depository Limited)	Associate Company
11	Computer Age Management Services Private Limited	Associate Company
12	National Securities Depository Limited (new)	Promoter Company's Associate
13	BFSI Skill sector Council of India	Promoter Company's Associate
14	NSE Educational Facilities Limited	Subsidiary Company (w.e.f 12.03.2016)
15	Receivables Exchange of India Limited	Joint Venture (w.e.f 25.02.2016)
16	Mr. J Ravichandran - Managing Director - w.e.f 31/01/2013	Key Management Personnel

(b) Details of transactions (including service tax wherever levied) with related parties are as follows :

Name of the Related Party	Nature of Transactions	Year ended 31.03.2016 Amount (₹)	Year ended 31.03.2015 Amount (₹)
National Stock Exchange of India Ltd.	Reimbursement of expenses for staff on deputation paid/ payable	1,53,16,130	5,99,067
	Reimbursement of expenses for other expenses incurred	9,05,501	-
	Reimbursement for Income Tax, TDS and Service Tax paid	2,72,85,287	-
	Reimbursement for CSR expenses	4,51,051	-
	Space and Infrastructure Charges	19,74,924	-
	Closing Balance net Debit / (Credit)	(1,13,87,133)	-
DotEx International Ltd.	Dividend Received	14,40,00,000	32,40,00,000
	Buy Back of Equity Share Capital by DotEx International Ltd	25,50,00,000	-
	Investment in Equity Share Capital	91,80,67,238	1,22,40,89,650
NSE Infotech Services Limited	Dividend Received	-	-
	Investment in Equity Share Capital	3,75,80,097	3,75,80,097
NSE.IT Limited	Purchase of Digital Signature	-	5,986
	Dividend Received	5,20,00,052	4,50,00,045
	Investment in Equity Share Capital	60,00,58,735	60,00,58,735
India Index Services & Products Limited	Dividend Received	16,90,00,000	8,32,00,000
	Investment in Equity Share Capital	1,33,41,46,338	1,33,41,46,338
NSE Educational Facilities Limited	Subscription of Equity Shares	25,00,000	-
	Preliminary Expenses paid on behalf of NSE Educational Facilities Limited	4,64,771	-
	Closing Balance net Debit / (Credit)	4,64,771	-
	Investment in Equity Share Capital	25,00,000	-
Receivables Exchange of India Limited	Subscription of Equity Shares	20,00,030	-
	Preliminary Expenses paid on behalf of Receivables Exchange of India Limited	25,59,310	-
	Closing Balance net Debit / (Credit)	25,59,310	-
	Investment in Equity Share Capital	20,00,030	-
Computer Age Management Services Private Limited	Dividend Received	21,21,44,328	20,24,91,432
	Investment in Equity Shares	4,12,13,33,939	4,12,13,33,939
NSDL E - Governance Infrastructure Limited	Dividend Received	6,01,08,000	5,50,99,000
	Investment in Equity Shares	55,10,17,720	55,10,17,720
Market Simplified India Limited	Investment in Equity Shares	4,50,54,090	4,50,54,090
Power Exchange India Limited	Investment in Equity Shares	15,03,75,353	15,03,75,353
	Investment in 10% Optionally Convertible Redeemable Preference Shares	5,01,25,000	5,01,25,000



- 18 In accordance with Accounting Standard 20 - "Earning per Share" notified under the with Rule 7 of the Companies (Accounts) Rules, 2014.
Earning per share

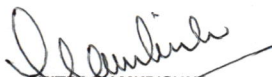
Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Net Profit attributable to Shareholders (in ₹)	60,95,27,808	70,34,57,760
Weighted Average Number of equity shares issued	41,30,21,703	41,30,21,703
Basic earnings per share of Rs. 10/- each (in ₹)	1.48	1.70
Weighted Average Number of potential equity shares issued	82,59,93,406	82,59,93,406
Diluted earnings per share of Rs. 10/- each (in ₹)	0.74	0.85

- 19 There is no Micro, Small & Medium enterprise to which the company owes dues as at 31.03.2016. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.
- 20 The Company is paying deputation expenses in respect of the employees, space and infrastructure charges and other reimbursement of expenses to the Holding Company National Stock Exchange of India Limited.
- 21 In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business
- 22 a) The gross amount required to be spent by the company on Corporate Social Responsibility activities during the financial year 2015-16 is ₹ 45,98,251/-
b) Amount spent during the year
- | | In Cash | Yet to be paid in cash | Total |
|---|----------|------------------------|----------|
| Construction / acquisition of any asset | - | - | - |
| On purpose other than above | 4,51,051 | - | 4,51,051 |
- c) Expenditure debited to Statemnet of Profit & Loss is ₹ 4,51,051/-
- 23 As at March 31, 2016 the Company does not have any pending litigations which would impact its financial position.
- 24 In accordance with relevant provisions of Companies Act, 2013, the Company did not have any long-term contracts including derivative contracts as at March 31, 2016.
- 25 For the year ended March 31, 2016, the company is not required to transfer any amount into the Investor Education & Protection Fund as required under relevant provisions of the Companies Act, 2013..
- 26 Previous years' figures are regrouped, reclassified and rearranged wherever necessary.

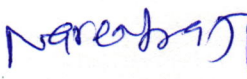
As per our report of even date attached

For and on behalf of the Board of Directors


For KHANDELWAL JAIN & CO.
Chartered Accountants
Firm's Registration no : 105049W

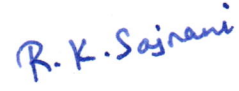

CHITRA RAMKRISHNA
Chairperson


J. RAVICHANDRAN
Managing Director


NARENDRA JAIN
Partner
Membership No.: 048725


T.T. Srinivasaraghavan
Director


Prasad Joshi
Chief Financial Officer


Ritu Sajani
Company secretary

Place : Mumbai
Date : April 22, 2016