



**Annual Report
2017-2018**

SHCIL Services Ltd.

❄ **Board of SHCIL Services Limited** ❄



Ramesh N. G. S.
Non-Executive Chairman



G Anantharaman
Independent Director



D. C. Jain
Independent Director



Kalpana Joshi
Director



Vineet Potnis
Director



Sanjay Pote
Managing Director & CEO

Contents

Board of Directors	2
Directors Report	3
Form AOC-2	7
Extract of Annual Return, Form MGT-9	8
Report of Corporate Governance	13
Annual Report on CSR Activities	17
Independent Auditors' Report	19
Annexure to the Independent Auditors' Report	21
Comments of the Comptroller & Auditor General of India on Financial	23
Balance Sheet	24
Statement of Profit and Loss	25
Statements of Change in equity	26
Cash Flow Statement	27
Notes to the Financial Statement	29
Photo Gallery	54

BOARD OF DIRECTORS (AS ON JULY 24, 2018)

Ramesh N.G.S.	Non - Executive Chairman
G. Anantharaman	
D. C. Jain	
Vineet Potnis	
Kalpana Joshi	
Sanjay Pote	Managing Director & CEO
Rajneesh Singh	Company Secretary
Statutory Auditors	M/s Chokshi & Chokshi LLP, Mumbai
Internal Auditors	M/s Shah Gupta & Co., Mumbai
Compliance Auditors	M/s Mehta Sanghvi & Associates., Mumbai
Secretarial Auditors	M/s SVVS & Associates Company Secretaries LLP, Mumbai

Registered Office: SHCIL House, P-51, T.T.C. Industrial Area,
MIDC, Mahape, Navi Mumbai 400 710
CIN NO: U65990MH1995GOI085602
Tel: 91 - 22 6177 8600 Fax: 91-22 6177 8609

Mumbai Office: 12/14, UTI Building, Bank Street, Cross Lane,
Near Old Custom House, Fort, Mumbai – 400 023
Tel: 91 – 22 2262 2713
Web: www.shcilservices.com

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the Twenty Third Annual Report of your Company along with the Audited Statement of Accounts for the financial year ended March 31, 2018.

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, your Company has adopted the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 w.e.f. April 1, 2016.

During the year ended March 31, 2018, your company earned gross income of ₹ 5,498.98 lakhs. The Profit after tax was ₹ 944.98 lakhs registering a growth of 46%. The Total Comprehensive Income for the year was ₹ 949.32 lakhs registering a growth of 48%. The financial results are summarised below:

Particulars	₹ In lacs)	
	2017-18	2016-17
Total Income	5,498.98	4,343.01
Total Expenditure	4,171.57	3,401.47
Profit/ (Loss) Before Tax	1,327.41	941.54
Profit/ (Loss) After Tax	944.98	645.59
Total Comprehensive Income	949.32	641.47
Net Worth	6,035	5,276
Book Value per Equity Share (₹)	99.10	86.64
Earning per share (₹)	15.52	10.60

Dividend

The Board of Directors are pleased to recommend a final dividend of ₹ 3.95 per equity share (39.50%) of face value of ₹ 10/- each for the financial year ended March 31, 2018. The dividend payment is subject to approval of members at the ensuing Annual General Meeting. This dividend shall be subject to dividend distribution tax to be paid by Company.

Transfer to reserves

The Company does not propose to transfer any amount to the general reserve. An amount of ₹ 949.32 lakhs is retained in the Profit & Loss Account.

Economic and capital market development

The U.S. economic data has continued to remain steady led by steady growth in manufacturing activity and decreasing unemployment rate. US Real Gross Domestic Product (GDP) increased at an annual rate of 2% QoQ in Q1 CY18. Over the last few months the Trump administration's pledge to narrow the U.S. trade deficit with China, had resulted for a threat of Trade/tariff war like situation between U.S. and China, both having the world's biggest trading relationship. While the economic data in U.S. has remained steady, Euro area's economic data is signally weak.

Indian GDP for Q4FY18 grew by 7.7% YoY, compared to 7% in Q3FY18. FY18 GDP came in at 6.7% against 7.1% in FY17. Improvement in GDP numbers for Q4FY18 shows that micro level indicators continue to improve and is likely to see improved earnings performance by the corporates going forward. The GST is likely to boost GDP growth in the long term as it is expected to drive the volume growth for organized players. Reserve Bank of India (RBI) increased the repo rate by 25 basis points to 6.25% as the outlook for inflation had become uncertain following a surge in international crude oil prices. The FOMC raised the fed funds rate a quarter point to 2%. A rate hike in the US has led to a stronger

dollar and a weaker rupee, which will lower investment returns for foreign investors and prompt them to sell. The rupee had tumbled below 69-mark for the first time ever in June 2018 and hit a life-time low of 69.10.

Sensex touched a new all-time high of 36443 in January, 2018 ushering new euphoria amongst people. The corporate earnings continued to march upward growth trajectory in Q4FY18 with few exception like BFSI and Telecom while many companies in sectors like FMCG, Private banks and Automobile showed positive results and have seen earnings upgrade. However, the markets are likely to see volatility ahead of upcoming elections that may provide opportunity to invest for long term.

Increased focus of government on rural income and expectation of better monsoon is likely to accelerate the gradual recovery witnessed in rural demand. With strong demographic dividend that India is seeing, the economic growth and demand conditions in the country are likely to remain strong for a long period. This is likely to augur well for investment in equities. Equity markets have been volatile tracking global market developments and domestic political scenario. In India, focus on infra spending by the government, improved urban consumption, rebounding exports and better farm income has the potential to shore up the economy in the medium term.

Operations review

Your Company is in the business of Stock Broking and is a member of BSE-Cash Segment and Derivatives Segment and NSE-Cash, Future & Option and Currency Derivatives Segments. The Stock Broking services are offered to both retail investors and institutional clients. To achieve better growth, your company has forayed into the business of commodities market and has taken the trading membership of MCX.

After a successful up gradation of the Online & Mobile Trading Platform, your company has further invested in the overhauling its Back-Office by shifting it to newer advanced software which has additional features to streamline the processes and allow dynamic structuring of the systems. With the improved trading & operation platforms, your company is actively looking to enhance the business through Alternate Channel Partners in the Retail space and Foreign Portfolio Investors in the Institutional space.

Fire incident at Mahape Premises

SHCIL Services Limited (SSL) operates from the premises situated at MIDC, Mahape, Navi Mumbai, leased out to it by its Holding Company Stock Holding Corporation of India Limited (StockHolding). The said leased premise is also a Registered Office of SSL and the main operations of SSL are carried out from the said premises. This premises also houses one more wholly owned subsidiary of StockHolding viz., StockHolding Document Management Services Limited (SDMS).

There was an unexpected localized fire breakout at SHCIL House, Mahape on 11th December, 2017 in the basement level (only Bay 4) of StockHolding Document Management Services Limited. Due to the emanating smoke from the localized area (bay 4 of the basement) of SDMS, all the employees (StockHolding, SDMS and SSL) were evacuated immediately from the premises. There was no injury or loss of life due to this incident.

The Data Center and Information Technology Department were not affected and were functional and all the business functions of your Company were functional/ operational. To ensure seamless

continuity of business operations, an office premises was taken on lease at ML Tower in Millennium Business Park, Navi Mumbai. Till the restoration of Mahape Premises, the main operations of your Company are being carried out from the said leased premises at ML Towers, Navi Mumbai. StockHolding is in the process of carrying out renovation and repairs & structural restoration for its Mahape Premises.

Subsidiaries

Your Company does not have any subsidiary.

Details to be reported u/s 134 (3) (ca) of the Companies Act, 2013

No frauds have been noticed/ or reported by Auditors during the year.

Directors Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(5) of the Companies Act, 2013 and confirm that:

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- (c) proper and sufficient care has been taken for the 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 fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) proper internal financial controls were in place and such financial controls are adequate and operating effectively.
- (f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Internal Financial Controls

The Company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. The internal audit, in addition to ensuring compliance to policies, regulations, processes etc., also test and report adequacy of internal financial controls with reference to financial reporting/statements.

Directors and Key Managerial Personnel (KMP)

Shri Ramesh N.G.S is the Non-Executive Chairman. Shri Nitin Jog, was Managing Director & CEO of your Company till March 31, 2018. Shri Jog was on deputation from StockHolding and subsequent to completion of his term of deputation on March 31, 2018, Shri Jog repatriated to StockHolding. Shri P. H. Kutumbe, Independent Director demitted office on March 5, 2018. The Board appreciates the valuable contribution made by Shri P. H. Kutumbe and Shri Nitin Jog during their association with the company.

Shri Sanjay Pote has been appointed as Managing Director and CEO of the Company for a period of three years w.e.f. April 1, 2018. Shri D. C. Jain has been appointed as an Independent Director w.e.f. March 15, 2018. Your Company has six Directors which includes one Woman Director and two Independent Directors. All the Independent Directors have given declarations that they meet the criteria of Independence as laid under Section 149 of the Companies Act, 2013.

Smt. Kalpana Joshi, Director will retire at the ensuing Annual General Meeting (AGM) and being eligible offers herself for reappointment.

Shri Manoj Kabra, Chief Financial Officer had resigned from the services of the Company and was relieved w.e.f. November 30, 2017. The Company has appointed an officer on deputation from StockHolding to head the portfolio of finance w.e.f. November 19, 2017. Company is in process of recruiting a suitable candidate.

Shri Sanjay Pote, Managing Director and CEO; and Rajneesh Singh, Company Secretary are the Key Managerial Personnel of the Company.

Number of Meetings of the Board

Regular meetings of the Board and its committees are held to discuss and decide on various business policies, strategies, etc.

During the year, six Board Meetings were convened and held. The intervening gaps between the meetings were within the period prescribed under the Companies Act, 2013. The details of meetings of the Board and various Committees of the Board are given in the Corporate Governance Report.

Annual Evaluation of Performance of the Board

The Board of Directors are the cornerstone of the corporate governance framework of the Company. An effective Board ensures that the long term strategic objectives of the Organisation are being achieved, and are in line with the interests of multiple stake holders.

In line with the above philosophy and pursuant to Section 149 read with Schedule IV of the Companies Act, 2013, the Company has put in place a mechanism to facilitate evaluation of performance of Board as a whole, which includes evaluation of the performance of each of the Directors, including Independent Directors, Chairperson, and Board as a whole.

The responses were sought from Directors through questionnaires on various aspects of the Board's functioning in close alignment with the stated objectives of the Company. On the basis the response received from the Directors, the Board carried out an annual performance evaluation of its own performance, Directors individually as well as the evaluation of the working of the regular committees of Board. The Nomination & Remuneration Committee undertook an evaluation of each Director's performance.

Nomination and Remuneration Policy

In terms of the requirements under the Companies Act, 2013, the Company has put in place a Policy on remuneration of Directors, Key Managerial Personnel and other employees.

The said Policy is guided by the set of principles and objectives as particularly envisaged under Section 178 of the Companies Act, 2013. The Policy outlines attributes and criteria to be taken into account while appointing a Director, which includes academic and professional qualifications, experience, skill sets, etc. Appointment of Directors are considered and recommended by the Nomination

& Remuneration Committee in the first instance, and thereafter approved by the Board and Shareholders, as necessary or required.

The Remuneration of Non-Executive Directors comprises sitting fees for attending the meetings of Board/ Committees of the Board. None of the Directors were entitled to Stock Options.

The MD & CEO is entitled to fixed pay as well as variable pay linked to performance. The payment of remuneration to the Managing Director is subject to approval by Nomination & Remuneration Committee, Board and Shareholders.

The NRC Policy of the Company is placed on the website of your Company at www.shcilservices.com

Audit Committee

The details of the Composition and meetings of Audit Committee are included in the Corporate Governance report which forms part of this report

Auditors

Being subsidiary of Government Company, your Company is also a Government Company. The Office of Comptroller and Auditor General of India (CAG) vide its letter dated August 10, 2017 had appointed M/s. Chokshi & Chokshi, LLP as Statutory Auditors of your Company under Section 139 of the Companies Act, 2013 for the financial year 2017-18.

Your Company has an elaborate internal audit system. Internal Audit of the functions and activities of the Company is carried out by a reputed firm of Chartered Accountants.

Statutory Auditors Report

The Auditors' Report does not contain any qualifications, reservations or adverse remarks.

Comptroller and Auditor General of India (C&AG) Audit

Comptroller and Auditor General of India (C&AG) had conducted a supplementary audit under section 143(6)(a) of the Companies Act, 2013 of the financial statements of your Company for the year ended March 31, 2018. On the basis of the audit, nothing significant has come to the knowledge of C&AG which would give rise to any comment upon or supplement to Statutory Auditor's report.

Particulars of Loans, Guarantee and Investments

Your Company has not given any loans, guarantees and investments within the purview of Section 186 of the Companies Act, 2013.

Related Party Transactions

All the Related Party Transactions (RPTs) that were entered into during the financial year were on arms' length basis and were in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 as well as the Policy on Related Party Transaction adopted by the Company. As prescribed under section 177(3) of the Companies Act, 2013, RPTs are placed before the Audit Committee. None of the transactions with related parties falls under the scope of section 188(1) of the Act.

All the RPTs have been approved by the Audit Committee of the Board on the strength of Management representation that they are in the ordinary course of business at arm's length price.

The Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies Act, (Accounts) Rules, 2014 is annexed as **Annexure A** to this Report.

Significant and Material Orders Passed by the Regulators or Courts or Tribunal:

There are no material orders passed by the regulators or courts or tribunals impacting the going concern status and the company's operations in future.

Risk Management

The Company recognizes that risk is an integral part of business and is committed to managing the risk in a proactive and efficient manner. The Company periodically assesses risk in the internal and external environment. The Risk Management Committee inter-alia review various risks your Company is exposed to and considers the mitigants suggested by the business heads/ departmental heads. The details of Risk Management Committee are included in Corporate Governance Report which forms part of this report.

Committee on Prevention of Sexual Harassment

Your Company has constituted an Anti-Sexual Harassment Committee as required under "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013." The Committee includes an external Independent Member viz., Ms. Sneha Khandekar. The Company has not received any complaint of sexual harassment during the financial year 2017-18.

Code of Conduct to regulate, monitor and report trading

The Securities and Exchange Board of India [Prohibition of Insider Trading Regulations, 2015] (Regulations) inter alia provides that market intermediary registered with SEBI is mandatorily required to formulate a code of conduct to regulate, monitor and report trading by its employees. Your Company being a SEBI registered intermediary has formulated a code of conduct to regulate, monitor and report trading by its employees / Directors.

Extract of Annual Return

Pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is annexed at **Annexure B**.

Corporate Governance

Your Company is not a listed entity. Nevertheless, it endeavors to comply with Corporate Governance norms. A report thereof is annexed at **Annexure C**.

Corporate Social Responsibility

The brief outline of the Corporate Social Responsibility (CSR) policy of your Company and the initiatives undertaken on CSR during the year are set out in the **Annexure D** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy is also available on the website of the Company at www.shcilservices.com

Particulars of Employees

None of the employees of your Company were in receipt of remuneration in excess of the limits as laid down under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Fixed Deposits

The Company has not accepted any Fixed Deposits from the public during the financial year 2017-18. Hence, no information is required to be appended to this report.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Conservation of energy & technology absorption

Your Company does not carry any manufacturing activities. However, it has taken steps towards conservation of energy and continues to use latest technologies for improving the productivity and quality of its services. The company uses energy efficient LED lights equipped with latest technology having features of lower power usage and improved performance. The Company is using energy efficient VRF/VRV system of air conditioning.

Foreign exchange earnings and outgo

Foreign exchange earnings and outgo during the year under review:

Foreign Exchange earnings - Nil

Foreign Exchange outgo – Nil

Acknowledgements

The Board places on record its deep appreciation for the excellent support and patronage of Government of India, the Governments

of various States & the concerned Government departments / agencies, Securities and Exchange Board of India (SEBI). The Board also expresses its sincere thanks to National Stock Exchange of India Limited (NSEIL), Bombay Stock Exchange Limited (BSE), Metropolitan Stock Exchange of India Limited (MSEI), Multi Commodity Exchange of India Limited (MCX) National Securities Depository Limited (NSDL), Central Depository Services Limited (CDSL), Clearing Corporation of India Limited (CCIL), Association of Mutual Funds, Banks, Clients and the Shareholders for their cooperation and support in various spheres of your Company's activities. The Board of Directors also expresses its gratitude for the exemplary services rendered by the employees of your Company.

**For and on behalf of the
Board of Directors**

Place: Mumbai
Date : July 24, 2018

Ramesh N.G.S.
Non Executive Chairman

FORM AOC -2

(Pursuant to clause (h) of sub-section (3) of Section 134 (3) (h) of the Act, and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188 (1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: None

(a) Name(s) of the related party and nature of relationship	- Not Applicable
(b) Nature of contracts/arrangements/transactions	- Not Applicable
(c) Duration of the contracts / arrangements/transactions	- Not Applicable
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	- Not Applicable
(e) Justification for entering into such contracts or arrangements or transactions	- Not Applicable
(f) Date(s) of approval by the Board	- Not Applicable
(g) Amount paid as advances, if any:	- Not Applicable
(h) Date on which the special resolution was passed	- Not Applicable
(i) Amount paid as advances, if any	- Not Applicable
(j) Date on which special resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act,2013	- Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis: None

(a) Names(s) of the related party and nature of relationship	- Not Applicable
(b) Nature of contracts/arrangements/transactions	- Not Applicable
(c) Duration of the contracts/arrangements/transactions	- Not Applicable
(d) Salient terms of the contracts or arrangements of transactions including the value, if any	- Not Applicable
(e) Date(s) of approval by the Board ,if any	- Not Applicable
(f) Amount paid as advances, if any	- Not Applicable

For and on behalf of the Board of Directors

Place: Mumbai
Date : July 24, 2018

Ramesh N.G.S.
Non Executive Chairman

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:-U65990MH1995GOI085602
- ii) Registration Date: February 14, 1995
- iii) Name of the Company: SHCIL Services Limited
- iv) Category / Sub-Category of the Company: Government Company
- v) Address of the Registered office and contact details: SHCIL House, Plot No.P-51, TTC Industrial Area, MIDC, Mahape, Navi Mumbai-400710
- vi) Whether listed company Yes / No: No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: The matters pertaining to shareholders are directly dealt by the Secretarial department at the registered office.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Share Broking	9971520	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Stock Holding Corporation of India Limited	U67190MH1986GOI040506	Holding	100	Section 2(46) read with the Section 2(87)
2.	IFCI Limited	L74899DL1993GOI053677	Ultimate Holding Company	----	Section 2(46) read with the Section 2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year			% of Total Shares	No. of Shares held at the end of the year			% of Total Shares	% Change during the year
	Demat	Physical	Total		Demat	Physical	Total		
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	--	6,089,703*	6,089,703*	100	--	6,089,703*	6,089,703*	100	Nil
e) Banks / FI									
l) Any Other....									
Sub-total (A) (1):-									
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	--	6,089,703	6,089,703	100	--	6,089,703	6,089,703	100	Nil
B. Public Shareholding									
1. Institutions	--	--	--	--	--	--	--	--	--
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions	--	--	--	--	--	--	--	--	--
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh									
c) Others (specify)									
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)	--	--	--	--	--	--	--	--	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)		6,089,703	6,089,703	100	--	6,089,703	6,089,703	100	--

* of the above 7 equity shares are held by seven nominees (one share each) of Stock Holding Corporation of India Limited

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year	
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% of Total Shares	
	Stock Holding Corporation of India Limited (Equity Shares)	--	6,089,703	6,089,703	100	--	6,089,703	6,089,703	100	Nil	

(iii) Change in Promoters' Shareholding (There is no change in Promoters' Shareholding)

S. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		No change during the year	
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		No change during the year	
	At the End of the Year		No change during the year	

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (All the shares of the Company are held by its Holding Company StockHolding)

S. No.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
	At the end of the year	--	--	--	--

(v) Shareholding of Directors and Key Managerial Personnel

S. No.	For Each of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Directors							
1	Shri Ramesh N.G.S.	--	--	--	--	--	--
2	Shri G. Anantharaman	--	--	--	--	--	--
3	Shri P. H. Kutumbe*	--	--	--	--	--	--
4	Shri Vineet Potnis (Nominee of SHCIL)	1	--	1	--	1	--
5	Ms. Kalpana Joshi	---	--	--	--	--	--
6	Shri D.C. Jain**	--	--	--	--	--	--
KMPs							
1	Shri Nitin Jog-MD &CEO (Nominee of SHCIL)***	1	--	1	--	1	--
2	Shri Rajneesh Singh-Company Secretary	--	--	--	--	--	---

• *Resigned w.e.f 5.03.2018 **Appointed w.e.f. 15.03.2018

*** Repatriated to StockHolding subsequent to completion of term of deputation from close of business hours of March 31, 2018

V. INDEBTEDNESS-NIL

Indebtedness of the Company including interest outstanding /accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	--	--	--	--
Change in Indebtedness during the financial year				
• Addition	--	--	--	--
• Reduction				
Net Change	--	--	--	--
Indebtedness at the end of the financial year				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	--	--	--	--

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A Remuneration to Managing Director, Whole-time Directors and/or Manager:

		(Amount in ₹)
S. No.	Particulars of Remuneration	Name of the Managing Director Shri Nitin Jog
1	Gross Salary (excluding Commission)	
a)	Salary as per provisions contained in Section 17 (1) of the Income tax Act,1961	34,49,495.00
b)	Value of perquisites u/s 17 (2) Income tax Act,1961	93,795.00
c)	Profits in lieu of salary under section 173(3) Income-tax Act,1961	0.00
2	Stock Option	
3	Sweat Equity	
4	Commission - as% of profit	
5	Others –Employer contribution to provident and other funds	1,32,000.00
	Total	36,75,290.00
	Ceiling as per the Act*	68,95,867.00

*Remuneration paid to the Managing Director is within the ceiling provided under Section 196 of the Companies Act, 2013

B. Remuneration to other directors:

					(Amount in ₹)
S. No.	Particulars of Remuneration	Name of Directors			Total Amount
	Independent Directors	Shri G. Anantharaman	Shri P. H.Kutumbe*		
•	Fee for attending board / committee meetings	₹ 5,00,000	₹ 3,40,000		₹ 8,40,000/-
•	Commission	--	--		--
•	Others, please specify	--	--		--
Total (1)		₹ 5,00,000	₹ 3,40,000		₹ 8,40,000
Other Non-Executive Directors					
	Shri Ramesh N.G.S. **	Shri Vineet Potnis **	Ms. Kalpana Joshi **		
•	Fee for attending board / committee meetings	₹ 2,10,000/-	₹ 5,40,000/-	₹ 4,00,000/-	₹ 11,50,000/-
•	Commission	--	--	--	--
•	Others, please specify	--	--	--	--
Total (2)		₹ 2,10,000/-	₹ 5,40,000/-	₹ 4,00,000/-	₹ 11,50,000/-

*Fees for attending the meetings paid to LIC of India.

** Fees for attending the meetings paid to Stock Holding Corporation of India Limited.

C. Remuneration to Key Managerial personnel other than MD/Manager/WTD

(Amount in ₹)

S. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO *	Company Secretary	CFO		
		Shri Nitin Jog	Shri Mitul Palankar	Shri Rajneesh Singh	Shri Manoj Kabra	
1	Gross Salary (excluding Commission)					
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961		3,11,711	15,07,859.84		11,97,083
	(b) Value of perquisites u/s 17 (2) Income tax Act, 1961			24,014.24		
	(c) Profits in lieu of salary under section 173(3) Income-tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission - as% of profit					
5	Others –Employer contribution to provident and other funds		13,658	63,668.00		32,349
	Total		3,25,369	15,95,542.08		12,29,432

* Shri Nitin Jog is a Managing Director and CEO of the Company. Hence, details of his remuneration are mentioned in the Table A above under the heading Remuneration to Managing Director, Whole-time Directors and/or Manager

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There are no penalties, punishment or compounding of offences during the year ended March 31, 2018.

Report on Corporate Governance

(forming part of Directors' Report for financial year ended March 31, 2018)

The Company's philosophy on code of Governance

The Company is not a listed entity. Nevertheless, it endeavors to comply with Corporate Governance norms as specified under SEBI Listing and Disclosure Regulation 2015. The Company's philosophy on corporate governance recognizes the accountability of the Board & Officers and the importance of decisions to all constituents, including customers, employees, investors, business associates, regulatory authorities and the community at large. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value over a period of time.

Board of Directors

The Board consists of 6 members, of which two are independent directors. The day-to-day management of the company vests in the hands of the MD & CEO.

The details of Directorships held by some of the Directors as on July 24, 2018 in other companies are as follows:

Shri Ramesh N.G.S.

S. No.	Name of company/Institution	Nature of interest
1	Stock Holding Corporation of India Limited	Managing Director & CEO
2	StockHolding Document Management Services Limited (Formally SHCIL Projects Limited)	Non Executive Chairman
3	Wonder Home Finance Limited	Director

Shri G Anantharaman

S. No.	Name of company/Institution	Nature of interest
1	Shriram General Insurance Company Limited	Independent Director
2	Piem Hotels Limited	Independent Director
3	Central Insurance Repository Limited	Independent Director

Shri Sanjay Pote

S. No.	Name of company/Institution	Nature of interest
--	--	--

Shri Vineet Potnis

S. No.	Name of company/Institution	Nature of interest
--	--	--

Smt. Kalpana Joshi

S. No.	Name of company/Institution	Nature of interest
--	--	--

Shri D. C. Jain

S. No.	Name of company/Institution	Nature of interest
1	Suguna Fincorp Private Limited	Director
2	Wonder Home Finance Limited	Director
3	IIFL Asset Reconstruction Limited	Chief Executive Officer

Details of the Board Meeting and Attendance

The Board of Directors meet at least once in every three months. Six meetings were held during the financial year 2017-18. Details of Board Meetings held are as follows:

S. No.	Date of the Board Meeting	Total number of Directors on the date of the meeting	No. of Directors attended	% of Attendance
1	April 20, 2017	6	6	100%
2	July 20, 2017	6	6	100%
3	August 10, 2017	6	5	83%
4	November 1, 2017	6	6	100%
5	January 23, 2018	6	6	100%
6	March 15, 2018	5	4	80%

Attendance of Directors at Board Meetings and Annual General Meeting during the financial year 2017-18:

S. No.	Name of the Director	20-Apr-17	20-July-17	10-Aug-17	1- Nov -17	23-Jan-18	15 -Mar-18	Attendance at the AGM held on September 8, 2017
1	Shri Ramesh N.G.S	√	√	√	√	√	√	√
2	Shri Nitin Jog	√	√	√	√	√	LoA	√
3	Shri Vineet Potnis	√	√	√	√	√	√	√
4	Shri P. H. Kutumbe	√	√	LoA	√	√	NA*	√
5	Shri G. Anantharaman	√	√	√	√	√	√	√
6	Smt Kalpana Joshi	√	√	√	√	√	√	√

LoA = Leave of absence; √ = attended

NA* = Shri P. H. Kutumbe resigned on March 5, 2018

Details of Audit Committee and Attendance

The accounts of your Company are audited every quarter and the audited quarterly and annual financial statements are placed before the Audit Committee for their recommendations before submission to the Board for approval.

The terms of reference of the Audit Committee of the Board inter alia includes the terms referred to under Section 177 (4) of the Companies Act, 2013.

As on March 31, 2018, the Audit Committee comprised of three members viz., Shri G. Anantharaman, Chairman, Shri D. C. Jain, Independent Director and Shri Vineet Potnis, Director. The details of attendance of the Directors at the Audit Committee meetings during the FY 2017-18 are as follows:

S. No.	Name of the Director	Category	Attendance at the Audit Committee Meeting				
			20-Apr-17	20-July-17	1-Nov-17	23- Jan 18	15-Mar-18
1	Shri G Anantharaman	Independent	√	√	√	√	√
2	Shri Vineet Potnis	Director	√	√	√	√	√
3	Shri P.H.Kutumbe	Independent	√	√	√	√	NA*

LoA = Leave of absence; √ = attended.

* Shri P. H. Kutumbe resigned on March 5, 2018.

Details of Risk Committee

The Risk Management Committee inter-alia review various risks your Company is exposed to/ risk associated with any new activities and considers the mitigants suggested by the business heads/ departmental heads. As on March 31, 2018, the Risk Committee comprised of Shri G Anantharaman, Shri Vineet Potnis and Ms. Kalpana Joshi. The details of attendance of the Directors at the Risk Management Committee meetings during the FY 2017-18 are as follows:

S. No.	Name of the Director	Category	Attendance at the Risk Management Committee Meeting	
			12-Sep-17	23 Jan-18
1	Shri G Anantharaman	Independent	√	√
2	Shri Vineet Potnis	Director	√	√
3	Smt. Kalpana Joshi	Director	√	√

Details of Nomination Remuneration Committee (NRC) and Attendance

Your Company has constituted a Nomination and Remuneration Committee (NRC). As required under Section 178 (3) of the Companies Act, 2013, the NRC has inter alia formulated the criteria for determining qualifications, positive attributes and independence of Directors, recommend the appointment of persons who may be appointed as Directors, Key Managerial and Senior Management position (one level below the MD & CEO / WTD) in accordance with the criteria laid down in this policy, recommend to the Board the remuneration payable to KMP, Senior Management Personnel and other employees and recommend to the Board remuneration, if any, payable to the Directors, etc.

Shri P. H. Kutumbe demitted office on March 05, 2018. Subsequently, the Committee has been re-constituted w.e.f. March 15, 2018 and now comprises of Shri G. Anantharaman, Chairman, Shri D. C. Jain, Shri Vineet Potnis and Smt Kalpana Joshi as members. The details of attendance of the Directors at the Nomination and Remuneration Committee meetings during the FY 2017-18 are as follows:

S. No.	Name of the Director	Category	Attendance at the Nomination & Remuneration Committee Meeting			
			20-Apr-17	20-July-17	1-Nov-17	15-Mar 18
1	Shri G Anantharaman	Independent	√	√	√	√
2	Shri P.H.Kutumbe	Independent	√	√	√	NA*
3	Shri Vineet Potnis	Director	√	√	√	√
4	Smt. Kalpana Joshi	Director	√	√	√	√

LoA = Leave of absence; √ = attended.

NA* = Shri P. H. Kutumbe resigned on March 5, 2018.

Details of Corporate Social Responsibility (CSR) Committee and Attendance

The CSR policy of your Corporation has been prepared pursuant to Section 135 of the Act, CSR Rules, and circulars / notifications issued by the MCA. The role of CSR Committee includes :

- Formulating and recommending to the Board of Directors the CSR policy and indicating activities to be undertaken.
- Recommending the amount of expenditure for the CSR activities.
- Monitoring CSR activities from time to time.

Shri P. H. Kutumbe demitted office w.e.f. March 05, 2018. Subsequently, the CSR Committee has been re-constituted w.e.f. March 15, 2018 and now comprises of Shri Vineet Potnis, Chairman, Smt Kalpana Joshi, Director and Shri D. C. Jain, Independent Director.

The CSR Committee met once during the year. The detail of attendance of the Directors at the CSR Committee meeting is as under:

S. No.	Name of the Director	Category	Attendance 1-Nov-17
1	Shri Vineet Potnis	Director	√
2	Shri P.H. Kutumbe	Independent	√
3	Ms. Kalpana Joshi	Director	√

√ = attended.

General Meetings

Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) of the Company were held at Navi Mumbai and the details for the past three years are as under:

General Meeting	20 th AGM	21 st AGM	22 nd AGM
Year	2014-15	2015-16	2016-17
Venue	SHCIL House, P-51, T.T.C Industrial Area, MIDC Mahape, Navi Mumbai- 400710	SHCIL House, P-51, T.T.C Industrial Area, MIDC Mahape, Navi Mumbai- 400710	SHCIL House, P-51, T.T.C Industrial Area, MIDC Mahape, Navi Mumbai- 400710
Date of Meeting	September 1, 2015	September 16, 2016	September 8, 2017

The special resolutions passed during the last three years, were as under:

Meeting no.	Resolution No.	Particulars of Resolution
20th AGM	6	1) Appointment of Shri Nitin Jog as a Managing Director and CEO for the period December 1, 2014 to March 31, 2015
	7	2) Appointment of Shri Nitin Jog as a Managing Director and CEO for the period April 1, 2015 to March 31, 2018
21st AGM	-	-
22nd AGM	-	-

Disclosures

There were no transactions of your Company of material nature with its Directors, KMP or their relatives etc. that may have potential conflict with the interest of your Company at large.

Shareholder Information

a) Annual General Meeting

Date, time & Venue of the Annual General Meeting

Friday, September 7, 2018 at The Regenza by Tunga, Plot No. 37, Sector 38, Vashi, Navi Mumbai-400703 at 4.30 p.m

b) Date of Book closure/record date

September 7, 2018

c) Dividend payment date

Dividend after September 7, 2018 but within the statutory time limit.

d) Listing on Stock Exchange

The Company's shares are not listed in any stock exchange.

e) Distribution of shareholdings as on March 31, 2018

The Company is wholly owned subsidiary of Stock Holding Corporation of India Limited (StockHolding).

f) Address of correspondence

The Company Secretary
SHCIL Services Limited
P-51, T.T.C, Industrial Area
MIDC, Mahape,
Navi Mumbai 400 710

Annual Report on CSR activities

1. A brief outline of your Company's CSR policy including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

Your Company strongly believes that Business & Corporate Social Responsibility (CSR) go hand-in-hand.

The Board of your Company after taking into account the recommendations of the Corporate Social Responsibility (CSR) Committee of the Board has approved the CSR policy. The CSR policy is also displayed on the website <http://www.shcilservices.com/>.

The CSR activities of your Company are towards the under mentioned areas.

- Eradicating hunger, poverty and malnutrition, promoting preventive health care, sanitation, etc.;
- Promoting education, including special education and employment enhancing vocation skills, etc.;
- Ensuring environmental sustainability, ecological balance including contribution to the clean Ganga fund set up by the Central Govt. for rejuvenation of river Ganga, etc.;
- Any other area under Schedule VII of Section 135 of the Companies Act, 2013.

All the CSR activities of your Company are predominantly being undertaken through its Holding Company StockHolding and SHCIL Foundation Trust, a public charitable trust registered under Section 12 (A) of the Income Tax Act, 1961. The Trust carries out certain activities directly and also indirectly by way of donations to credible NGOs which are eligible to issue certificate under Section 80G of the Income Tax Act, 1961.

2. Composition of the CSR Committee

Your Company has a CSR Committee of Directors comprising of the following members.

- Shri Vineet Potnis, Director, Chairman
- Shri D. C. Jain, Independent Director
- Smt Kalpana Joshi, Director

Shri P. H. Kutumbe, Independent Director ceased to be a member of the Committee w.e.f. March 05, 2018. Shri D. C. Jain, Independent Director was inducted to the Committee w.e.f. March 15, 2018.

3. Average net profit of the Company for last three financial years for the purpose of computation of CSR

1064.33 Lakhs

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above).

The Company is required to spend ₹ 21.29 lakh.

5. Details of CSR spend for the financial year :

- a. Total amount spent for the financial year: ₹ 22 lakh.
- b. Amount unspent, if any : Nil

c. Manner in which the amount spent during the financial year is detailed below :

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs i. Local area or other ii. Specify the State and district where project or programs was undertaken	Amount outlay (budget) project or program-wise (in ₹)	Amount spent on the projects or programs Sub-heads 1. Direct expenditure on projects or programs 2. Overheads (In ₹)	Cumulative expenditure upto the reporting period (in ₹)	Amount spent ; direct or through implementing agency
1	Don Bosco Boys Home	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Borivali, Mumbai (Refurbished the electrical unit with machines for giving young adults from economically weaker sections, school drop-outs technical training for preparing electrical equipment which will help them in becoming electrician and they can survive on their skills.	11,20,000	11,20,000	11,20,000	Through SHCIL Foundation, a Public Charitable Trust registered under Section 12 (A) of Income Tax Act, 1961 with the Holding Company, StockHolding as the settlor.
2	Anchalika Jan Seva Anusthan for a Project on sustainable livelihood for tribal women and for promotion of education of girl children in primitive tribal groups in Bolangir district of Orissa.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Orissa (The project goal is to ensure that girl children, child labour, school drop-outs residing in 3 tribal prone Panchayats gets education through 15 Bridge school cum learning and development centres.	5,80,000	5,80,000	17,00,000	Through SHCIL Foundation, a Public Charitable Trust registered under Section 12 (A) of Income Tax Act, 1961 with the Holding Company, StockHolding as the settlor.
3	Life Craft	Eradicating hunger, poverty and malnutrition promoting healthcare including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water	Jamshedpur (Construction of a toilet and septic tank)	5,00,000	5,00,000	22,00,000	Through SHCIL Foundation, a Public Charitable Trust registered under Section 12 (A) of Income Tax Act, 1961 with the Holding Company, StockHolding as the settlor.

Place: Mumbai
Date: July 24, 2018

Sanjay Pote
MD & CEO

Vineet Potnis
Chairman CSR Committee

INDEPENDENT AUDITOR'S REPORT

To The Members of SHCIL Services limited

Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of SHCIL Services Limited ('the Company'), which comprise the balance sheet as at 31st March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

Management's Responsibility for the financial statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, 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) specified under Section 133 of the Act read with relevant rules issued there-under .

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 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. While conducting the 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 there-under.

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 Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

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 financial position of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other matters

This audit report is based on our audit of the financial statements for the year ended 31st March 2018 prepared by the Company as per the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended. The Company has prepared the aforesaid financial statements under another financial reporting framework; based on the Accounting Standards, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. We have issued a separate audit report dated 24th April 2018 based on the audit of the financial statements prepared as per the Accounting Standards.

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, to the extent applicable
- 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 statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued there-under;
 - e. in terms of the directions u/s.143 (5) of the Act, issued by Comptroller and Auditor General of India and based on information as available with us we state;

- i. according to the information and explanations given to us, the Company has lease deeds for leasehold property. The Company does not have any free hold property.
 - ii. according to the information and explanations given to us and as explained in note 33 of the Financial statements, written off old balances arising out of mismatch and rounding off over past years amounting to ₹ 14,39,486/-.
 - iii. according to the information and explanations given to us, there are no inventories lying with any third party. As per the information furnished to us, there are no assets received as gifts from Government or other Authorities.
- f. on the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- g. 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”. Our report expresses unmodified opinion on the adequacy and the operating effectiveness of the Company’s internal financial controls over financial reporting.
- h. 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 has disclosed the impact of pending litigations on its financial position in its financial statements. – Refer Note 22 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.
 - iii. There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Raghav Mohta
Partner
M.No. 426718

Place: Mumbai
Date: 24th April 2018

“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- 1) In respect of its fixed assets:
 - a. According to the information and explanations given to us, the Company is maintaining records showing full particulars, including quantitative details and situations of all the fixed assets.
 - b. According to the information and explanations given to us, on 11th December, 2017 fire incident occurred at the premises of the Company. Hence no physical verification was not conducted by the Management. (Refer note 39 of financial statement)
 - c. According to the information and explanations given to us, the Company does not have any immovable property, Consequently, clause 3(i)(c) of the order is not applicable.
- 2) In respect of inventories, the Company’s nature of operations does not require it to hold inventories. Consequently, clause 3(ii) of the order regarding physical verification of inventories and maintenance of records is not applicable.
- 3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, Limited Liability Partnerships firms or other parties covered in the register maintained under Section 189 of the Act, . Accordingly, clause 3(iii)(a) to 3(iii)(c) are not applicable to the Company.
- 4) According to the information and explanations given to us the company has not given/made any loans, investments, guarantees, and security accordingly provisions of section 185 and 186 of the Act are not applicable.
- 5) The Company has not accepted any public deposits within the meaning of sections 73 to 76 of Act and rules framed there-under;
- 6) As the Company is not a manufacturing concern, the clause 3(vi) of the Order regarding maintenance of cost records under sub-section (1) of section 148 of the Act is not applicable to the Company.
- 7) (a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing applicable undisputed statutory dues, including provident fund, employees’ state insurance, income tax, sales tax, wealth tax, service tax, custom duty, duty of excise, value added tax, Goods and service tax, cess and any other statutory dues with the appropriate authorities during the year and no such dues are outstanding for more than six months from the date they became payable.
 - (b) As at 31st March, 2018, according to the records of the Company and the information and explanations given to us, disputed dues payable by the Company on account of Income Tax/ Sales Tax/ Wealth Tax/ Service Tax/Good and Service tax/ Duty of Custom / Duty of Excise are as under:

Name of Statute	Nature of Dues	Amount (₹)	(A.Y.)	Forum
Income Tax Act, 1961	Regular Assessment	10,08,246	2012-13	Appeal to be filed
Income Tax Act, 1961	Regular Assessment	11,523,190	2013-14	CIT(A)
Income Tax Act, 1961	Regular Assessment	10,778,100	2014-15	CIT(A)
Income Tax Act, 1961	Regular Assessment	1,65,12,730	2015-16	CIT(A)

- 8) In our opinion, and according to the information and explanations given to us, the Company has not borrowed any money from financial institutions, banks or debenture holders. Accordingly, the provision of clause 3(viii) of the Order is not applicable to the Company.
- 9) The Company has not raised any fund by way of public issue or from term loan.
- 10) During the course of our examination of the books of accounts, carried out in accordance with the generally accepted auditing standards in India, and according to the information and explanation given to us, we have not come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, either noticed or reported during the year, on or by the Company.
- 11) According to the information and explanations given to us, the Company has paid or provided managerial remuneration during the year according to provision of section 197 read with Schedule V to the Act.
- 12) In our opinion and according to the information and explanations given to us, the Company is not in the nature of a Nidhi Company as defined under section 406 the Act.
- 13) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Act where applicable and the details have been disclosed in note 28 to the financial statements as required by the applicable Indian accounting standards.
- 14) According to the information and explanations give to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) of the Order is not applicable to the Company.
- 16) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Chokshi & Chokshi LLP
Chartered Accountants
 FRN 101872W/W100045

Raghav Mohta

Place: Mumbai
 Date: 24th April 2018

Partner
 M.No. 426718

“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the Internal Financial Controls over financial reporting of SHCIL Services limited. (“the Company”) as of 31st March 2018 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 criteria established by the Company considering the size of company and 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 (“ICAI”). 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 Act.

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 Act, 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 judgment, 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.

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 authorizations 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 were operating effectively as at 31st March 2018, based on the assessment of essential components of internal controls over financial reporting stated in the Guidance Note carried out by the Company and representation to that effect is made available to us by the Company.

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Raghav Mohta
Partner
M.No. 426718

Place: Mumbai
Date: 24th April 2018

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SHCIL SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statements of SHCIL Services Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 24 April 2018.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143 (6) (a) of the Act of the financial statements of SHCIL Services Limited for the year ended 31 March 2018. The supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report.

**For and on the behalf of the
Comptroller & Auditor General of India**

Place: Mumbai
Date: August 03, 2018

**Roop Rashi
Principal Director of Commercial Audit and
ex-officio Member, Audit Board-I, Mumbai**

BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note	March 31, 2018 ₹	March 31, 2017 ₹
ASSETS			
Non-current assets			
Property plant and equipment (net)	2.1	5,564,908	9,233,380
Intangible assets	2.2	2,952,104	4,599,037
Intangible assets under development	2.2	-	-
		8,517,012	13,832,417
Financial assets			
Advances and Deposits	3a	4,830,000	51,750,642
Other financial assets	4a	100,800,000	40,800,000
Deferred tax assets (net)	5	4,122,057	3,991,464
Non - Current Tax Asset	6	86,281,835	84,613,303
Total Non-Current Assets		204,550,904	194,987,826
Current assets			
Financial assets			
Advances and Deposits	3b	309,795,949	113,514,426
Other financial assets	4b	20,740,237	1,414,991
Investments	7	50,781,103	182,008,174
Trade receivables	8	628,358,581	607,393,149
Cash and cash equivalents	9	603,765,698	356,851,178
Total Current Assets		1,613,441,568	1,261,181,918
Total Assets		1,817,992,472	1,456,169,744
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	60,897,030	60,897,030
Other equity		542,564,358	466,688,684
Total Equity		603,461,388	527,585,714
Liabilities			
Non-current liabilities			
Financial liabilities		-	-
Long term provisions	11	1,648,725	937,257
Total Non-Current Liabilities		1,648,725	937,257
Current liabilities			
Financial liabilities			
Trade payables	12	1,125,107,972	878,915,660
Other financial liabilities	13	76,894,737	41,172,934
Short-term provisions	14	620,644	1,593,036
Other current liabilities	15	10,259,006	5,965,143
Total Current Liabilities		1,212,882,359	927,646,773
Total Equity and liability		1,817,992,472	1,456,169,744

The accompanying notes are an integral part of these financial statement.
 Significant accounting policies and Notes to Financial Statement

1 to 41

As per Our Report of even date attached

For and on behalf of
Chokshi & Chokshi LLP
 Chartered Accountants
 FRN: 101872W/W100045

For and on behalf of Board of Directors
SHCIL Services Limited

Raghav Mohta
 Partner
 Membership No. 426718

Neha Sunke
 Head of Finance

Sanjay Pote
 Managing Director
 & Chief Executive
 Officer

Ramesh N.G.S.
 Non - Executive
 Chairman

Rajneesh Singh
 Company Secretary

G. Anantharaman
 Director

D. C. Jain
 Director

Place: Mumbai
 Date: Apr 24, 2018

Vineet Potnis
 Director

Kalpna Joshi
 Director

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

Particulars	Note	March 31, 2018 ₹	March 31, 2017 ₹
Revenue:			
Revenue from operations (Net)	16	515,342,112	406,165,011
		515,342,112	406,165,011
Other income	17	34,555,862	28,135,639
Total Revenue		549,897,974	434,300,650
Expenses:			
Employee benefits expense	18	49,022,570	37,386,636
Finance costs		-	-
Sub - brokerage expenses	19	300,930,432	235,088,076
Depreciation and amortisation	2	6,415,402	6,058,963
Other expenses	20	60,788,333	61,613,288
Total expenses		417,156,737	340,146,963
Profit before tax		132,741,237	94,153,687
Tax expenses			
Current tax expenses	21	38,373,837	28,815,366
Current tax adjustment for earlier years		-	-
Deferred tax expenses		(130,593)	779,606
Net profit for the year		94,497,993	64,558,715
Other Comprehensive Income			
OCI items not reclassified to profit or loss			
Remeasurement of net defined benefit liability		610,226	(275,506)
Income tax relating to item not to be classified in profit and loss in subsequent period		(175,989)	(136,084)
Net OCI items not reclassified to profit or loss		434,237	(411,590)
Total comprehensive income for the year		94,932,230	64,147,125
Earnings per equity share:			
(1) Basic (in ₹)	25	15.52	10.60
(2) Diluted (in ₹)		15.52	10.60
Weighted average number of equity shares used in computing earning per shares			
Basic		6,089,703	6,089,703
Diluted		6,089,703	6,089,703

The accompanying notes are an integral part of these financial statement.

Significant accounting policies and Notes to Financial Statement

1 to 41

As per Our Report of even date attached

For and on behalf of
Chokshi & Chokshi LLP
Chartered Accountants
FRN: 101872W/W100045

For and on behalf of Board of Directors
SHCIL Services Limited

Raghav Mohta
Partner
Membership No. 426718

Neha Sunke
Head of Finance

Sanjay Pote
Managing Director
& Chief Executive
Officer

Ramesh N.G.S.
Non - Executive
Chairman

Rajneesh Singh
Company Secretary

G. Anantharaman
Director

D. C. Jain
Director

Place: Mumbai
Date: Apr 24, 2018

Vineet Potnis
Director

Kalpna Joshi
Director

STATEMENTS OF CHANGE IN EQUITY

Particulars	Equity Share Capital	Reserve & Surplus			Total Equity
		Retained earnings	Securities premium account	Other components of equity*	
Opening Balance - April 1, 2017	60,897,030	356,301,938	92,845,447	17,541,299	527,585,714
Dividend paid during the year for FY 2016-17	-	(15,833,227)	-	-	(15,833,227)
Dividend Distribution Tax	-	(3,223,329)	-	-	(3,223,329)
Retained Earnings - Transferred from current period P&L	-	94,497,993	-	-	94,497,993
Other comprehensive income- Defined Benefit Employee Cost	-	434,237	-	-	434,237
Closing Balance - Mar. 31, 2018	60,897,030	432,177,612	92,845,447	17,541,299	603,461,388
Closing Balance - Mar. 31, 2017	60,897,030	356,301,938	92,845,447	17,541,299	527,585,714

* Other components of equity includes Bank Commission on Guarantee given by Holding Company and Preference shares - Deemed Equity Contribution

Securities premium - received on equity shares issued are recognized in securities premium account

The accompanying notes are an integral part of these financial statement.

Significant accounting policies and Notes to Financial Statement **1 to 41**

As per Our Report of even date attached

For and on behalf of
Chokshi & Chokshi LLP
 Chartered Accountants
 FRN: 101872W/W100045

Raghav Mohta
 Partner
 Membership No. 426718

Place: Mumbai
 Date: Apr 24, 2018

For and on behalf of Board of Directors
SHCIL Services Limited

Neha Sunke
 Head of Finance

Rajneesh Singh
 Company Secretary

Sanjay Pote
 Managing Director
 & Chief Executive
 Officer

G. Anantharaman
 Director

Vineet Potnis
 Director

Ramesh N.G.S.
 Non - Executive
 Chairman

D. C. Jain
 Director

Kalpana Joshi
 Director

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

	March 31, 2018 ₹	March 31, 2017 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	132,741,237	94,153,687
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation	6,415,402	6,058,963
Dividend from Mutual Funds	(3,623,277)	(8,570,052)
Interest Income	(28,307,009)	(17,921,734)
(Profit)/ Loss on sale of Fixed Assets	-	(136,617)
Finance cost & Commission	-	335,671
Provision for Doubtful Debts	-	98,450
Remeasurement of net defined benefit liability	610,226	(411,590)
Operating profit before working capital changes	107,836,579	73,606,778
Working capital adjustments :		
(Increase)/ Decrease in Trade Receivables	(20,965,432)	(18,398,156)
(Increase)/ Decrease in Advance and Deposits & other financial Assets	(256,281,523)	(46,151,934)
(Increase)/Decrease in Other Current Financial Assets	(16,531,544)	(91,203)
Increase/ (Decrease) in Other Current Liability	4,293,863	5,965,143
Increase/ (Decrease) in Trade payables and Other Current Financial Liabilities	281,914,115	98,767,467
Increase/ (Decrease) in Short Term and Long Term Provisions	(260,924)	28,444
Cash generated from operations	100,005,134	113,726,539
Direct Taxes paid	(40,218,358)	(34,145,348)
Net cash from operating activities	59,786,776	79,581,191
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,099,998)	(10,853,434)
Sale of Fixed Assets	-	136,700
Sale/ (Purchase) of Investments	131,227,071	(31,382,687)
Dividends from Mutual Funds	3,623,277	8,570,052
Interest Earned	25,513,308	18,396,647
(Increase)/Decrease in Security Deposit with Others	(79,358)	123,653
(Increase)/Decrease in Deposit with Exchanges	47,000,000	(35,875,000)
Bank deposits not considered as cash & cash equivalents (net)	40,000,000	13,300,000
Net cash used in investing activities	246,184,300	(37,584,068)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(15,833,227)	-
Dividend Distribution Tax paid	(3,223,329)	-
Net cash from financing activities	(19,056,556)	-
NET (DECREASE)/INCREASE IN CASH & CASH EQUIVALENTS	286,914,520	41,997,123
Cash and Cash equivalents at the beginning of the period	316,851,178	274,854,055
Cash and Cash equivalents at the end of the period	603,765,698	316,851,178

	March 31, 2018	March 31, 2017
	₹	₹
Notes		
1. Cash & Cash Equivalents		
Cash on Hand	8,988	44,344
Balances with Banks:		
- In Current Accounts	451,044,840	96,187,875
- In Fixed Deposits	152,711,870	220,618,959
Cash & Cash Equivalents considered for Cash flow	603,765,698	316,851,178
Other Bank Balances	-	40,000,000
Cash and Bank Balances as per Note 9	603,765,698	356,851,178

The accompanying notes are an integral part of these financial statement.

Significant accounting policies and Notes to Financial Statement

1 to 41

As per Our Report of even date attached

For and on behalf of
Chokshi & Chokshi LLP
 Chartered Accountants
 FRN: 101872W/W100045

For and on behalf of Board of Directors
SHCIL Services Limited

Raghav Mohta
 Partner
 Membership No. 426718

Neha Sunke
 Head of Finance

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 Managing Director
 & Chief Executive
 Officer

Ramesh N.G.S.
 Non - Executive
 Chairman

Rajneesh Singh
 Company Secretary

G. Anantharaman
 Director

D. C. Jain
 Director

Place: Mumbai
 Date: Apr 24, 2018

Vineet Potnis
 Director

Kalpana Joshi
 Director

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Note 1

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

Corporate information

SHCIL Services Limited (formerly National Depository Corporation of India Ltd.) was incorporated on 14th February, 1995. It is engaged in the business of broking and advisory services from 14th March, 2006. The Company's registered office is at Mahape, Navi Mumbai.

With effect from 28th March, 2014 Stock Holding Corporation of India Ltd. (SHCIL) - the Holding Company, has become a subsidiary of IFCI Ltd. & hence IFCI Ltd. is the Ultimate Holding Company for SHCIL Services Ltd. from the said date.

1. Significant Accounting Policies

Overall consideration

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements, except where the company has applied certain accounting policies and exemptions upon transition to Ind AS.

1.1. Basis of preparation

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain assets and liabilities where fair value model has been used, e.g. certain financial assets and liabilities measured at fair value, etc. The Ind AS are prescribed under section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Ind AS is applicable to the Company with effect from 1st April, 2016, being a Subsidiary of the Stock Holding Corporation of India Limited falling under the mandatory Phase 1.

1.2. Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and there ported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.3. Current / non-current classification

Assets and liabilities in the balance sheet are classified into current/ non-current. An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

1.4. Foreign currency translation

Functional and presentation currency

The financial statements are presented in INR, which is the functional currency

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Foreign currency transactions and balances

- i) Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the date of transaction.
- ii) Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.
- iii) Monetary items denominated in foreign currencies at the period are restated at the period rates.
- iv) Non-monetary items denominated in foreign currencies are carried at cost.

1.5. Fair value measurement

Financial instruments, such as, derivatives, equity investments, etc. are measured at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.6. Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Following specific recognition criteria must also be met before revenue is recognized:

- i) All transactions/income/expenses are accounted in the books on accrual basis except commission income on Initial Public Offer (IPO) and Follow on Public Offer (FPO) which are being booked on receipt basis.
- ii) Dividend is recognized when the Company's right to receive dividend is established by the reporting date.
- iii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other Income" in the statement of profit and loss.
- iv) Charges collected on cheques dishonoured/bounced are recognized on actual basis.

1.7. Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

1.8. Property, plant and equipment

Items of property, plant and equipment (PP&E) are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure related to an item of PP&E are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation on PP&E is charged under the straight line method over the useful life of the assets as specified in Schedule II to

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

the Companies Act, 2013 except for the below tabulated class of assets wherein a lesser useful life has been estimated due to rapid advancement in technology:

Particulars	Useful life as per Schedule II (in year)	Useful life as per estimated by the management (in year)
1. Motor Car	8	3
2. Mobiles	5	2
3. Servers & Networks	6	4

Useful life & residual value for other items of PP&E:

Particulars	Useful life w.e.f. 01.04.2014 Residual Value - Nil	Useful life up to 31.03.2014 Residual Value 5 %
1. Plant & Machinery	15	20
2. Furniture & Fixtures	10	15
3. Electrical Installations and Equipment	10	20
4. Office Equipment	5	20
5. Computer Hardware : End user devices such as Desktops, Laptops etc.	3	3

An item of PP&E and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

1.9. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

Computer software which forms an integral part of the related hardware is capitalised along with the hardware as fixed asset. Software which are not an integral part of computer hardware and from which future economic benefits are expected are treated as intangible assets.

Software developed internally is recognized as an asset at cost when significant economic benefits are expected to accrue in future. Cost comprises all expenditure that can be directly attributed for creation, production and making the software ready for its intended use and excludes any tax for which input credit is taken.

All finite-lived intangible assets, including capitalised internally developed software, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing. The following useful lives are applied:

Particulars	Useful life w.e.f. 01.04.2014 Residual Value - Nil	Useful life up to 31.03.2014 Residual Value 5 %
1. Computer Software	3	3

Amortisation has been included within 'depreciation and amortisation expense. Subsequent expenditures on the maintenance of intangible assets are expensed as incurred. When an intangible asset is disposed off, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

1.10. Leased Assets

Finance leases

Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Company obtains ownership of the asset at the end of the lease term.

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interests. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

The interest element of lease payments is charged to profit or loss, as finance costs over the period of the lease.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Operating leases

All other leases are treated as operating leases. Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit. Associated costs, such as maintenance and insurance, are expensed as incurred.

1.11. Impairment testing of goodwill, other intangible assets and property, plant and Equipment

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognized in the Statement of Profit and Loss when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net of selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on appropriate discount rate. If at the balance sheet date there is any indication that a previously assessed impaired loss no longer exists then such loss is reversed and the asset is restated to that extent

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Company at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Company's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units 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 (or cash-generating units) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

1.12. Financial Instruments:

a. Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b. Subsequent measurement

i. Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

1.13. Income taxes

Tax expense for the Period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Provision for current income tax is made on the basis of the assessable income under the Income tax Act, 1961.

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

1.14. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

1.15. Equity, Reserves and Dividend payments

Share capital represents the nominal (par) value of shares that have been issued. Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits. Other components of equity include the following:

- remeasurement of net defined benefit liability – comprises the actuarial losses from changes
- in demographic and financial assumptions and the return on plan assets

Retained earnings include all current and prior period retained profits.

All transactions with owners of the parent are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

1.16. Post-employment benefits and short-term employee benefits

Post-employment benefit plans

The Company provides post-employment benefits through various defined contribution and defined benefit plans.

Defined contribution plans

Employee Benefits in the form of Provident Fund and Superannuation Fund are considered as defined contribution plans and the contributions are charged to the Statement of Profit and Loss of the Period when the respective contributions are due.

Defined benefit plans

Retirement Benefit in the form of gratuity is considered as defined benefit obligation and is provided for on the basis of an actuarial valuation using the projected unit credit method, as at the date of the balancesheet. Actuarial gain or losses if any are immediately recognised in the statement of Profit & Loss.

Management estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to government or high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs. Gains and losses resulting from remeasurements of the net defined benefit liability are included in other comprehensive income.

Short-term employee benefits

Short-term employee benefits, including holiday entitlement, are current liabilities included in pension and other employee obligations, measured at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

1.17. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and as realisable estimate can be made of the amount of the obligation. When the Company expects some or all of the provision to be reimbursed, for

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost.

1.18. Contingent liabilities

Contingent Liabilities are not recognised but are disclosed in notes in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

1.19. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss before other comprehensive income for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before other comprehensive income for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.20. Financial risk management

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by Risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The policies for managing each of these risks are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price. Financial instruments affected by market risk include loans and borrowings and deposits. The company is not exposed to currency risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations and company's investment in debt based financial assets viz. Fixed Deposits & Investments in Liquid Mutual Funds.

Credit risk

Credit risk is the risk that a counter party fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade & other receivables, placing fixed deposits, investment in mutual funds, etc.

The company continuously monitors defaults of customers and other counterparties, identified by the company, and incorporates this information into its credit risk controls. The company's policy is to deal only with credit worthy customers wherein the credit given is backed by either cash margin in client's account or guarantee by the Sub brokers.

Liquidity risk

Liquidity risk is that the company might be unable to meet its obligations. The company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business.

The company's objective is to maintain cash and marketable securities to meet its liquidity requirements. The company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The company's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade and other receivables are all contractually due within six months.

1.21. Significant accounting judgements, estimates and assumptions

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

1.22. Exemption and exceptional availed:

I. Optional Exemptions :

Ind AS 101 allows first time adopter certain optional exemptions from the retrospective application of certain requirement under Ind AS.

The Company has applied the following exemptions:-

The Company has recognized its property, plant and Equipment, Land and Intangible Assets based on the previous GAAP carrying amount as at the date of transition.

II. Exception:

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the Financial Statements:-

a. Estimates :

The estimates used by the company to present the amount in accordance with Ind AS reflect conditions as at the transition date.

b. Classification and measurement of Financial Statement :

The Company has classified the financial Assets in accordance with Ind As 109 on the basis of fact and circumstances that exist at the date transition to Ind AS.

c. De-recognition of the Financial Assets and Financial Liabilities :

The Company has elected to apply the de-recognition requirement for Financial Assets and Financial Liabilities in Ind AS prospectively for transition occurring on or after the date of transition to date of Ind AS.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

2.1 Property plant and equipment (net)

Following are the changes in the carrying value of property, plant and equipment for the period ended March 31, 2018:

Particulars	Leasehold Land	Furniture and fixture	Office Equipment	Mobiles	Vehicles	Computer Hardware	Servers & Network	Total
Gross carrying value as of April 1, 2017	20,273,430	585,825	931,969	269,665	2,483,117	6,596,430	34,300,014	65,440,450
Additions	-	150,000	-	32,000	-	429,600	296,000	907,600
Deletions*	15,210,012	-	-	-	-	-	-	15,210,012
Gross carrying value as of March 31, 2018	5,063,418	735,825	931,969	301,665	2,483,117	7,026,030	34,596,014	51,138,038
Accumulated depreciation as of April 1, 2017	20,273,413	493,093	727,631	83,938	2,026,221	6,214,325	26,388,450	56,207,071
Depreciation	14	25,136	59,590	128,427	212,142	429,152	3,721,610	4,576,071
Accumulated depreciation on deletions*	15,210,012	-	-	-	-	-	-	15,210,012
Accumulated depreciation as of March 31, 2018	5,063,415	518,229	787,221	212,365	2,238,363	6,643,477	30,110,060	45,573,130
Carrying value as of March 31, 2018	3	217,596	144,748	89,300	244,754	382,553	4,485,954	5,564,908
Carrying value as of March 31, 2017	17	92,730	204,338	185,727	456,896	382,105	7,911,564	9,233,380

* Gross block and accumulated depreciation is reduced due to fire incident in Company (Refer note 39)

2.2 Intangible assets

Following are the changes in the carrying value of acquired intangible assets for the period ended March 31, 2018:

Particulars	Intangible Assets- Computer Software		Intangible Assets under Development - Computer Software		Total
	Computer Software	Development	Computer Software	Development	
Gross carrying value as of April 1, 2017	37,347,474	-	-	-	37,347,474
Additions	192,398	-	-	-	192,398
Deletions	-	-	-	-	-
Gross carrying value as of March 31, 2018	37,539,872	-	-	-	37,539,872
Accumulated depreciation as of April 1, 2017	32,748,437	-	-	-	32,748,437
Depreciation	1,839,331	-	-	-	1,839,331
Accumulated depreciation on deletions	-	-	-	-	-
Accumulated depreciation as of March 31, 2018	34,587,768	-	-	-	34,587,768
Carrying value as of March 31, 2018	2,952,104	-	-	-	2,952,104
Carrying value as of March 31, 2017	4,599,037	-	-	-	4,599,037

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Note 3

Financial Assets

Advance & Deposits

3a. Non-Current

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Base capital deposit with Exchanges	3,500,000	50,500,000
Deposits with Professional Clearing Member	1,200,000	1,200,000
Security deposits - Others	130,000	50,642
Total 3a	4,830,000	51,750,642

3b. Current

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Secured, considered good		
Advances for Margin Trading	1,502,808	1,184,237
	1,502,808	1,184,237
Unsecured, considered good unless otherwise stated		
Prepayments	5,130,872	5,680,749
Margin Deposit F&O And Others	52,817,811	36,651,105
Margin Deposit with Exchanges	250,025,425	69,867,787
	307,974,108	112,199,641
Advances		
Other Advances	319,033	130,548
	319,033	130,548
Total 3b	309,795,949	113,514,426
Total Carrying Value (3a+3b)	314,625,949	165,265,068

Note 4

Other financial assets

4a. Non current assets

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Long term deposits with banks with original maturities more than 12 months	100,800,000	40,800,000
Long term deposits include fixed deposit aggregating to ₹ 4,08,00,000 (As at March 31, 2017 ₹ 4,08,00,000) kept as margin deposits with the stock exchanges		
Total 4a	100,800,000	40,800,000

4b. Current assets

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Accrued interest on fixed deposit	4,104,853	1,311,152
Input-Goods and Service tax	16,470,612	-
	20,575,465	1,311,152
Other Current Assets		
Considered Good :-	164,772	103,839
Considered Doubtful	-	-
	164,772	103,839
Total 4b	20,740,237	1,414,991
Total Carrying Value (4a+4b)	121,540,237	42,214,991

Note 5

Deferred Tax Assets (net)

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Timing difference due to depreciation as per Income Tax and Companies Act	2,482,653	2,162,567
Provision for doubtful debts	854,021	992,306
Provision for compensated Absences/Leave Encashment	680,983	727,349
Provision for Gratuity	104,400	109,242
Total	4,122,057	3,991,464

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Note 6

Non - Current Tax Assets (net)

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Advance tax and TDS (net)	86,281,835	84,613,303
Total	86,281,835	84,613,303

Note 7

Current Investments

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Unquoted Mutual Funds	50,781,103	182,008,174
Details of investment		
Daily Dividend Plan of Liquid Schemes of Mutual Funds		
Unquoted		
Nil Units at ₹ 1,098.00 of LIC Nomura Liquid Fund (March 17: 27,809.952 Units at ₹ 1,098)	-	30,535,327
25,407.599 Units at ₹ 1,002.0124 of Baroda Pioneer Mutual Fund (March 17: 25,979.66 Units at ₹ 1,001.8422)	25,458,729	26,027,520
5,069.672 Units at ₹ 1,019.4457 of UTI Liquid Cash Plan (March 17: 528.699 Units at ₹ 1,019.4457)	5,168,255	538,980
Nil Units at ₹ 1,003.2500 of SBI Premier Liquid Fund (March 17: 24,053.07 Units at ₹ 1,003.2500)	-	24,131,243
Nil Units at ₹ 1,019.82 of HDFC Mutual Fund (March 17: 24,824.833 Units at ₹ 1,019.82)	-	25,316,861
Nil Units at ₹ 100.0685 of ICICI Mutual Fund (March 17: 2,60,058.23 Units at ₹ 100.0685)	-	26,023,637
100,826.880 Units at ₹ 100.2721 of Birla Sun life Cash Plus (March 17: 2,52,282.929 Units at ₹ 100.195)	10,110,123	25,277,488
10,020.400 Units at ₹ 1002.3548 of IDBI Mutual Fund (March 17: 24,100.366 Units at ₹ 1,002.3548)	10,043,996	24,157,118
Total	50,781,103	182,008,174

Note 8

Trade Receivables

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Outstanding for a period exceeding six months		
Considered Good	3,148,738	2,752,949
Considered Doubtful	2,961,238	3,001,257
Less: Provision For doubtful debts	(2,961,238)	(3,001,257)
	3,148,738	2,752,949
Other Debts		
Considered Good - Client Dues (Includes amount due on Settlement from clients & from exchanges - Refer Note 31)	625,209,843	604,640,200
Considered Doubtful	-	-
	625,209,843	604,640,200
Total	628,358,581	607,393,149

In term of agreement with SHCIL, trade receivables are Guaranteed by SHCIL.

Provision For doubtful debts

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Opening	3,001,257	2,902,807
Add : Addition during the period	-	98,450
Less : Reversal during the period	40,019	-
Closing Balance	2,961,238	3,001,257

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Note 9

Cash and cash equivalents

Particulars	March 31, 2018	March 31, 2017
	₹	₹
Balances with banks - In current accounts	451,044,840	96,187,875
Balances with banks- In deposit accounts with original maturity less than 3 months	152,711,870	220,618,959
Cheques in hand	-	-
Cash in hand	8,988	44,344
Other Bank Balances		
Bank deposit accounts (more than 3 months but less than 12 months maturity)	-	40,000,000
Other Bank Balances include fixed deposits aggregating	-	-
Total	603,765,698	356,851,178

10 Equity Share Capital

(A) Authorised, Issued, Subscribed & Paid up

	March 31, 2018		March 31, 2017	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹ 10 each fully paid	18,000,000	180,000,000	18,000,000	180,000,000
7% Non-Cumulative Convertible Preference Shares of ₹ 10 each fully paid	2,000,000	20,000,000	2,000,000	20,000,000
	20,000,000	200,000,000	20,000,000	200,000,000
Issued, Subscribed and Paid up				
Equity Shares of ₹ 10 each fully paid	6,089,703	60,897,030	6,089,703	60,897,030
Total	6,089,703	60,897,030	6,089,703	60,897,030

(B) Reconciliation of shares outstanding at the beginning and end of the period

	March 31, 2018		March 31, 2017	
	Number	₹	Number	₹
Equity Shares				
Shares outstanding at the beginning of the year	6,089,703	60,897,030	6,089,703	60,897,030
Addition during the period	-	-	-	-
Shares outstanding at the end of the period	6,089,703	60,897,030	6,089,703	60,897,030

(C) Terms/rights attached to shares

Terms/rights attached to equity shares

The company has only one class of equity shares having the par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share except in the case of voting by show of hands.

(D) Details of shares held by holding company & shareholders holding more than 5% shares in the company

	March 31, 2018		March 31, 2017	
	Number	₹	Number	₹
Equity Shares				
SHCIL	6,089,696	99.99	6,089,696	99.99

(E) Information regarding issue of shares in the last five years

In FY 2015-16 319,703 Equity shares of ₹ 10/- each (face value) has been allotted as fully paid up pursuant to conversion of 7 % Non-cumulative preference shares without payment being received in cash. The said 7 % Non-cumulative preference shares payment received by Company through bank.

The Company has not issued any bonus shares.

The Company has not undertaken any buyback of shares.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018
Note 11
Long term provisions

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Provision for employee benefits		
Provision for compensated absences	1,648,725	937,257
Total	1,648,725	937,257

Note 12
Trade payables

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Due to micro, small and medium enterprises (Refer Note 24)	-	-
Other than micro, small and enterprises:		
Dues to holding company - sub brokerage	60,328	21,491,906
Dues to other Sub Brokers	408,176	203,106
Client Dues (Includes amount due on settlement to Clients & to Professional Clearing Member for F&O Segment - (Refer Note 31)	1,124,639,468	857,220,648
Total	1,125,107,972	878,915,660

Note 13
Other Financial Liabilities
13. CURRENT

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Other Financial Liabilities		
Margin deposits from Holding Company as sub broker	20,000,000	20,000,000
Due to Holding Company - Others	14,371,250	4,657,981
Retention Money	-	188,361
Employee benefits payable	12,000,000	8,773,710
Provision for expenses	19,745,352	2,962,146
Due to vendors	10,778,135	4,590,736
Total	76,894,737	41,172,934

Provision for expenses

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Opening	2,962,146	2,372,096
Add : Addition during the period	19,745,352	2,962,146
Less : Reversal during the period	2,962,146	2,372,096
Closing Balance	19,745,352	2,962,146

Note 14
Short-term provisions

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Provision for employee benefits		
Provision for gratuity	301,665	330,406
Provision for compensated absences	318,979	1,262,630
Total	620,644	1,593,036

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Note 15

Other Current liabilities

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Statutory dues including provident fund and taxes (includes amount due on settlement - Refer Note 31)	10,259,006	5,965,143
Total	10,259,006	5,965,143

Note 16

Revenue from operations (Net)

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Commission and brokerage (net)	510,587,296	401,275,382
Other operational revenue	4,754,816	4,889,629
Total	515,342,112	406,165,011

Note 17

Other income

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Interest on deposits with banks	28,307,009	17,921,734
Dividend on current investments	3,623,277	8,570,052
Profit on sale/discarded fixed assets	-	136,617
Interest on others	143,589	283,070
Interest on IT Refund	405,240	-
Sundry balances written back (refer note 33)	108,329	813,438
Reversal of Provisions	1,321,753	-
Miscellaneous income	646,665	410,728
Total	34,555,862	28,135,639

Note 18

Employee benefits expense

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Employee costs - Salaries, allowances and bonus	45,712,910	34,287,113
Employee costs - Contribution to provident and other funds	1,602,880	1,387,916
Employee costs - Staff welfare expenses	1,706,780	1,711,607
Total	49,022,570	37,386,636

Note 19

Sub - brokerage expenses

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Sub - brokerage expenses	300,930,432	235,088,076
Total	300,930,432	235,088,076

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Note 20

Other expenses

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Outsourcing expenses - Professional	1,191,940	2,099,033
Outsourcing expenses - Contractor	10,022,798	9,448,159
Exchange expenses	780,946	824,221
Bank charges	935,182	542,891
Connectivity charges	366,444	185,079
Commission expenses (On Guarantees given by Holding Company)	-	397,315
Depository participant/custodian fees	151,162	132,920
Rent & taxes	4,443,681	2,820,000
Electricity charges	1,832,383	2,100,560
Service Tax Expenses	187,202	1,129,002
Security charges	766,940	687,132
Sub-broker dealer incentive	3,820,126	1,786,615
Insurance charges	2,253,369	1,722,128
Subscription charges	1,937,200	2,102,822
Repairs and maintenance - Software	6,535,334	5,462,600
Repairs and maintenance - Plant & machinery	1,196,888	2,039,335
Repairs and maintenance - Others	3,514,881	3,459,698
Travelling & conveyance	867,532	1,138,592
Postage & courier	3,650,469	4,394,384
Telephone & communication	626,822	685,616
Printing & stationery charges	3,576,725	4,422,204
Directors sitting fees	1,850,000	1,200,000
Legal Fees	474,500	1,602,050
Fees paid to Company law board*	-	1,300,000
Professional Fees**	4,258,997	5,409,315
Corporate Social Responsibility***	2,200,000	1,925,000
Provision for doubtful debts/ advances	-	98,450
Loss on sale of shares	-	489
Sundry Balances Written off (Refer Note 33)	1,439,486	278,289
Advertisement & publicity	86,080	64,929
Other miscellaneous expenses	1,821,246	2,154,460
Total	60,788,333	61,613,288

* Compounding fees Imposed by Company law Board.

** Inclusive of Auditor remuneration Refer note 27.

***Corporate social Responsibility (CSR) amount has been paid to M/s. SHCIL Foundation Trust. The CSR activities of the Trust include eradicating hunger, poverty; promoting healthcare, education & sanitation; ensuring environmental sustainability, etc.

Note 21

Income Taxes

Tax expense in the statement of profit and loss comprises:

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Current Taxes (Including OCI)	38,549,826	28,815,366
Current tax adjustment for earlier years	-	-
Deferred Taxes	(130,593)	779,606
Income Tax expense	38,419,233	29,594,972

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

A reconciliation of Income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Profit before income taxes	133,351,463	94,153,687
Enacted tax rates in India	28.84%	33.06%
Computed expected tax expense	38,458,562	31,266,118
Effect of exempt non-operating income	(1,044,953)	(2,833,516)
Profit on sale of assets considered separately in the block of assets	-	(45,170)
-Provision for doubtful debts/advances	(381,194)	32,551
-Employee benefits (net)	(75,250)	119,844
-Depreciation	582,197	(756,497)
-Notional Interest Cost	-	110,983
-Other non-deductible expenses	1,010,464	921,053
Income tax expense	38,549,826	28,815,366

The following table provides the details of income tax assets and income tax liabilities as of March 31, 2018 and March 31, 2017

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Income tax assets	124,831,661	113,564,753
Current income tax liabilities	(38,549,826)	(28,951,450)
Net current income tax assets/ (liability) at the end	86,281,835	84,613,303

The gross movement in the current income tax asset/ (liability) for the Year ended March 31, 2018 and March 31, 2017 is as follows:

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Net current income tax asset/ (liability) at the beginning	84,613,303	79,419,405
Income tax paid	40,218,358	34,145,348
Current income tax expense	(38,373,837)	(28,815,366)
Income tax on other comprehensive income	(175,989)	(136,084)
Net current income tax asset/ (liability) at the end	86,281,835	84,613,303

22 Contingent liabilities

Under Income Tax Act, 1961

Nature of Dues and (A Y) Year

	Amount ₹	Forum
A Y 2012-13 - Regular Assessment	1,008,246	Appeal to be filed against penalty order
A Y 2013-14 -Regular Assessment	11,523,190	CIT(A)
A Y 2014-15 -Regular Assessment	10,778,100	CIT(A)
A Y 2015-16 -Regular Assessment	16,512,730	CIT(A)
Total	39,822,266	

23 Amount of contracts to be executed on capital account, not provided for - ₹ NIL.
(Previous period ended March 31, 2017 - ₹ NIL)

24 Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

Based on the information with the Company, the amount overdue to the suppliers as defined under the 'Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2018 on account of principal amount together with interest is NIL.

The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under:

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remain unpaid	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

25 Basic and Diluted Earnings per share (EPS) has been computed as under:-

Particulars	March 31, 2018	March 31, 2017
	₹	₹
Profit for the year - for basic EPS	94,497,993	64,558,715
Weighted average no. of shares - basic EPS	6,089,703	6,089,703
Basic EPS	15.52	10.60
Profit for the year - for diluted EPS	94,497,993	64,558,715
Weighted average no. of shares - diluted EPS	6,089,703	6,089,703
Diluted EPS	15.52	10.60
Face value per share	10	10

26 Leases (Cancellable)

The Company has entered into Operating Lease Agreement with SHCIL for Office Premises in :

i) Mahape, Navi Mumbai, whereby SHCIL has granted to the Company, the liberty to use and occupy the Demised Premises as a office space for a period of three years w. e. f. from April 1, 2015 purely as a License-cum-Allottee of office space, without having any right, title or interest upon the demised premises.

ii) UTI Building, Fort, Mumbai, whereby SHCIL had granted to the Company, the liberty to use and occupy the Demised Premises as a office space for a period of three years w. e. f. from March 1, 2017 purely as a License-cum-Allottee of office space, without having any right, title or interest upon the demised premises.

Particulars	March 31, 2018	March 31, 2017
	₹	₹
Due within one year	2,820,000	2,820,000
1 to 5 years	690,000	3,510,000
After 5 years	-	-
Total lease payments to be made	3,510,000	6,330,000
Lease payments recognised in the Profit & Loss Account	2,820,000	2,820,000

27 Auditor's Remuneration (excluding GST)

Particulars	March 31, 2018	March 31, 2017
	₹	₹
Statutory audit	1,000,000	900,000
Tax audit	150,000	150,000
Certification Fees	300,000	600,000
In other capacity:		
Out of Pocket Expenses	67,923	63,353
Total	1,517,923	1,713,353

28 Related Party Disclosures

A. The related parties for SSL as per the new Companies Act would inter-alia include the following

(a) **Ultimate Holding Company of SSL**

IFCI LIMITED

(b) **Holding Company of SSL**

Stock Holding Corporation of India limited (SHCIL)

(c) **Associate Company of SSL**

Stock Holding Document Management Services Limited (subsidiary of SHCIL)

(d) **Key Management Personnel of SSL**

- Shri Sanjay Pote - Managing Director and Chief Executive Officer (From 1st April 2018)
- Shri Vineet Potnis - Non-Executive Director *
- Ms. Kalpana Joshi - Non-Executive Director *
- Shri G Anantharaman -Independent Director*
- Shri D.C. Jain -Independent Director (From 15th March 2018)*
- Shri Nitin Jog - Managing Director and Chief Executive Officer (upto 31st March 2018)
- Shri P.H.Kutumbe-Independent Director (upto 5th March 2018) *
- Shri Manoj Kabra - Chief Financial Officer (upto 30 th Nov 2017)
- Shri Mitul Palankar - Company Secretary (upto 7 th July 2017)
- Shri Rajneesh singh - Company Secretary (From 8th July 2017)

* The ICAI - Ind AS Transition facilitation group's bulletin dated July 31,2017 clarified independent directors coverage under definition of KMP under para 9 of Ind AS 24.Disclosures being made in this section accordingly for said purposes

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

B. Particulars of Transaction with Related Parties

March 31, 2018 (₹) March 31, 2017 (₹) Nature of Transaction	Holding Company	Period Ended March 31, 2018 Key Managerial Personnel and their Relatives	Associate Company
Brokerage received (IFCI LIMITED)	25,775	-	-
For March 31, 2017	166,386	-	-
Service charges received	2,146,554	-	-
For March 31, 2017	2,531,865	-	-
Brokerage Income	1,075,999	-	-
For March 31, 2017	1,634,995	-	-
Outsourcing Expenses	-	-	7,115,299
For March 31, 2017	-	-	6,830,241
Sub- Brokerage Expenses	300,367,082	-	-
For March 31, 2017	234,755,084	-	-
Reimbursement of Expenses (Net)	15,805,656	-	-
For March 31, 2017	12,577,969	-	-
Fixed Asset Purchases	-	-	-
For March 31, 2017	82,815	-	-
Sitting Fees	840,000	-	-
For March 31, 2017	590,000	-	-
Salary / Deputation Cost of Employees*	9,277,325	2,731,844	-
For March 31, 2017	7,555,099	3,360,933	-
Outstanding balances :			
Trade and other payable	15,993,033	-	486,157
For March 31, 2017	28,086,132	-	764,463
Trade and other receivable	3,621,061	-	-
For March 31, 2017	3,050,509	-	-
Deposits payable	20,000,000	-	-
For March 31, 2017	20,000,000	-	-
Deposits receivable	51,681,450	-	-
For March 31, 2017	37,851,105	-	-
* Salary paid to the CFO & Company Secretary			

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018
29 Managerial Remuneration

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Salary , Allowances & Incentives (Including Service tax/GST: For March 2018 ₹ 6,26,396/- ; For March 2017 PY ₹ 4,46,324/-)	4,090,900	3,321,804
Contribution to Provident Fund	132,000	115,787
Contribution to Retirement Benefits	212,390	179,777
Total	4,435,290	3,617,368

30 Employee benefits
Defined contribution plans:
(i) Particulars

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
The company has recognised the following amounts in the Statement of Profit and Loss for the period		
Contribution to Employees' Provident and other Funds	1,473,798	1,141,710
Contribution to Employees' Superannuation Fund	129,082	128,412
Total	1,602,880	1,270,122

(ii) Defined benefits plans:
(A) Gratuity
(i) Funded status of the plan

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Present value of unfunded obligations	-	-
Present value of funded obligations	2,335,427	1,987,741
Fair value of plan assets	(2,033,762)	(1,657,335)
Net Liability (Asset)	301,665	330,406

(ii) Profit and loss account for current period

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Service cost:		
Current service cost	343,522	273,346
Past service cost and loss/(gain) on curtailments and settlement	85,921	-
Net interest cost	11,740	7,973
Total included in 'Employee Benefit Expense'	441,183	281,319

Other Comprehensive Income for the current period

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	(98,412)	96,377
Due to change in demographic assumption	-	-
Due to experience adjustments	34,779	(16,339)
Return on plan assets excluding amounts included in interest income	4,115	(3,858)
Amounts recognized in Other Comprehensive Income	(59,518)	76,180

(iii) Reconciliation of defined benefit obligation

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Opening Defined Benefit Obligation	1,987,741	1,621,165
Transfer in/(out) obligation	-	-
Current service cost	343,522	273,346
Interest cost	144,707	126,524
Actuarial loss/(gain) due to change in financial assumptions	(98,412)	96,377
Actuarial loss/(gain) due to change in demographic assumption	-	-
Actuarial loss/ (gain) due to experience	34,779	(16,339)
Past service cost	85,921	-

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Loss (gain) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Sub-Total included in OCI	-	-
Benefits paid	(162,831)	(113,332)
Closing Defined Benefit Obligation	2,335,427	1,987,741

(iv) Reconciliation of plan assets

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Opening value of plan assets	1,657,335	1,384,208
Transfer in/(out) plan assets	-	-
Expenses deducted from the fund	-	-
Interest Income	132,967	118,551
Return on plan assets excluding amounts included in interest income	(4,115)	3,858
Assets distributed on settlements	-	-
Contributions by employer	410,406	264,050
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(162,831)	(113,332)
Closing value of plan assets	2,033,762	1,657,335

Category of Assets at the end of the year

Particulars	Gratuity March 31, 2018 (Funded) ₹	Gratuity March 31, 2017 (Funded) ₹
Insurer Managed Fund*	2,033,762	1,657,335
Central Govt Security	24.71%	24.71%
State Govt Security	36.96%	36.96%
Other Loans	0.03%	0.03%
Other Approved Security	1.04%	1.04%
Ncd/Bonds	25.78%	25.78%
Equity	6.98%	6.98%
Fixed Deposit	4.16%	4.16%
Mutual Fund	0.00%	0.00%
CBLO	0.34%	0.34%
TOTAL	100%	100%

* Considered same as March 31, 2016 as the individual Investment in Portfolio or investment structure of portfolio which are managed by LIC are not available as on the Balance sheet Date March 31,2018.

(v) Reconciliation of net defined benefit liability

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Net opening provision in books of accounts	330,406	236,957
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense	441,183	281,319
Amounts recognized in Other Comprehensive Income	(59,518)	76,180
	712,071	594,456
Benefits paid by the Company	-	-
Contributions to plan assets	(410,406)	(264,050)
Closing provision in books of accounts	301,665	330,406

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Reconciliation of asset ceiling		
Opening value of asset ceiling	-	-
Interest on opening value of asset ceiling	-	-
Loss/(gain) on assets due to surplus/deficit	-	-
Closing value of plan asset ceiling	-	-

(vi) Composition of the plan assets

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Government of India Securities	0%	0%
State Government Securities	0%	0%
High quality corporate bonds	0%	0%
Equity shares of listed companies	0%	0%
Property	0%	0%
Special Deposit Scheme	0%	0%
Policy of insurance	100%	100%
Bank Balance	0%	0%
Other Investments	0%	0%
Total	100%	100%

(vii) Bifurcation of liability as per schedule III

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Current Liability*	301,665	330,406
Non-Current Liability	-	-
Net Liability	301,665	330,406

* The current liability is calculated as expected contributions for the next 12 months or the net liability whichever is lower.

(viii) Principle actuarial assumptions

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Discount Rate	7.70%	7.40%
Salary Growth Rate	5.00%	5.00%
Withdrawal Rates	2% at all ages	2% at all ages

(ix) Sensitivity to key assumptions

Particulars	March 31, 2018 (12 months)		March 31, 2017 (12 months)	
	DBO	Change in DBO (%)	DBO	Change in DBO (%)
Discount rate varied by 0.5%				
+ 0.5%	2,182,940	-6.53%	1,856,218	-6.60%
-0.5%	2,502,546	7.16%	2,132,156	7.30%
Salary growth rate varied by 0.5%				
+ 0.5%	2,500,961	7.09%	2,147,021	8.00%
-0.5%	2,178,663	-6.71%	1,857,877	-6.50%
Withdrawal rate (W.R.) varied by 20%				
W.R. x 120%	2,370,357	1.50%	2,026,302	1.94%
W.R. x 80%	2,298,471	-1.58%	1,963,328	-1.23%

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(x) Expected benefit payments

Particulars	March 31, 2018 (12 months)	
	Cash flows (₹)	%
2019	68,648	0.9%
2020	74,511	0.9%
2021	79,675	1.0%
2022	83,934	1.1%
2023	90,349	1.1%
2024 - 2028	577,582	7.3%

The future accrual is not considered in arriving at the above cash-flows.

(B) Leave Encashment

(1) Ordinary Leave Benefits

(i) Funded status of the plan

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Present value of unfunded obligations	1,324,970	1,596,699
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Net Liability (Asset)	1,324,970	1,596,699

(ii) Profit and loss account for current period

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Service cost:		
Current service cost	903,549	740,159
Past service cost and loss/(gain) on curtailments and settlement	-	-
Net interest cost	73,615	101,536
Net value of remeasurements on the obligation and plan assets	(550,708)	331,552
Total included in 'Employee Benefit Expense'	426,456	1,173,247
Actuarial loss/(gain) due to change in financial assumptions	(17,667)	5,177
Actuarial loss/(gain) due to change in demographic assumption	132,418	254,891
Actuarial loss/ (gain) due to experience adjustments	(665,459)	71,484
Return on plan assets excluding amounts included in interest income	-	-
Net actuarial Loss/ (Gain)	(550,708)	331,552

(iii) Reconciliation of defined benefit obligation

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Opening Defined Benefit Obligation	1,596,699	1,392,717
Transfer in/(out) obligation	-	-
Current service cost	903,549	740,159
Interest cost	73,615	101,536
Actuarial loss/(gain) due to change in financial assumptions	(17,667)	5,177
Actuarial loss/(gain) due to change in demographic assumption	132,418	254,891
Actuarial loss/ (gain) due to experience adjustments	(665,459)	71,484
Past service cost	-	-
Losses (gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits Paid	(698,185)	(969,265)
Benefits Payable	-	-
Closing Defined Benefit Obligation	1,324,970	1,596,699

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018
(iv) Reconciliation of net defined benefit liability

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Net opening provision in books of accounts	1,596,699	1,392,717
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee benefit expense	426,456	1,173,247
	2,023,155	2,565,964
Benefits paid by the company	(698,185)	(969,265)
Amounts transferred to 'payable account'	-	-
Contributions to plan assets	-	-
Closing provision in books of accounts	1,324,970	1,596,699

(v) Bifurcation of liability as per schedule III

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Current Liability*	255,034	1,203,797
Non-Current Liability	1,069,936	392,902
Net Liability	1,324,970	1,596,699

* The current liability is calculated as expected benefits for the next 12 months.

(vi) Principle actuarial assumptions

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Discount Rate	7.70%	7.40%
Salary Growth Rate	5.00%	5.00%
Withdrawal Rates	2% at all ages	2% at all ages
Leave Availment Rate	5% p.a.	5% p.a.
Leave Encashment Rate	10% p.a.	70% p.a.

(vii) Sensitivity to key assumptions

Particulars	March 31, 2018 DBO ₹	Change in DBO(%)
Discount rate varied by 0.5%		
+ 0.5%	1,296,574	-2.14%
-0.5%	1,354,692	2.24%
Salary growth rate varied by 0.5%		
+ 0.5%	1,355,328	2.29%
-0.5%	1,295,727	-2.21%
Withdrawal rate (W.R.) varied by 20%		
W.R. x 120%	1,322,392	-0.19%
W.R. x 80%	1,327,629	0.20%

(viii) Expected benefit payments

Particulars	March 31, 2018 (12 Months) Cash flows ₹	%
2019	255,034	12.80%
2020	224,071	11.20%
2021	196,847	9.80%
2022	172,910	8.60%
2023	151,864	7.60%
2024 - 2028	533,757	26.70%

The future accrual is not considered in arriving at the above cash-flows.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(2) Sick Leave Benefits

(i) Bifurcation of liability as per schedule III

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Current Liability*	63,945	58,833
Non-Current Liability	578,789	544,355
Net Liability	642,734	603,188

* The current liability is calculated as expected benefits for the next 12 months.

(ii) Principle actuarial assumptions

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Discount Rate	7.70%	7.40%
Salary Growth Rate	5.00%	5.00%
Withdrawal Rates	2% at all ages	2% at all ages
Leave Availment Rate	3% p.a.	3% p.a.
Leave Encashment Rate	0% p.a.	3% p.a.

31 Amount due on settlement (net) represents amount receivable from/ (payable to) Clearing House, Clients and Brokers as under:

As at the end of current Period

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Due to Clearing House	(34,833)	(660,077)
Due from Clearing House	233,201,041	145,355,865
Due to Clients	(507,920,458)	(366,352,378)
Due from Clients	281,153,999	226,887,451
Government - Taxes	(1,997,442)	(1,572,037)
Net Receivable/ Payable	4,402,307	3,658,825

32 The Company operates only in one segment i.e. stock broking and hence there are no reportable segments as defined in Indian Accounting Standard (IND AS -108) on "Segment Reporting".

33 During the year ended March 2018 the Company has written back certain payables for which no claim was received amounting to ₹ 1,08,329/-. The Company has also written off old balances of ₹ 14,39,486/-. The above has been done in line with the policy as approved by the Board of Directors.

34 Financial assets and liabilities

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Categories of financial assets		
Carrying values of financial assets measured at amortised cost		
Advances and Deposits (Refer Note :3)	314,625,949	165,265,068
Deposits with banks (Refer Note :4)	121,540,237	42,214,991
Trade and other receivables (Refer Note :8)	628,358,581	607,393,149
Cash and cash equivalent (Refer Note :9)	603,765,698	356,851,178
	1,668,290,465	1,171,724,386
Measured at FVPL		
Investment in mutual funds (quoted and unquoted) (Refer Note :7)	50,781,103	182,008,174
	50,781,103	182,008,174
Total carrying values of financial assets	1,719,071,568	1,353,732,560
Total fair values of financial assets	1,719,071,568	1,353,732,560
Categories of financial liabilities		
Carrying value of financial liabilities measured at amortised cost		
Trade payables (Refer Note :12)	1,125,107,972	878,915,660
Other financial liabilities (Refer Note :13)	76,894,737	41,172,934
Total carrying values of financial liabilities	1,202,002,709	920,088,594
Total fair values of financial liabilities	1,202,002,709	920,088,594

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

35 Financial Risk Management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price. Financial instruments affected by market risk include loans and borrowings and deposits. The company is not exposed to currency risk and other price risk. SSL has been offering exposure to the clients which may have impact of market fluctuations, however the company has robust risk management system which is monitoring the risk on continuous basis and taking all the risk mitigation measures.

Credit risk analysis

Credit risk refer to the risk of default on its obligation by the counter party resulting in financial loss. Credit risk always managed by the company by proper approvals. Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the end of the reporting period, as summarised below:

Classes of financial assets – carrying amounts:

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Investments (Refer Note :7)	50,781,103	182,008,174
Advances & Deposit -Non current (Refer Note :3)	314,625,949	165,265,068
Trade and other receivables (Refer Note :8)	628,358,581	607,393,149
Total	993,765,633	954,666,391

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by the credit rating agencies. Investments primarily include investment in liquid mutual fund units.

The trade receivables at reporting date analysed by the length of time past due, are:

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Upto 6 months (Refer Note :8)	625,209,843	604,640,200
More than 6 months (Refer Note :8)	3,148,738	2,752,949
Total	628,358,581	607,393,149

In term of agreement with SHCIL, trade receivable is Guarantee by SHCIL.

Liquidity risk analysis

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of March 31,2018, the Company had a working capital of ₹ 40,05,59,209/- including cash and cash equivalents of ₹ 60,37,65,698/- and current investments of ₹ 5,07,81,103/-

As of March 31, 2018 the outstanding employee benefit obligations were ₹ 22,69,369/- , out of which Gratuity obligation has been substantially funded and for compresence absence Company have positive cash flow .Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2018:

Particulars	Less than 6 months	6 to 12 months
Trade payables (Refer Note :12)	1,125,107,972	-
Other current financial liabilities (Refer Note :13)	76,894,737	-

36 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Hierarchy of financial assets and liabilities measured at fair value

Financial assets:

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Level 1		
Quoted equity shares	-	-
Mutual funds at NAV (Refer Note :7)	50,781,103	182,008,174
Total Level 1	50,781,103	182,008,174
Level 2		
Total Level 2	-	-
Level 3		
Total Level 3	-	-
Total	50,781,103	182,008,174

37 Capital management policies

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The gearing ratio at the end of the periods was as follows:-

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Debt	-	-
Less: Cash and cash equivalents (-)	(603,765,698)	(356,851,178)
Net Debt	(603,765,698)	(356,851,178)
Total equity Capital	60,897,030	60,897,030
Capital gearing ratio	(9.91)	(5.86)

38 The Board has recommended the final dividend of ₹ 3.95/- per equity share for the financial year 2017-18 subject to approval of Shareholders in the Annual General Meeting . Hence the total outflow will be of ₹ 3,01,73,477/- including Dividend Distribution Tax of ₹ 61,42,596/- .

39 Company was operating from the premises situated at SHCIL House, P-51, TTC Industrial Area, MIDC, Mahape, Navi Mumbai – 400710, leased out to it by its holding Company Stock Holding Corporation of India Limited. On Monday, December 11, 2017 fire incident occurred at the above mentioned premises. Based on Preliminary assessed estimated Architect certificate, fire incident has resulted in damage to office premises & Property due to emanating heat. Written down values of above Fixed assets stand of ₹ 14 as on December 2017. Estimated replacement cost of the above fixed assets is yet to be ascertained.

40 The Board of Directors at its meeting held on 20th July, 2017 has in-principally approved the merging of the retail operations of the company with Stockholding Corporation of India limited. But the same is subject to the requisite approvals from SEBI, NSE and BSE . Till date, no such approval has been received. This has no financial impact as on date.

41 Figures for the corresponding previous period have been regrouped, recast and rearranged to confirm to those of current period.

As per Our Report of even date attached

For and on behalf of
Chokshi & Chokshi LLP
Chartered Accountants
FRN: 101872W/W100045

Raghav Mohta
Partner
Membership No. 426718

For and on behalf of Board of Directors
SHCIL Services Limited

Neha Sunke
Head of Finance

Rajneesh Singh
Company Secretary

Sanjay Pote
Managing Director
& Chief Executive
Officer

G. Anantharaman
Director

Vineet Potnis
Director

Ramesh N.G.S.
Non - Executive
Chairman

D. C. Jain
Director

Kalpna Joshi
Director

Place: Mumbai
Date: Apr 24, 2018

PHOTO GALLERY



❁
Shri Ramesh NGS- Non-Executive Chairman,
Shri Sanjay Pote – MD & CEO and
Shri Amit Dassi - Retail Head, StockHolding (standing second in front row from
left to right) along with Officer's of the Company at a Business Conference held
at Dr. Modi's Resort, Karjat, Mumbai
on June 9 - 10, 2018.



PHOTO GALLERY



❄️
Shri Ramesh NGS- Non-Executive
Chairman addressing the
participants at a business conference
held at Dr. Modi's Resort,
Karjat, Mumbai.



❄️
Shri Sanjay Pote – MD & CEO
welcoming Shri Amit Dassi- Retail
Head, StockHolding at a business
conference held at Dr. Modi's Resort,
Karjat, Mumbai.



❄️
Shri Sanjay Pote – MD & CEO
handing over Idea Master contest
award to Shri Rajeev Somaiya –
Executive.



PHOTO GALLERY



❄
Shri Sanjay Pote- MD & CEO
Inaugurating the Institutional Desk
on July 20, 2018 at Fort, Mumbai, also
present Shri Sanjib Chattopadhyay –
Regional Manager, Mumbai .



❄
Runner up team of SHCIL Services
Ltd in Inter Group (women) Cricket
Tournament of StockHolding Group,
held at Vashi Sports Club, Navi
Mumbai.



PHOTO GALLERY



As a part of CSR initiative of SSL (through SHCIL Foundation Trust) supported refurbishment of electrical unit with machines for giving young adults from economically weaker sections, school drop-outs, the technical training for their livelihood.



CSR initiative of SSL towards strengthening and enhancing the education drive through the Bridge School run by Anchalika Jan Seva Anushthan for girl children, child labour, school drop-outs residing in tribal areas, Orissa.



To support Swach Bharat and Sanitation drive, SSL through SHCIL Foundation Trust, constructed the toilet and septic tank at Jamshedpur.





SHCIL Services Ltd.

Registered Office: SHCIL House, P-51, TTC Industrial Area, MIDC, Mahape, Navi Mumbai - 400710
Website: www.shcilservices.com **CIN -** U65990MH1995GOI085602 **Follow us on**   **@SHCILServices**