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### INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NSE STRATEGIC INVESTMENT CORPORATION LIMITED

#### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **NSE STRATEGIC INVESTMENT CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Standalone Ind AS Financial Statements").

#### Management's Responsibility for the Standalone Ind AS 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 of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS 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 of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;
  - (e) on the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 29 to the standalone Ind AS 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 30 to the standalone Ind AS 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 31 to the standalone Ind AS financial statements;
  - (iv) The disclosure regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made since the requirement does not pertain to financial year ended March 31, 2018.

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

  
**S. S. Shah**  
**Partner**  
**Membership No. 033632**



Place : Mumbai  
Date : April 30, 2018

# KHANDELWAL JAIN & CO.

## CHARTERED ACCOUNTANTS

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

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

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statement for the year ended March 31, 2018. 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 physical 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 generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and 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, Goods and Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues were in arrears as at March 31, 2018 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 of Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Custom, Duty of Excise and Value Added Tax which have not been deposited with the appropriate authorities on account of any dispute.
- 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.
- 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 standalone Ind AS Financial Statements as required by the applicable Indian 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



S. S. Shah  
Partner

Membership No. 033632



Place : Mumbai  
Date : April 30, 2018



**NSE STRATEGIC INVESTMENT CORPORATION LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2018**

(₹ in Lakh)

Particulars	Notes	As at 31.03.2018	As at 31.03.2017
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
a Property, Plant and Equipments		-	-
b Capital work-on-progress		-	-
c Other Intangible assets		-	-
d Intangible assets under development		-	-
e Investments in Subsidiaries, Associates and Joint Ventures	3	69,533.79	76,689.87
f Financial Assets			
i Investments	3	27,977.21	22,646.64
ii Loans		-	-
iii Others		-	-
g Income Tax Assets (Net)	13	18.16	0.44
h Deferred tax assets (Net)		-	-
i Other non-current assets	5	-	0.01
<b>Total non-current Assets</b>		<b>97,529.16</b>	<b>99,336.96</b>
<b>2 Current assets</b>			
a Financial Assets			
i Investments		-	-
ii Trade receivable		-	-
iii Cash and Cash equivalents	7	64.08	11.77
iv Bank balances other than (iii) above		-	-
v Other Financial Assets	4	-	25.60
b Other current assets	6	0.01	0.04
		<b>64.09</b>	<b>37.41</b>
<b>3 Asset Classified as Held for Sale</b>	8	6,863.25	-
<b>Total Current Assets</b>		<b>6,927.34</b>	<b>37.41</b>
<b>TOTAL ASSETS</b>		<b>1,04,456.50</b>	<b>99,374.37</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(A) EQUITY</b>			
a Share capital	9 (a)	82,599.34	82,599.34
b Other Equity	9 (b)	21,622.14	15,850.71
<b>TOTAL EQUITY</b>		<b>1,04,221.48</b>	<b>98,450.05</b>
<b>(B) LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
a Financial Liabilities			
i Deposits (Unsecured)		-	-
ii Other financial liabilities (Other than Provisions in (b) below)		-	-
b Provisions		-	-
c Deferred tax liabilities (Net)	11	95.40	423.64
d Other non-current liabilities		-	-
<b>Total Non-current liabilities</b>		<b>95.40</b>	<b>423.64</b>
<b>2 Current liabilities</b>			
a Financial Liabilities			
i Deposits (Unsecured)		-	-
ii Trade Payables		-	-
iii Other financial liabilities	10		
- dues payable to holding company		109.30	171.41
- dues payable to others		8.90	3.25
		<b>118.20</b>	<b>174.66</b>
b Provisions		-	-
c Other current liabilities	14	21.16	27.13
d Income Tax Liabilities (Net)	12	0.26	298.89
<b>Total current liabilities</b>		<b>139.62</b>	<b>500.68</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,04,456.50</b>	<b>99,374.37</b>

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For KHANDELWAL JAIN & CO.

Chartered Accountants

Firm's Registration no : 105049W

**S.S. Shah**

Partner

Membership No **083632**

Place : Mumbai

Date : April 30, 2018

For and on behalf of the Board of Directors

S B Mathur  
Chairman  
DIN: 00013239

J Ravichandran  
Managing Director  
DIN: 00073736

Y H Malegam  
Director  
DIN: 00092017

Premal Shah  
Chief Financial Officer

Vidhi Jobanputra  
Company Secretary

NSE STRATEGIC INVESTMENT CORPORATION LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2018

				(₹ in Lakh)
Particulars	Notes	For the year ended 31.03.2018	For the year ended 31.03.2017	
<b>Income</b>				
Revenue from operations	15	11,554.53	5,204.23	
Other income	16	3.60	3.60	
<b>Total Income</b>		<b>11,558.13</b>	<b>5,207.83</b>	
<b>Expenses</b>				
Provision for diminution in value of investment in Associate Company	3(c)	292.83	2,162.71	
Cost of investment written off	3(e) & (f)	0.09	99.99	
Employee benefits expense	25	134.25	165.92	
Finance Cost		-	-	
Depreciation and amortisation expense		-	-	
Other expenses	17	488.35	140.95	
<b>Total Expenses</b>		<b>915.52</b>	<b>2,569.57</b>	
<b>Profit before tax</b>		<b>10,642.61</b>	<b>2,638.26</b>	
Less : Tax expenses				
Current tax		402.41	356.10	
Deferred tax		(328.25)	250.81	
<b>Total tax expenses</b>		<b>74.16</b>	<b>606.91</b>	
<b>Net Profit after tax for the year (A)</b>		<b>10,568.45</b>	<b>2,031.35</b>	
<b>Other Comprehensive Income</b>				
Items that will not be reclassified to profit or loss		-	-	
Income tax relating to items that will not be reclassified to profit or loss		-	-	
<b>Total Other Comprehensive Income for the year (B)</b>		<b>-</b>	<b>-</b>	
<b>Total Comprehensive Income for the year (A+B)</b>		<b>10,568.45</b>	<b>2,031.35</b>	
<b>Earnings per equity share ( Face Value ₹ 10 each)</b>				
- Basic ( ₹ )	18	2.56	0.49	
- Diluted ( ₹ )	18	1.28	0.25	


Summary of significant accounting policies

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

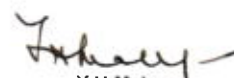
  
S.S. Shah  
Partner

Membership No. 033632





S B Mathur  
Chairman  
DIN: 00013239



Y H Malegam  
Director  
DIN: 00092017

Place : Mumbai  
Date : April 30, 2018



J Ravichandran  
Managing Director  
DIN: 00073736



Premal Shah  
Chief Financial Officer



Vidhi Jobanputra  
Company Secretary



**NSE STRATEGIC INVESTMENT CORPORATION LIMITED**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018**

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
(₹ in Lakh)		
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX	10,642.61	2,638.26
Adjustments for :		
Profit on Sale of Investments	(122.85)	(139.86)
Adjustment to the carrying amount of Investments	(1,698.65)	(1,516.79)
Dividend Income	(9,733.03)	(3,539.43)
Provision for diminution in value of investment in Associate Company	292.83	2,162.71
Cost of investment written off	0.09	99.99
Interest Income	-	(8.14)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(619.00)</b>	<b>(303.26)</b>
Adjustments for :		
Sale of Mutual Funds	6,140.93	930.00
Purchase of Mutual Funds	(9,650.00)	(3,698.00)
Investment In Other Equity Instruments	(0.10)	-
Investment In Subsidiary and Associate company	-	(730.00)
Redemption of Fixed Deposits	-	198.00
Current Assets / Loans & Advances	25.64	17.83
Current Liabilities & Provisions	(62.42)	63.18
<b>CASH GENERATED FROM OPERATIONS BEFORE DIVIDEND INCOME</b>	<b>(4,164.95)</b>	<b>(3,522.25)</b>
Interest Received	-	8.14
Dividend Income	9,733.03	3,539.43
<b>CASH GENERATED FROM OPERATIONS</b>	<b>5,568.08</b>	<b>25.32</b>
Direct Taxes paid (Net of Refunds)	(718.75)	(35.74)
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)</b>	<b>4,849.33</b>	<b>(10.42)</b>
<b>B) CASHFLOW FROM INVESTING ACTIVITIES</b>	-	-
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)</b>	-	-
<b>C) CASHFLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid to equity shareholders	(2,312.93)	-
Dividend paid to Preference shareholders	(2,477.83)	-
Dividend Distribution Tax Paid	(6.26)	-
Share Issue Expenses	-	-
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)</b>	<b>(4,797.02)</b>	-
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>52.31</b>	<b>(10.42)</b>
<b>CASH AND CASH EQUIVALENTS : OPENING BALANCE</b>	<b>11.77</b>	<b>22.19</b>
<b>CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE</b>	<b>64.08</b>	<b>11.77</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>52.31</b>	<b>(10.42)</b>

**Notes to Cash Flow Statement :**

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS 7 on Cash Flow Statements notified under the Companies (Accounting Standards) Rules, 2015.
- Previous years' figures are regrouped, reclassified and rearranged wherever necessary.

As per our report of even date attached

For KHANDELWAL JAIN & CO.

Chartered Accountants

Firm's Registration no : 105049W

*S. S. Shah*

**S. S. Shah**  
Partner

Membership No. 033632



For and on behalf of the Board of Directors

*S B Mathur*  
S B Mathur  
Chairman  
DIN: 00013239

*J Ravichandran*  
J Ravichandran  
Managing Director  
DIN: 00073736

*Y H Malegam*  
Y H Malegam  
Director  
DIN: 00092017

*Premal Shah*  
Premal Shah  
Chief Financial Officer



*Vidhi Jobanputra*  
Vidhi Jobanputra  
Company Secretary

Place : Mumbai  
Date : April 30, 2018



**NSE STRATEGIC INVESTMENT CORPORATION LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018**

**(A) Share Capital**

(₹ in Lakh)

	31.03.2018	31.03.2017
Balance as at	82,599.34	82,599.34

**(B) Other Equity**

(₹ in Lakh)

Particulars	Retained Earnings	CSR Reserve	Total
Balance as at 01.04.2016	13,819.36	-	13,819.36
Profit for the year	2,031.35	-	2,031.35
CSR Reserve	(97.78)	97.78	-
Balance as at 31.03.2017	15,752.93	97.78	15,850.71
Balance as at 01.04.2017	15,752.93	97.78	15,850.71
Profit for the year	10,568.45	-	10,568.45
Transfer from CSR Reserve	97.78	(97.78)	-
Transactions with owners in their capacity as owners			
Less: Interim Dividend paid to equity shareholders [refer note 9(b)]	(2,312.93)	-	(2,312.93)
Less: Interim Dividend paid to preference shareholders [refer note 9(b)]	(2,477.83)	-	(2,477.83)
Less: Dividend Distribution Tax paid [refer note 9(b)]	(6.26)	-	(6.26)
Balance as at 31.03.2018	21,622.14	-	21,622.14

As per our report of even date attached

For and on behalf of the Board of Directors

For KHADELWAL JAIN & CO.

Chartered Accountants

Firm's Registration no : 105049W

*S.S. Shah*  
**S.S. Shah**  
 Partner

Membership No.: 033632

Place : Mumbai

Date : April 30, 2018



*S B Mathur*

**S B Mathur**

Chairman

DIN: 00013239

*J Ravichandran*

**J Ravichandran**

Managing Director

DIN: 00073736

*Y H Malegam*

**Y H Malegam**

Director

DIN: 00092017

*Premal Shah*

**Premal Shah**

Chief Financial Officer

*Vidhi Jobanputra*

**Vidhi Jobanputra**

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 Significant accounting policies :

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS financial statements"). These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015

### (b) Basis of Preparation

These financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Companies Act, 2013 and Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

#### Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value, and
- defined benefit plans - plan assets measured at fair value.
- Non-Current Assets classified as held for sale at Lower of their carrying amount and fair value less cost of sale

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### (c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of allowances, incentives, service taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and there is reasonable certainty of ultimate realisation. The sources of revenue are:

#### (i) Dividend

Dividends are recognised in profit and loss only when the shareholder's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be reliably measured.

#### (ii) Interest

Interest income is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

#### (iii) All other revenue is recognised in the period in which the service is provided.

### (d) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current tax, deferred tax and dividend distribution tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

### (e) Impairment of Non Financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is a separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.



**f) Cash and cash equivalents**

Cash and Cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**g) Investments and other financial assets**

**(i) Recognition**

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

**(ii) Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

**(iii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

• **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

• **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss and recognised in other gains/ (losses). Interest income from these financial assets is included in revenue from operation using the effective interest rate method.

• **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in statement of profit and loss. Interest income from these financial assets is included in revenue from operations.

**Equity investments (other than investments in subsidiaries, associates and joint venture)**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in Statement of Profit and Loss account, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Dividends from such investments continue to be recognised in statement of profit and loss as revenue from operations when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the Restated statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**Equity Investments (in subsidiaries, associates and joint venture)**

Investments in subsidiaries, associates and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The accounting policy on impairment of non-financial assets is disclosed in Note (e). On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

**(iv) Impairment of Financial Assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**De-recognition of financial assets**

A financial asset is de-recognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**h) Financial Liabilities**

**(i) Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**(ii) Initial Recognition & Measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

**(iii) Subsequent Measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

**(iv) De-recognition**

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**i) Non-Current Asset classified as held for sale**

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Property, Plant and Equipment and Intangible Assets are not depreciated or amortized once classified as held for sale.





j) **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

k) **Trade and other Payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

l) **Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation to be settled at a future date. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**Contingent Asset**

A contingent asset is neither recognised nor disclosed in the financial statements.

m) **Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

n) **Earnings per share**

(i) **Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year.

(ii) **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

o) **Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

p) **Rounding off Amounts**

All amounts disclosed in the Restated Financial Information and notes have been rounded off to the nearest lakh, unless otherwise stated.

q) **Reclassification**

Previous year's figures have been reclassified / regrouped wherever necessary.

r) **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

- Tax expense Note 11
- Fair value of unlisted securities Note 3
- Estimation of contingent liabilities refer Note 22
- Estimation of impairment of Assets

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.



**NSE STRATEGIC INVESTMENT CORPORATION LIMITED**

**Note 3 - NON CURRENT INVESTMENTS**

	Number of Units	Face Value per Unit (₹)	Face value (₹ in Lakh)	As at 31.03.2018 (₹ in Lakh)	Number of Units	As at 31.03.2017 (₹ in Lakh)
<b>INVESTMENTS IN EQUITY INSTRUMENTS (FULLY PAID UP)</b>						
<b>UNQUOTED EQUITY INSTRUMENTS AT COST</b>						
<b>IN SUBSIDIARY COMPANIES AT COST</b>						
DOTEX INTERNATIONAL LIMITED	90,00,000	10	900.00	9,180.67	90,00,000	9,180.67
[EXTENT OF HOLDING 100% ( P.Y - 100% )]						
INDIA INDEX SERVICES & PRODUCTS LTD.	13,00,000	10	130.00	13,341.46	13,00,000	13,341.46
[EXTENT OF HOLDING 100% ( P.Y - 100% )]						
NSEIT LTD	1,00,00,010	10	1,000.00	6,000.59	1,00,00,010	6,000.59
[EXTENT OF HOLDING 100% ( P.Y - 100% )]						
NSE INFOTECH SERVICES LTD	50,000	10	5.00	375.80	50,000	375.80
[EXTENT OF HOLDING 100% ( P.Y - 100% )]						
NSE ACADEMY LIMITED	2,50,000	10	25.00	25.00	2,50,000	25.00
[EXTENT OF HOLDING 100% ( P.Y - 100% )]						
<b>IN ASSOCIATE COMPANIES AT COST</b>						
COMPUTER AGE MANAGEMENT SERVICES PRIVATE LIMITED	1,82,85,000	10	1,828.50	34,350.09	2,19,38,400	41,213.34
EXTENT OF HOLDING 37.50% ( P.Y - 44.99% )						
[refer note (a) and (d) below]						
MARKET SIMPLIFIED INDIA LIMITED	45,05,175	10	450.52	450.54	45,05,175	450.54
EXTENT OF HOLDING 30.00% ( P.Y - 30.00% )						
NSDL E - GOVERNANCE INFRASTRUCTURE LIMITED	1,00,18,000	10	1,001.80	5,510.18	1,00,18,000	5,510.18
EXTENT OF HOLDING 25.05% ( P.Y - 25.05% )						
POWER EXCHANGE INDIA LIMITED	1,50,00,030	10	1,500.00	1,503.75	1,50,00,030	1,503.75
EXTENT OF HOLDING 30.95% ( P.Y - 30.95% )						
RECEIVABLES EXCHANGE OF INDIA LIMITED	75,00,000	10	750.00	750.00	75,00,000	750.00
EXTENT OF HOLDING 30.00% ( P.Y - 30.00% )						
<b>TOTAL EQUITY INSTRUMENTS</b>				<b>71,488.08</b>		<b>78,351.33</b>





	Number of Units	Face Value per Unit (₹)	Face value (₹ in Lakh)	As at 31.03.2018 (₹ in Lakh)	Number of Units	As at 31.03.2017 (₹ in Lakh)
<b>INVESTMENTS IN PREFERENCE SHARES (FULLY PAID UP)</b>						
<b>UNQUOTED PREFERENCE SHARES AT COST</b>						
<b>IN ASSOCIATE COMPANIES AT COST</b>						
10% OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES OF POWER EXCHANGE OF INDIA LIMITED	50,00,000	10	500.00	501.25	50,00,000	501.25
<b>TOTAL PREFERENCE SHARES</b>				<u>501.25</u>		<u>501.25</u>
<b>TOTAL INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES</b>				<u>71,989.33</u>		<u>78,852.58</u>
Less: Diminution in Value of Investments				<u>2,455.54</u>		<u>2,162.71</u>
<b>NET INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES</b>				<u><b>69,533.79</b></u>		<u><b>76,689.87</b></u>

a) The Securities Exchange Board of India (SEBI) during its inspection of holding company, National Stock Exchange of India Limited (NSE), had observed that NSE Strategic Investment Corporation Ltd, a subsidiary of NSE, had acquired 44.99% equity stake in Computer Age Management Services Private Limited (CAMS) without prior permission of the SEBI. While the holding company NSE has suitably replied to the SEBI's observation, the same is under consideration by SEBI.

b) During the year ended March 31, 2017, the Company had provided for diminution aggregating to Rs.2,162.71 Lakh in value of investment in Power Exchange India Limited (i.e. Equity Shares of Rs.1,503.75 Lakh and 10% Optionally Convertible Redeemable Preference Shares of Rs.501.25 Lakh and Market Simplified India Limited [(i.e. Equity Shares of Rs.157.71 Lakh (value at cost – Rs.450.54 Lakh)] and the same was debited to the Statement of Profit and Loss for the year ended March 31, 2017.

c) During the year ended March 31, 2018, the Company has provided for further diminution of Rs.292.83 Lakh in value of investment in Market Simplified India Limited [i.e. Equity Shares of Rs.292.83 Lakh (previous year – Rs.157.71 Lakh)] and the same is debited to the Statement of Profit and Loss for the year ended March 31, 2018.

d) During the year, the Company has signed an agreement to divest 7.49% (i.e., 36,53,400 equity shares) of its equity stake in Computer Age Management Services Limited, an Associate Company, to Great Terrian Investment Limited (affiliate of Warburg Pincus LLC) for a consideration of Rs.24,913 Lakh. The completion of the said disinvestment is subject to fulfillment of certain terms and conditions. The Company anticipates completion of the sale in FY 2018-19 and accordingly, investments amounting to Rs.6,863.25 Lakh in respect of this associate have been reclassified from 'Non-Current Investment' to 'Non-Current Assets classified as held for sale'. The said investment has been carried at the lower of carrying amount and fair value less cost to sell as per Indian Accounting Standard (Ind AS) 105 - 'Non-current Assets Held for Sale and Discontinued Operations'. Consequent upon completion of the above sale, the Company will hold 37.50% equity stake in the said Associate Company.



	Number of Units	As at 31.03.2018		Number of Units	As at 31.03.2017	
		At Cost	At Market Value (₹ in Lakh)		At Cost	At Market Value (₹ in Lakh)
<b>UNQUOTED INVESTMENTS IN MUTUAL FUNDS AT FVPL</b>						
AXIS TREASURY ADVANTAGE FUND - GROWTH - DIRECT PLAN	1,02,211	1,701.61	2,024.66	1,02,211	1,701.61	1,886.92
BARODA PIONEER TREASURY ADVANTAGE FUND - PLAN B - DIRECT - GROWTH	71,222	1,170.43	1,472.66	97,087	1,595.50	1,866.40
BIRLA SUN LIFE FLOATING RATE FUND - LTP - DIRECT - GROWTH	8,31,723	1,620.00	1,790.92	8,31,723	1,620.00	1,668.83
BIRLA SUN LIFE SAVINGS FUND - DIRECT - GROWTH	-	-	-	5,35,518	1,530.06	1,714.25
HDFC FLOATING RATE INCOME FUND - STP - DIRECT - GROWTH	60,98,830	1,520.00	1,852.96	60,98,830	1,520.00	1,729.60
ICICI PRUDENTIAL ULTRA SHORT TERM PLAN - DIRECT - GROWTH	1,08,01,217	1,500.87	1,975.91	1,13,59,010	1,578.37	1,943.80
ICICI PRUDENTIAL FLEXIBLE INCOME PLAN - GROWTH - DIRECT	-	-	-	2,78,673	850.00	871.06
IDFC MONEY MANAGER - TREASURY PLAN - DIRECT - GROWTH	64,58,675	1,495.00	1,802.53	64,58,675	1,495.00	1,691.30
IDFC ULTRA SHORT TERM FUND - DIRECT - GROWTH	39,28,288	931.01	974.09	-	-	-
JM HIGH LIQUIDITY FUND - DIRECT GROWTH	27,09,787	1,100.00	1,289.11	27,09,787	1,100.00	1,206.23
KOTAK TREASURY ADVANTAGE FUND - DIRECT - GROWTH	68,38,294	1,590.85	1,930.49	68,38,294	1,590.85	1,802.51
PRINCIPAL CASH MANAGEMENT - DIRECT PLAN - GROWTH	33,926	433.09	574.15	47,458	605.83	751.75
RELIANCE LIQUID FUND - CASH PLAN - DIRECT - GROWTH	48,451	1,160.00	1,360.16	48,451	1,160.00	1,271.96
RELIANCE MEDIUM TERM FUND - DIRECT - GROWTH	51,46,322	1,575.00	1,913.43	51,46,322	1,575.00	1,785.24
RELIANCE MONEY MANAGER FUND - GROWTH - DIRECT	25,439	600.00	620.02	-	-	-
UTI FLOATING RATE FUND - STP - DIRECT - GROWTH	62,902	1,500.00	1,831.08	62,902	1,500.00	1,709.74
UTI TREASURY ADVANTAGE FUND - DIRECT - GROWTH	28,375	603.00	684.85	28,375	603.00	639.97
UTI TREASURY ADVANTAGE FUND GROWTH - DIRECT PLAN	4,748	100.00	114.60	4,748	100.00	107.08
ADITYA BIRLA SUN LIFE CASH MANAGER - DIRECT - GROWTH	4,26,360	1,778.72	1,859.03	-	-	-
ADITYA BIRLA SUN LIFE SAVINGS FUND - DIRECT - GROWTH	11,35,875	3,530.06	3,906.56	-	-	-
<b>TOTAL (i)</b>		<b>23,909.63</b>	<b>27,977.21</b>		<b>20,125.21</b>	<b>22,646.64</b>
<b>UNQUOTED EQUITY INSTRUMENTS</b>						
<b>IN OTHER COMPANIES OTHER THAN SUBSIDIARIES AT COST</b>						
GOODS AND SERVICE TAX NETWORK [Refer Note (e) below]	10,00,000	100.00	0.00	10,00,000	100.00	0.00
NSE FOUNDATION [Refer Note (f) below]	1,000	0.10	0.00	-	-	-
<b>TOTAL (ii)</b>			<b>0.00</b>			<b>0.00</b>
<b>TOTAL (i) + (ii)</b>			<b>27,977.21</b>			<b>22,646.64</b>
<b>GRAND TOTAL</b>			<b>97,511.00</b>			<b>99,336.51</b>

**Notes:**

Aggregate Book Value - Quoted Investments  
Aggregate Book Value - Unquoted Investments  
Aggregate Market Value of Quoted Investments

99,336.51

e) Goods and Service Tax Network is incorporated under section 8 of the Companies Act, 2013 and intends to apply its profits, if any, or other income in promoting its objects and any payment of dividend to its members is prohibited. Accordingly, the investment in the company was written down to Re. 1/-. Accordingly, the Company had written off the investment in Goods and Service Tax Network amounting to Rs 99.99 Lakh and the same was debited to the Statement of Profit and Loss during the year ended March 31, 2017.

f) NSE Foundation is incorporated under section 8 of the Companies Act, 2013 and intends to apply its profits, if any, or other income in promoting its objects and any payment of dividend to its members is prohibited. Accordingly, the investment in the company has been written down to Re. 1/- and the same has been debited to the Statement of Profit and Loss during the year.



4 Other Financial Assets (Current)

	As at 31.03.2018 (₹ in Lakh)	As at 31.03.2017 (₹ in Lakh)
Advance Recoverable in Cash or Kind from related parties pertains to (Refer Note : 20) Receivables Exchange of India Limited	-	25.60
Total	-	25.60

5 Other Non current Assets

	As at 31.03.2018 (₹ in Lakh)	As at 31.03.2017 (₹ in Lakh)
Other loans and advances Prepaid Expenses	-	0.01
Total	-	0.01

6 Other Current Assets

	As at 31.03.2018 (₹ in Lakh)	As at 31.03.2017 (₹ in Lakh)
Prepaid Exoenses	0.01	0.04
Total	0.01	0.04

7 Cash and bank balances

	As at 31.03.2018 (₹ in Lakh)	As at 31.03.2017 (₹ in Lakh)
Cash and cash equivalents		
Balances with banks :		
On current accounts	64.08	11.77
Cash on hand	64.08	11.77



NSE STRATEGIC INVESTMENT CORPORATION LIMITED

Note 8 - NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Number of Units	Face Value per Unit (₹)	Face value (₹ in Lakh)	As at 31.03.2018 (₹ in Lakh)	Number of Units	As at 31.03.2017 (₹ in Lakh)
INVESTMENTS IN EQUITY INSTRUMENTS (FULLY PAID UP)						
UNQUOTED EQUITY INSTRUMENTS AT COST						
IN ASSOCIATE COMPANIES AT COST						
COMPUTER AGE MANAGEMENT SERVICES PRIVATE LIMITED [EXTENT OF HOLDING 7.49%] [refer and note 3 (a) and note 3(d) ]	36,53,400	10	365.34	6,863.25	-	-
NET INVESTMENTS IN ASSOCIATES				<u>6,863.25</u>		



## Share Capital

	As at 31.03.2018 (₹ in Lakh)	As at 31.03.2017 (₹ in Lakh)
Authorised		
45,00,00,000 Equity Shares of ₹ 10 each	45,000.00	45,000.00
( Previous Years : 45,00,00,000 Equity Shares of ₹ 10 each )		
45,00,00,000 Non - Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each	45,000.00	45,000.00
(Previous Years : 45,00,00,000 Non - Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each )		
	<u>90,000.00</u>	<u>90,000.00</u>
Issued, Subscribed and Paid-up		
41,30,21,703 Equity Shares of ₹ 10 each, fully paid	41,302.17	41,302.17
( Previous Years : 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	41,297.17	41,297.17
( Previous Years : 41,29,71,703 6% Non - Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each, fully paid )		
Total	<u>82,599.34</u>	<u>82,599.34</u>

There is no movement either in the number of shares or in amount between previous year and current year

## 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

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 31.03.2018	As at 31.03.2017
	Nos.	Nos.
National Stock Exchange of India Limited and its nominees	41,30,21,703	41,30,21,703
	% holding	% holding
	100.00%	100.00%
Total	41,30,21,703	41,30,21,703
	100.00%	100.00%

## Preference Shares :

Name of the Company	As at 31.03.2018	As at 31.03.2017
	Nos.	Nos.
National Stock Exchange of India Limited and its nominees	41,29,71,703	41,29,71,703
	% holding	% holding
	100.00%	100.00%
Total	41,29,71,703	41,29,71,703
	100.00%	100.00%

## Details of Equity Shareholder holding more than 5% share in the Company (No of Shares)

	31.03.2018	31.03.2017
National Stock Exchange of India Limited and its nominees	41,30,21,703	41,30,21,703

## Details of Equity Shareholder holding more than 5% share in the Company (% of Share holding)

	31.03.2018	31.03.2017
National Stock Exchange of India Limited and its nominees	100.00%	100.00%

## Details of Preference Shareholder holding more than 5% share in the Company (No of Shares)

	31.03.2018	31.03.2017
National Stock Exchange of India Limited and its nominees	41,29,71,703	41,29,71,703

## Details of Preference Shareholder holding more than 5% share in the Company (% of Share holding)

	31.03.2018	31.03.2017
National Stock Exchange of India Limited and its nominees	100.00%	100.00%

Other Equity	Particulars	Retained Earnings	CSR Reserve	Total
				(₹ in Lakh)
Balance as at 01.04.2017		15,752.93	97.78	15,850.71
Profit / (Loss) for the year / period		10,568.45	-	10,568.45
Transfer from CSR Reserve		97.78	(97.78)	-
Transactions with owners in their capacity as owners				
Less: Interim Dividend paid to equity shareholders *		(2,312.93)	-	(2,312.93)
Less: Interim Dividend paid to preference shareholders *		(2,477.83)	-	(2,477.83)
Less: Dividend Distribution Tax paid *		(6.26)	-	(6.26)
Balance as at 31.03.2018		21,622.14	-	21,622.14
Balance as at 01.04.2016		13,819.36	-	13,819.36
Profit / (Loss) for the year / period		2,031.35	-	2,031.35
CSR Reserve		(97.78)	97.78	-
Balance as at 31.03.2017		15,752.93	97.78	15,850.71

\* The Board of Directors at its meeting held on October 31, 2017, declared an interim dividend of Rs 0.60 per preference share of Rs 10/- each and Rs 0.56 per equity share of Rs 10/- each. The total dividend paid during the year ended March 31, 2018 amounts to Rs 4,790.76 Lakh excluding dividend distribution tax Rs 6.26 Lakh.





10 Other financial liabilities

	As at 31.03.2018 (₹ in Lakh)	As at 31.03.2017 (₹ in Lakh)
Dues Payable to Holding Company (Refer Note 20)	109.30	171.41
Dues Payable to Others	8.90	3.25
<b>Total</b>	<b>118.20</b>	<b>174.66</b>

11 (a) Income tax expense

Particulars	31.03.2018 (₹ in Lakh)	31.03.2017 (₹ in Lakh)
<i>Current tax expense</i>		
Current Tax (i)	402.41	356.10
MAT Credit entitlement	-	-
<i>Deferred Tax</i>		
Decrease / (increase) in deferred tax assets (ii)	(572.04)	-
(Decrease) increase in deferred tax liabilities (iii)	243.80	250.81
<b>Total deferred tax expense / (benefit)</b>	<b>(328.25)</b>	<b>250.81</b>
(iv) = (ii) + (iii)		
<b>Total Income Tax Expense (v) = (i) + (iv)</b>	<b>74.16</b>	<b>606.91</b>

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	31.03.2018 (₹ in Lakh)	31.03.2017 (₹ in Lakh)
Profit before income tax expense	10,642.61	2,638.26
Tax Rate (%)	33.063%	33.063%
Tax at the Indian Tax Rate (a)	3,518.77	872.29
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
<b>Items of permanent nature</b>		
Dividend Income	(3,218.03)	(1,170.24)
Expenditure related to exempt income	137.06	86.51
Cost of investment written off	0.03	33.06
Profit on sale of investments taxed at other than Statutory rate	34.87	11.12
CSR Expense debited to Statement of Profit and Loss	-	11.06
Contribution to NSE Foundation towards CSR	59.75	-
Net gain on financial assets mandatorily measured at fair value through profit or loss	(317.83)	(250.69)
Provision for diminution in value of investments	(503.82)	715.06
Rate Difference for Provision in diminution in value of Investment	28.60	-
Interest on delayed payment of TDS	0.01	-
Others	13.65	-
<b>Total (b)</b>	<b>(3,765.73)</b>	<b>(564.11)</b>
<b>Total tax payable (a)+(b)</b>	<b>(246.96)</b>	<b>308.18</b>
Additional tax payable due to MAT	321.12	298.73
<b>Income Tax Expense</b>	<b>74.16</b>	<b>606.91</b>

Note: The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period. MAT credit entitlement to be carried forward for the year is Rs 321.12 Lakh (previous year Rs 298.73 Lakh).

(c) Deferred Tax Liabilities (Net)

	As at 31.03.2018 (₹ in Lakh)	As at 31.03.2017 (₹ in Lakh)
<b>Deferred Income Tax Assets</b>		
Provision for diminution in value of investment	572.04	-
<b>Total Deferred Tax Assets (A)</b>	<b>572.04</b>	<b>-</b>
<b>Deferred Income Tax Liabilities</b>		
Financial Assets at Fair Value through profit and Loss	667.44	423.64
<b>Total Deferred Tax Liabilities (B)</b>	<b>667.44</b>	<b>423.64</b>
<b>Net Deferred Income Tax Assets / (Liabilities) (A)-(B)</b>	<b>(95.40)</b>	<b>(423.64)</b>

(d) Movement in Deferred Tax Assets

Particulars	(₹ in Lakh)
At 1 April 2016	-
Charged / (Credited) - to profit or loss	-
At 31 March 2017	-
Charged / (Credited) - to profit or loss	572.04
At 31 March 2018	572.04

(e) Movement in Deferred Tax Liabilities

Particulars	(₹ in Lakh)
At 1 April 2016	172.83
Charged / (Credited) - to profit or loss	250.81
At 31 March 2017	423.64
Charged / (Credited) - to profit or loss	243.80
At 31 March 2018	667.44



12	<b>Income Tax Liabilities (Net)</b>		
		As at 31.03.2018 (₹ in Lakh)	As at 31.03.2017 (₹ in Lakh)
	Other Provisions		
	Income Tax (Net of Advances including TDS)	0.26	298.89
	<b>Total</b>	<b>0.26</b>	<b>298.89</b>
13	<b>Income Tax Assets (Net)</b>		
		As at 31.03.2018 (₹ in Lakh)	As at 31.03.2017 (₹ in Lakh)
	(Unsecured, Considered Good)		
	Income Tax paid including TDS (Net of Provisions)	18.16	0.44
	<b>Total</b>	<b>18.16</b>	<b>0.44</b>
14	<b>Other Current liabilities</b>		
		As at 31.03.2018 (₹ in Lakh)	As at 31.03.2017 (₹ in Lakh)
	Statutory Liabilities	21.16	27.13
	<b>Total</b>	<b>21.16</b>	<b>27.13</b>
15	<b>Revenue from operations</b>		
		For the year ended 31.03.2018 (₹ in Lakh)	For the year ended 31.03.2017 (₹ in Lakh)
	Dividend from :		
	Subsidiary Companies	4,760.00	203.00
	Other Investments	4,973.03	3,336.43
	<b>Total</b>	<b>9,733.03</b>	<b>3,539.43</b>
	Net gain on sale of investments mandatorily measured at fair value through P/L	122.85	139.86
	Net gain / (Loss) on Financial assets mandatorily measured at fair value through P/L	1,698.65	1,516.79
	Interest on Fixed Deposits	-	8.15
	<b>Total</b>	<b>11,554.53</b>	<b>5,204.23</b>
16	<b>Other Income</b>		
		For the year ended 31.03.2018 (₹ in Lakh)	For the year ended 31.03.2017 (₹ in Lakh)
	Sitting Fees Received	3.60	3.60
	<b>Total</b>	<b>3.60</b>	<b>3.60</b>
17	<b>Other expenses</b>		
		For the year ended 31.03.2018 (₹ in Lakh)	For the year ended 31.03.2017 (₹ in Lakh)
	Director Sitting Fees	53.09	36.18
	Insurance	5.19	4.37
	Legal & Professional Fees	168.18	12.63
	Payment to auditor (Refer note below)	3.46	2.99
	Space & Infrastructure Usage Charges	23.77	22.00
	Contribution to NSE Foundation towards CSR (refer note 24)	204.46	
	CSR Expenses (refer note 24)		33.45
	Other expenses	30.20	29.33
	<b>Total</b>	<b>488.35</b>	<b>140.95</b>
	<b>Note :</b>		
	<b>Payment to Auditor</b>		
	As Auditor		
	Audit Fees	1.48	1.44
	In other Capacity	-	-
	Certification Matters	0.59	0.58
	Taxation Matters	1.18	0.86
	Out of Pocket Expenses	0.21	0.12
	<b>Total</b>	<b>3.46</b>	<b>2.99</b>

18 Earning per share

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Net Profit attributable to Shareholders (₹ in Lakh)	10,568.45	2,031.35
Weighted Average Number of equity shares issued	41,30,21,703	41,30,21,703
Basic earnings per share of Rs. 10/- each (in ₹)	2.56	0.49
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 ₹)	1.28	0.25



19 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 of the Company. The Company operates only in one Business Segment i.e. to make or hold all strategic investments in the equity shares and / or other securities. Hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

20 In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 the required disclosures are given in the table below:

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

Sr No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited	Promoter Company
2	NSE IFSC Limited	Fellow Subsidiary (w.e.f 29.11.2016)
3	National Securities Clearing Corporation Limited	Fellow Subsidiary
4	NSE Foundation	Fellow Subsidiary Company (w.e.f 05.03.2018)
5	NSE IFSC Clearing Corporation Limited	Promoter's Subsidiary's Subsidiary Company (w.e.f 02.12.2016)
6	India Index Services & Products Limited	Subsidiary Company
7	NSE Infotech Services Limited	Subsidiary Company
8	NSEIT Limited (Formerly known as NSE IT Limited)	Subsidiary Company
9	DotEx International Limited	Subsidiary Company
10	NSE IT (US) Inc	Subsidiary's Subsidiary Company
11	Market Simplified India Limited	Associate Company
12	Power Exchange India Limited	Associate Company
13	NSDL e-Governance Infrastructure Limited (formerly known as National Securities Depository Limited)	Associate Company
14	Computer Age Management Services Private Limited	Associate Company
15	National Securities Depository Limited (new)	Promoter Company's Associate
16	BFSI Sector Skill Council of India	Promoter Company's Associate
17	NSE Academy Ltd	Subsidiary Company
18	Receivables Exchange of India Limited	Associate Company
19	Mr. Tarun Aiyar - Chief Executive Officer upto 31/01/2018	Key Management Personnel
20	Mr. J Ravichandran - Managing Director w.e.f 31/01/2018	Key Management Personnel
21	Ms. Kshama Fernandes	Key Management Personnel
22	Mr. S. B. Mathur	Key Management Personnel
23	Mr. Y. H. Malegam	Key Management Personnel
24	Mr. Ravi Narain	Key Management Personnel
25	Mr. Dinesh Kumar Mehrotra	Key Management Personnel
26	Mr. Thiruvallur Thattai Srinivasaraghavan	Key Management Personnel

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

Name of the Related Party	Nature of Transactions	As at 31.03.2018 Amount (₹ in Lakh)	As at 31.03.2017 Amount (₹ in Lakh)
National Stock Exchange of India Ltd.	Reimbursement of expenses for staff on deputation paid/ payable	134.25	165.92
	Reimbursement of other expenses incurred	146.71	8.70
	Reimbursement for Income Tax, TDS and Service Tax paid	785.45	88.91
	Reimbursement received for IPO Expense	-	1.95
	Dividend Paid	4,790.76	-
	Reimbursement for CSR expenses	-	33.45
	Space and Infrastructure Charges	23.77	22.00
	Deposit received / Paid	-	3.00
	Closing Balance net Debit / (Credit)	(109.30)	(171.41)
Dotex International Ltd.	Dividend Received	1,800.00	90.00
	Investment in Equity Share Capital	9,180.67	9,180.67
NSE Infotech Services Limited	Investment in Equity Share Capital	375.80	375.80
NSEIT Limited (Formerly Known as NSE IT Limited)	Dividend Received	100.00	100.00
	Investment in Equity Share Capital	6,000.59	6,000.59
India Index Services & Products Limited	Dividend Received	2,860.00	13.00
	Investment in Equity Share Capital	13,341.46	13,341.46
NSE Academy Limited (Formerly Known as NSE Education Facilities Limited)	Investment in Equity Share Capital	25.00	25.00
Receivables Exchange of India Limited	Subscription of Equity Shares	-	730.00
	Closing Balance net Debit / (Credit)	-	25.60
	Investment in Equity Share Capital	750.00	750.00
Computer Age Management Services Private Limited	Dividend Received	4,321.86	2,685.26
	Sitting Fees Received	3.50	3.00
	Investment in Equity Shares	41,213.34	41,213.34
NSDL E - Governance Infrastructure Limited	Dividend Received	651.17	651.17
	Investment in Equity Shares	5,510.18	5,510.18
Market Simplified India Limited	Investment in Equity Shares	450.54	450.54
Power Exchange India Limited	Investment in Equity Shares	1,503.75	1,503.75
	Investment in 10% Optionally Convertible Redeemable Preference Shares	501.25	501.25
NSE Foundation	Contribution towards CSR	204.46	-
	Investment in Equity Shares	0.10	-
Mr. Y. H. Malegam	Sitting Fees	17.00	9.00
Mr. Ravi Narain	Sitting Fees	-	3.00
Ms. Kshama Fernandes	Sitting Fees	3.00	-
Mr. S. B. Mathur	Sitting Fees	16.00	6.00
Mr. Dinesh Kumar Mehrotra	Sitting Fees	-	5.00
Mr. Thiruvallur Thattai Srinivasaraghavan	Sitting Fees	17.00	13.00



21 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided  
Other commitments

31.03.2018	31.03.2017
-	-
-	-

22 Contingent liability:

Contingent Liabilities

31.03.2018	31.03.2017
-	-
-	-

23 Details under the MSMED Act, 2006 for dues to micro and small, medium enterprises

Outstandings

31.03.2018	31.03.2017
-	-
-	-

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

24 a) As per Section 135 of the Act, every Company having net worth of Rs. 500 crores or more or a Turnover of Rs. 1000 crores or more or a Net Profit of Rs. 5 crores or more during any financial year is required to spend at least 2% of its Average Net Profit made during the immediately 3 preceding financial years on the Corporate Social Responsibility (CSR) activities. Gross amount required to be spent by the Company is Rs.106.67 Lakh (Previous Year Rs 89.66 Lakh) the details of spending is as given below:

b) Amount spent / contribution to NSE Foundation towards CSR during the year on:

SRN	Particulars		In Cash	Yet to be Paid in Cash	Total
					(₹ in Lakh)
(i)	Construction / Acquisition of any assets	Current Year	-	-	-
		Previous Year	-	-	-
(ii)	On purposes other than (i) above (through Contribution to NSE Foundation)	Current Year *	204.46	-	204.46
(iii)	On purposes other than (i) above	Previous Year	33.45	-	33.45

\* During the year, NSE Group incorporated NSE Foundation to undertake CSR activities for the Group. Accordingly, the Company has contributed Rs.97.78 Lakh pertaining to unspent CSR amount upto March 2017 and an amount of Rs.106.68 Lakh for the current year aggregating to Rs.204.46 Lakh to NSE Foundation to be spent on CSR activities as stated in the Group CSR policy which has been adopted by the Company as Company's CSR policy.

Accordingly, the unspent amount pertaining to CSR upto March 2017 amounting to Rs.97.78 Lakh which was transferred to CSR Reserve by way of appropriation from the retained earnings has been transferred back from the CSR reserve to retained earnings.

25 Payments to and provision for employees represents the amount reimbursed by the company to The National Stock Exchange of India Limited (NSEIL) in respect of employees made available to the company. Accordingly, necessary provisions as required for all retirement benefits and other long term employee benefits as per the requirements of Indian Accounting Standard 19 on "Employee Benefits" notified under rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standard) Rules, 2016 are carried out by NSEIL.

26 Deputation expenses in respect of the employees, space and infrastructure charges and other reimbursement of expenses are paid to the Holding Company National Stock Exchange of India Limited.

27 The Board of Directors have recommended the payment of final dividend of ₹ 0.40 per fully paid equity shares (FV ₹ 10 each) (March 31, 2017 : Nil). This proposed dividend is subject to approval of shareholders in the ensuing annual general meeting and if approved would result in cash outflow of approximately ₹ 1991.68 Lakh including Corporate Dividend Tax of ₹ 339.59 Lakh.

28 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.

29 As at March 31, 2018 the company does not have any pending litigations which would have impact its financial position.

30 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, 2018.

31 For the year ended March 31, 2018, 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.





## 32 FINANCIAL RISK MANAGEMENT

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Treasury department that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Treasury department activities are designed to:

- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns

The Treasury department is responsible to maximise the return on companies internally generated funds.

### A MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintains a conservative funding and investment strategy, with a positive cash balance throughout the year ended 31st March, 2018 and 31st March, 2017. This was the result of cash generated from operating activities to provide the funds to service the financial liabilities on a day-to-day basis.

The Company's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, is retained as cash equivalents (to the extent required), other highly liquid investments and excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

₹ in Lakh				
	Carrying amount	Less Than 12 Month	More than 12 months	Total
<b>As at March 31, 2018</b>				
Trade payables	118.20	118.20	-	118.20
Deposits	-	-	-	-
Unpaid dividend	-	-	-	-
Obligation under finance lease	-	-	-	-
Creditor for capital goods	-	-	-	-
Defaulters fund pending claims	-	-	-	-
Other liabilities	-	-	-	-

₹ in Lakh				
	Carrying amount	Less Than 12 Month	More than 12 months	Total
<b>As at March 31, 2017</b>				
Trade payables	174.66	174.66	-	174.66
Deposits	-	-	-	-
Unpaid dividend	-	-	-	-
Obligation under finance lease	-	-	-	-
Creditor for capital goods	-	-	-	-
Defaulters fund pending claims	-	-	-	-
Other liabilities	-	-	-	-

### B MANAGEMENT OF MARKET RISK

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- price risk;

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The objective of the Company's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to, and management of, these risks is explained below.

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
<b>1. PRICE RISK</b> The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments.  At 31st March 2018, the exposure to price risk due to investment in mutual funds amounted to Rs. 27,977.21 Lakh (March 31, 2017: Rs. 22,646.64 Lakh)	In order to manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.  The Treasury department maintains a list of approved financial instruments. The use of any new investment category must be approved by the Board	As an estimation of the approximate impact of price risk, with respect to mutual funds and exchange traded funds, the Company has calculated the impact as follows:  For mutual funds, a 0.25% increase in prices would have led to approximately an additional Rs. 60 Lakh gain in the Statement of Profit and Loss (2016-17: Rs 57 Lakh gain). A 0.25% decrease in prices would have led to an equal but opposite effect.





### C MANAGEMENT OF CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

#### Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in mutual funds. The Company has diversified portfolio of investment with various number of counter-parties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company's Treasury department.

The Company's maximum exposure to credit risk as at March 31, 2018 and 2017 is the carrying value of each class of financial assets as disclosed in note 3 except for derivative financial instruments.

### 33 CAPITAL MANAGEMENT

The Company considers the following components of its Balance Sheet to be managed capital:  
Total equity (as shown in the balance sheet) – retained profit, share capital.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company aims to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Company is not subject to financial covenants in any of its significant financing agreements.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods.



### 34 Notes to the Restated Standalone financial information

#### (i) Fair Value Hierarchy and valuation technique used to determine fair value :

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value and are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three level prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in Lakh)					
Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements at 31.03.2018	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investments at FVPL</b>					
Mutual Fund - Growth Plan	3	27,977.21	-	-	27,977.21
<b>Total Financial Assets</b>		<b>27,977.21</b>	<b>-</b>	<b>-</b>	<b>27,977.21</b>

(₹ in Lakh)					
Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements At 31.03.2017	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investments at FVPL</b>					
Mutual Fund - Growth Plan	3	22,646.64	-	-	22,646.64
<b>Total Financial Assets</b>		<b>22,646.64</b>	<b>-</b>	<b>-</b>	<b>22,646.64</b>

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

#### - Level 1:

This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing Net Assets Value (NAV). NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.

#### - Level 2:

The fair value of financial instruments that are not traded in an active market (such as traded bonds, debentures, government securities and commercial papers) is determined using Fixed Income Money Market and Derivatives Association of India (FIMMDA) value and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Since If all significant inputs required to fair value such instrument are observable, instruments are included in level 2.

Valuations of Level 2 instruments can be verified to recent trading activity for identical or similar instruments, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. Consideration is given to the nature of the quotations (e.g., indicative or firm) and the relationship of recent market activity to the prices provided from alternative pricing sources.

#### - Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

#### ii) Valuation processes :

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Managing Director.

35 Previous years' figures are regrouped, reclassified and rearranged wherever necessary.

As per our report of even date attached

For KHANDELWAL JAIN & CO.

Chartered Accountants

Firm's Registration no : 105049W

S.S.Shah

Partner

Membership No.: 033632

Place : Mumbai

Date : April 30, 2018

For and on behalf of the Board of Directors

S B Mathur  
Chairman  
DIN: 00013239

J Ravichandran  
Managing Director  
DIN: 00073736

Y H Malegam  
Director  
DIN: 00092017

Premal Shah  
Chief Financial Officer

Vidhi Jobanputra  
Company Secretary

