



**ANNUAL REPORT**  
**2011-12**

**Stock Holding Corporation of India Limited**

## Board of SHCIL



**B. Ravindranath**  
*Non-Executive  
Chairman*



**A. R. Sekar**  
*Director*



**Prakash P. Mallya**  
*Director*



**S. B. Mainak**  
*Director*



**G. Anantharaman**  
*Director*



**Ashok Motwani**  
*Managing Director & CEO*



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## Mission Statement

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*“To be a world class technology driven  
and client focused market  
leader in financial and  
technical services”*

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**BOARD OF DIRECTORS (AS ON AUGUST 22, 2012)**

B. Ravindranath A. R. Sekar Prakash P. Mallya S. B. Mainak G. Anantharaman Ashok Motwani	Non-Executive Chairman
	Managing Director & CEO
Shashikant L. Nayak	Company Secretary
Statutory Auditors	M/s. Kalyaniwalla & Mistry
Internal Auditors	M/s. Chaturvedi & Co. (till FY 2011—12) M/s. Devdhar Joglekar & Srinivasan (from 2012-13 onwards)
Other Auditors	
System Auditors	M/s. Devdhar Joglekar & Srinivasan M/s. TUV-Nord India Pvt. Ltd., M/s. IDBI Intech Limited M/s. Desai Rajendra & Co.
Gol Bonds	M/s. Pravin Chandak & Associates
SEBI audit	M/s. Yadav Pujara & Shah
Physical Verification of fixed assets	M/s. Devdhar Joglekar & Srinivasan
Fund Valuation Services	M/s. Devdhar Joglekar & Srinivasan
<b>Registered Office:</b>	301, Centre Point, Dr. Babasaheb Ambedkar Road, Parel, Mumbai 400 012. Tel: 022-61779400-09, Fax: 022-61779045 <b>Web: <a href="http://www.shcil.com">www.shcil.com</a></b>

**Performance Highlights****(₹ in Crores)**

	2011-12	2010-11	2009-10
<b>EARNINGS :</b>			
Income from Operations	220	230	220
Interest & Dividend Income	33	25	22
Other Income	8	14	1
Extraordinary Income	-	-	295
<b>Total Income</b>	<b>261</b>	<b>269</b>	<b>538</b>
<b>Expenses:</b>			
Operating Expenses	186	157	144
Interest & Financial Charges	*	-	1
Profit before Depreciation	75	112	393
Depreciation	23	19	12
Profit before Tax	<b>52</b>	<b>93</b>	<b>381</b>
Provision for Tax	13	25	95
Provision for Deferred Tax	2	4	1
Adjustment for previous years	1	-	1
Profit after Tax	<b>36</b>	<b>64</b>	<b>284</b>
<b>Assets Employed:</b>			
Net Fixed Assets	150	131	127
Capital Work-in-Progress	3	9	10
Investments	91	77	104
Current / Non-Current Assets, Loans & Advances	469	421	392
Deferred Tax Asset / (Liability)	1	3	8
Current / Non-Current Liabilities & Provisions	262	212	263
<b>Total Assets</b>	<b>452</b>	<b>429</b>	<b>378</b>
<b>Financed by:</b>			
Share Capital	21	21	21
Reserves & Surplus	431	408	357
Secured loans	-	-	-
<b>Total Funds</b>	<b>452</b>	<b>429</b>	<b>378</b>
<b>Key Indicators</b>			
EPS (₹)	17.15	30.21	135.06
Dividend (%)	50	50	935
Networth	452	429	378
Book Value per Share (₹)	215	204	179

\* amount less than ₹ 1 crore



## DIRECTORS' REPORT

Your Directors are pleased to present the twenty fifth Annual Report of your Corporation along with the Audited Statement of Accounts for the financial year ended March 31, 2012.

### ECONOMIC AND CAPITAL MARKET DEVELOPMENTS

The global economic growth in 2011 was 3.9%, as per IMF. The global prospects are expected to strengthen gradually but the downside risks remain elevated, which is also reflected in the projections for the year 2012 being at 3.5%. The US economy showed signs of modest recovery during the year. However, the euro debt crisis weighed heavily on the global economy as well as the financial markets across the globe. ECB injected liquidity of more than one trillion euro through two long-term refinancing operations, which alleviated the effect on the financial markets to a large extent. However, recent developments in various euro zone countries clearly indicate that the euro area sovereign debt problem will continue to weigh on the global economy and there exists no immediate solution. On the other hand, the main concern for emerging economies is high inflation and volatile currency fluctuations adversely impacting the capital inflows to emerging economies.

The economic growth of India witnessed a slowdown from 8.6% in FY11 to 6.5% in FY12. Though agriculture and service sector posted good numbers the deceleration was on account of weak industrial activity. Deceleration in industrial production from the supply side and weak investment from the demand side had in particular, contributed to the growth slowdown. The Index of Industrial Production (IIP) increased by just 0.1 per cent in April 2012. During 2011-12, headline WPI inflation rate moderated from a peak of 10.0 per cent in September 2011 to 7.7 per cent in March 2012. However, during 2012-13 so far, provisional data suggests that the WPI stood at 7.2 per cent in April and rose to 7.6 per cent in May, driven mainly by food and fuel prices. According to RBI, keeping in view the domestic demand supply balance and the global trend in commodity prices, the baseline projection for WPI inflation for FY13 is 6.5%. Indian Rupee witnessed considerable volatility during the year despite closing on a flat note at ₹ 50.87 against USD as at March 31, 2012. Liquidity conditions remained tight for most part of the year despite various measures taken by RBI to ease the liquidity.

The Indian capital market witnessed a decline during FY12 as BSE Sensex fell from 19,463 to 17,404, a fall of 10.58% and NSE Nifty fell from 5835 to 5296, i.e. a fall of 9.25%, amidst considerable volatility during the year. The market witnessed net FII inflow of ₹ 93,726 crore. Turnover in the cash segments in both the exchanges (i.e. BSE and NSE) fell by an average of 25.71% during the year while the turnover in derivative segment witnessed a moderate increase of 7.19%. Further, delivery based turnover on BSE registered a fall of 40.66% in FY12, a sharp decline from ₹ 3,00,367 crores in FY 2011 to ₹ 1,78,249 crores in FY 2012.

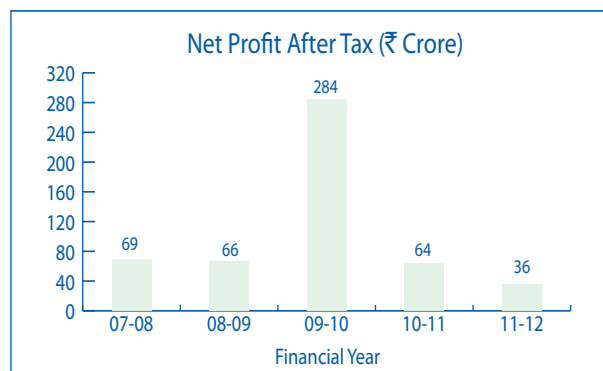
### FINANCIAL PERFORMANCE

During the year, your Corporation earned Profit After Tax (PAT) of ₹ 36 crore as against PAT of ₹ 64 crore in 2010-11. The Board of Directors has approved the appropriation of net profit as given under.

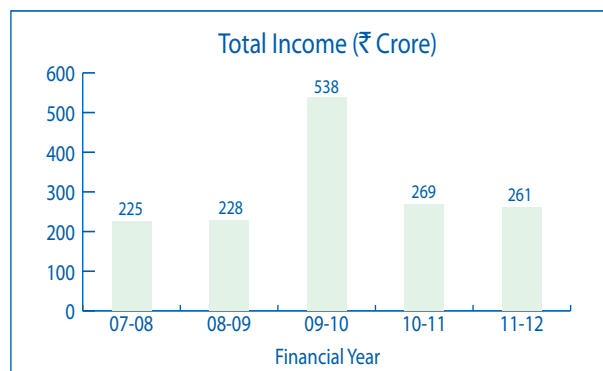
(₹ in crore)

Particulars	March 31, 2012	March 31, 2011
Profit before Depreciation	75	112
Depreciation	23	19
Profit before Tax	52	93
Provision for Tax	13	25
Provision for Deferred Tax	2	4
Adjustment for previous years	1	-
Profit after Tax	36	64
Surplus Brought Forward	278	233
Profit available for Appropriation	314	297
Interim Dividend at ₹ 2.50 per share	5	-
Proposed Final Dividend at ₹ 2.50 per share	5	11
Tax on Dividend	2	2
Transfer to General Reserves	4	6
Surplus Carried Forward	298	278

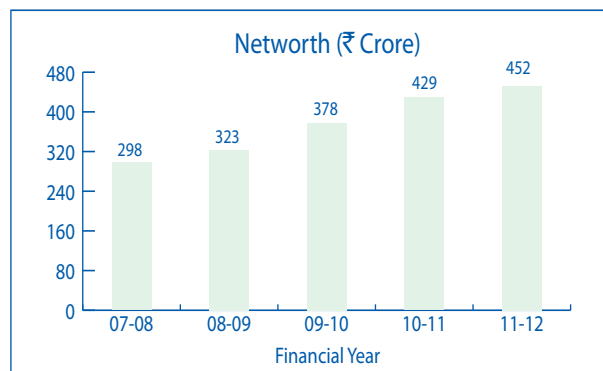
The Net profit after tax declined by 44% in 2011-12 as compared to 2010-11. The decline in net profit is mainly due to volatile capital market sentiments, higher incidence of depreciation and on account of provisions / write offs.



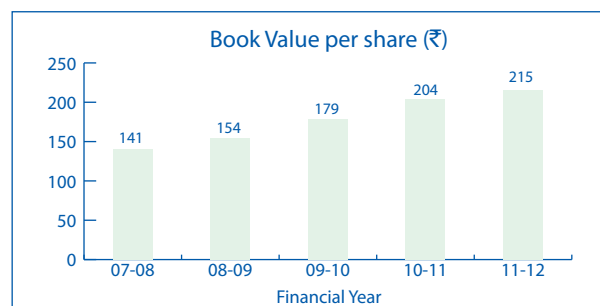
Your Corporation recorded a total income of ₹ 261 Crore, down 3% from 2010-11



The Net worth as on March 31, 2012 increased to ₹ 452 Crore as against ₹ 429 Crore as on March 31, 2011



The Book value per share increased from ₹ 204 as on March 31, 2011 to ₹ 215 as on March 31, 2012.



## CONSOLIDATION OF ACCOUNTS

For the first time, your Corporation has consolidated the accounts of its two subsidiaries viz., SHCIL Services Limited and SHCIL Projects Limited with its accounts. The consolidated balance sheet, profit & loss account, cash flow along with notes to accounts are attached. As per Accounting Standard 21 when the company consolidates the accounts for the first time, previous year figures are not required to be given.

## DIVIDEND

The Board of Directors recommends a final dividend of ₹ 2.50 per share (25%). Total dividend for the year together with interim dividend of ₹ 2.50 per share paid earlier would be ₹ 5 per share (50%) for the year 2011-12. This dividend shall be subject to dividend distribution tax to be paid by your Corporation, but will be tax free in the hands of the shareholders.

## Operations Review

Your Corporation has added a number of new custodial clients in its portfolio during the year. Your Corporation has also entered into an MoU with a foreign bank to provide custodial services to FII clients of the Bank.

In the retail business segment, your corporation continues to extend DP and Broking Services to its clients and as a Professional Clearing Member provides services to trading members in Futures and Options segment. During the year under review, your Corporation added new DP clients as well as new Sub Broking clients. Your Corporation has successfully converted 23% of its DP clients into sub broking clients.

Your Corporation also distributes third party products through its pan India branch network. Your





Corporation has tie ups with several agencies for offering various third party products to it's clients.

During the year your Corporation has entered into an agreement with Credila for marketing and distribution of education loans. Your Corporation has also entered into an agreement with Tata Capital for sourcing leads for various loan products such as home loan, auto loan, personal loan, business loan, loan against property, loan against shares, etc. Your Corporation has also executed an agreement with HDFC for sourcing leads for home loans and STCI for distribution of capital market related retail loan products.

Your Corporation has tied up with a life insurance company of repute to collect Insurance Premium from its policy holders. Deliberations with other life Insurance Companies are in progress to collect insurance premium from their policy holders. All these efforts for diversification into new products and services are likely to have positive impact on your Corporation's future profitability.

During the year under review, your Corporation stopped selling Insurance Products in compliance with IRDA guidelines stipulated while granting in-principle approval to our subsidiary, SHCIL Projects Ltd (SPL) to act as Insurance Repository.

The continued volatile and adverse capital market sentiments severely affected retail participation and consequently your Corporation's depository and broking income. Further, there has been substantial reduction in subscriptions to GOI Bonds during the year. As against ₹ 793.21 crores mobilized during April 2010 - March 2011, mobilizations in the year April 2011- March 2012, was ₹ 35.61 crores only. The decline in GOI Bonds subscription has been on account of availability of other secured investment opportunities in the market with higher interest rates.

### **e-Stamping**

The income from e-Stamping business registered substantial jump from ₹ 21.98 crore to ₹ 47.13 crore, an increase of 114 % over the previous year. Buoyed by this extraordinary growth, the income from retail segment increased from ₹ 112.05 crore to ₹ 126.39 crore as compared to the previous financial year.

During the year, 3 new States were added where e-stamping services were rolled out thereby bringing the tally to 9 States as at March 31, 2012 viz.,

States of Gujarat, Karnataka, NCT Delhi, Maharashtra, Assam, Tamil Nadu, Rajasthan, Himachal Pradesh and Uttarakhand. Your Corporation has recently launched e-Stamping in the Union Territories of Daman & Diu and Dadra & Nagar Haveli on April 18, 2012 and Puducherry on July 18, 2012.



*Shri N. Rangasamy, Hon'ble Chief Minister of Puducherry (3rd from left) along with Shri R. H. Mewawala- EVP-SHCIL, Shri K. R. Meena IAS - Commissioner cum Secretary (revenue) and Shri V. W. R. Murthy IAS, Secretary to the Government, the acting Collector of Puducherry (left to right)*



*MD & CEO with Shri Mohanjeet Singh, IAS - Development Commissioner - Daman & Diu and Dadra & Nagar Haveli, Shri Narendra Kumar IAS - Administrator of Daman & Diu and Dadra & Nagar Haveli and Shri Lalubhai Patel, Member of Parliament, Daman & Diu (left to right)*

Your Corporation has tied up with Nationalized Banks, Co-operative Banks, Scheduled Banks, Financial Institutions, Post Offices etc for acting as Authorised Collection Centres (ACCs). Further, your Corporation has appointed Lead generation agents / Marketing agents in the States of Maharashtra, Gujarat, Tamil Nadu, Rajasthan and Karnataka for enlarging the reach of e-stamping services. As on March 31, 2012 there were 21 operational ACCs and 1518 e-Stamping counters on a pan India basis.

## Human Wealth Development & Training

Your Corporation has always valued its employees as human wealth. During the year, your Corporation was able to induct fresh talent of 40 officers at the various levels. Your Corporation has recognised exemplary performance and during the year, 85 employees were recognised as "Star Performers". Further, senior employees were moved across locations in order to utilise their valuable experience and provide them with greater challenges and higher responsibilities. A number of changes were made in the HR policies by improving retention policies, providing opportunities for career growth and recognising exemplary performance.

The 25<sup>th</sup> year of inception was celebrated at Mhape office and at regional offices across the country. These celebrations have strengthened the bond among employees and their families and helped in creating a positive culture and environment.

Your Corporation has set up state-of-the-art training facilities at Mhape, Navi Mumbai viz. SHCIL Learning & Development Centre (SLDC). It offers the best infrastructural facilities for imparting training in a serene ambience. These facilities comprise 4 training halls, 5 break-out / syndicate rooms for group discussions, 24 well furnished residential rooms which can accommodate 48 participants on a twin-sharing basis. In addition, there is a multipurpose hall for holding seminars, conferences, etc. The multi-purpose hall can accommodate about 150 participants. During the last financial year, 23 internal programmes were conducted and 11 external training programmes were conducted at SLDC.



*A training session being held for SHCILians at Syndicate Room, Lotus, SHCIL Learning and Development Centre (SLDC), Mhape*

Apart from the internal training programmes, employees in the grade of Manager and above were deputed to Indian Institute of Management, Bangalore in 3 batches for attending the Emerging Leadership programme to hone their leadership skills and provide insight, direction and tools to use these skills effectively.



*A training session being held for SHCILians at Training Hall - Sharada, SHCIL Learning and Development Centre (SLDC), Mhape*

Your Corporation has entered into a tie up with T A Pai Management Institute (TAPMI), a reputed management and educational institution for using SLDC facility for conducting program for its students. TAPMI initially proposes to conduct evening and weekend management courses at SLDC.



*Senior Management Team along with the participants at the Area Managers' Meet held at SHCIL House, Mhape.*



## Future Outlook

Your Corporation derives about 70% of its income from the activities which are directly linked to capital market. Due to variety of reasons including Euro zone debt crisis, the market is expected to remain volatile atleast during major part of the current fiscal with possible improvement in the last quarter. Your Corporation has demonstrated reasonable resilience to capital market sentiment on the back of income generated from e-stamping & third party distribution business. If the interest rates continue to be stable your Corporation is likely to generate good treasury income. Your Corporation is expected to generate reasonably good profits which is likely to improve substantially if the capital market improves earlier than expected.

Your Corporation has two wholly owned subsidiaries, namely, SHCIL Services Limited (SSL) and SHCIL Projects Limited (SPL).

SSL is a member of Bombay Stock Exchange (BSE) & National Stock Exchange of India Limited (NSEIL). Your Corporation is a sub-broker of SSL. Consequent upon acquisition of shares from the private shareholders by your Corporation at par, SSL has become a 100% subsidiary of your Corporation.

SPL a 100% subsidiary of your Corporation is in the business of digitization, document management system, etc. It has also received in-principle approval from IRDA for providing insurance repository services. Final approval from IRDA is expected shortly.

SHCIL Commodities Derivatives Trading Limited (SCDTL) (under liquidation) is under members' voluntary winding up. Shri D. A. Kamat of M/s.D. A. Kamat & Co., Practicing Company Secretaries, was appointed as liquidator. The final meeting of the Contributories was held on March 27, 2012 wherein special resolution was passed for disposal of books and papers of the Company. The necessary forms have been filed with the Official Liquidator (OL) on March 30, 2012 and his final report is awaited which will be filed with the High Court – Mumbai for an order of winding up.

The application for strike off of Unitec Value Solutions Pte. Ltd., Singapore (UVS) has been filed

with the Regulators in Singapore on March 16, 2012.

## Board of Directors

Smt. Shashi Sharma resigned from the Board on September 21, 2011. The Board places on record its deep appreciation for the valuable contribution made by Smt. Shashi Sharma as Director so also as a member of various committees of the Board.

Shri B. Ravindranath and Shri S. B. Mainak retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

## Audit Committee

The Audit Committee comprises three Directors, viz., Shri Prakash P. Mallya, Shri S. B. Mainak and Shri G. Anantharaman. The Committee met 4 times during the year.

## Remuneration Committee

The Remuneration Committee comprises three Directors, viz., Shri S. B. Mainak, Shri G. Anantharaman and Shri A. R. Sekar. The Committee met 4 times during the year.

## Risk Management Committee

The Risk Management Committee comprises three Directors, viz., Shri Prakash Mallya, Shri G. Anantharaman and Shri A. R. Sekar. The issues as and when they occur requiring risk containment and mitigation measures are placed before the Risk Management Committee for their consideration.

## Committee for Transfer of Shares

The Committee for Transfer of Shares comprises of three Directors viz., Shri A. R. Sekar, Shri S. B. Mainak and Shri G. Anantharaman. The Committee met once during the year.

## Advisory Committee – Training Centre

The Board constituted an Advisory Committee comprising Shri G. Anantharaman, Shri S. B. Mainak, Shri A. R. Sekar, Directors and Shri Ashok Motwani, MD & CEO to evaluate various options for optimum utilization of Training Centre facilities and negotiate with an institute of repute which would further improve the visibility of your Corporation apart from generating additional income.



### Corporate Social Responsibility

Your Corporation promotes its Corporate Social Responsibility (CSR) activities through its Trust - SHCIL Foundation.

During financial year 2011-12 being the Corporation's Silver Jubilee Year, enhanced focus was laid on the CSR activities which began on the Foundation Day on July 28, 2011. Shcilians visited an Old Age Home & Orphanage at Panvel, Mother Teresa's Missionaries of Charity Home at Airoli and Ma Niketan at Thane. Sweets & fruits were personally distributed to the destitute inmates of these Homes. Further deaf-blind and mute children from the neighbouring Helen Keller Institute, Mhape were invited to SHCIL's Mhape office for rendering dance performance. Shcilians also contributed towards Christmas Gifts for the cancer-affected children of Tata Memorial Hospital.

During the year, your Corporation organised Bone Density and Breast Cancer Detection Medical Camps at the slums of Cuffe Parade, Navi Mumbai and Dharavi which received overwhelming response.



*Volunteers of SHCIL Foundation Trust rendering help at the registration counter of medical camp on bone density & breast cancer held for the under privileged conducted at Kamaraj Memorial English High School, Dharavi.*



*Dr. C. P. Meera, Medical Practitioner - SHCIL alongwith MD & CEO inaugurating medical camp on bone density & breast cancer held for the under privileged conducted at NMMC School - Ghansoli.*

As many as 2700 residents of these areas turned up for these camps. Free medicines were provided to those with calcium deficiency. Patients having symptomatic abnormalities were sent to a Medical Centre of repute for free mammography tests financed by SHCIL Foundation. A free medical camp was also organised in Karkardooma, Delhi in association with National Society for Prevention of Blindness which also received an overwhelming response.

### Auditors

The present statutory auditors of your Corporation, M/s Kalyaniwalla and Mistry, retire at the ensuing Annual General Meeting and are eligible for reappointment.

Your Corporation has an elaborate internal audit system. Internal Audit is carried out by a reputed firm of Chartered Accountants.

### Transfer to Reserves

It is proposed to transfer an amount of ₹ 3.65 crore to the general reserve.

### Fixed Deposits

Your Corporation has not accepted any fixed deposits from the public. Hence, no information is required to be appended to this report.

### Buy Back of Shares

During the financial year 2011-12, your Corporation has not announced any scheme of buy back of its shares from its shareholders. Accordingly, the requirement as to disclosure of reasons for failure to complete the buy back within the time specified under Section 77 A of the Companies Act, 1956 does not arise.

### Particulars of Employees u/s 217 (2A)

Since none of the employees of your Corporation earned income in excess of the amount specified under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the relevant provisions are not applicable.



### **Companies (disclosure of particulars in the report of the board of directors) rules 1988**

a) As your Corporation does not carry on manufacturing activities, particulars required to be disclosed with respect to conservation of energy and technology absorption in terms of Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

b) Foreign exchange earning and outgo during the year under review:

Foreign Exchange earnings - ₹ Nil (Previous year nil)

Foreign Exchange outgo – ₹ 12.76 crore (previous year – ₹ 5.30 crore)

### **Directors Responsibility Statement**

Pursuant to the provisions of the Section 217 (2AA) of the Companies Act, 1956, your Directors confirm:

- (i) that in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of your Corporation at the

end of the financial year and of the profit of your Corporation for that period;

- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of this Act, for safeguarding the assets of your Corporation and for preventing and detecting fraud and other irregularities ;
- (iv) that the annual accounts have been prepared on a going concern basis.

### **Acknowledgements**

The Board places on record its deep appreciation for the excellent support and patronage of SEBI, RBI, PFRDA, various IGRs of State Governments and Banks. The Board also expresses its sincere thanks to National Stock Exchange of India Limited, Bombay Stock Exchange Limited, National Securities Depository Limited, Central Depository Services Limited, Clearing Corporation of India Limited, Association of Mutual Funds, Clients and the shareholders for their cooperation and support in various spheres of your Corporation's activities. The Board of Directors also expresses its gratitude for the exemplary services rendered by the Officers of your Corporation.

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

**B. Ravindranath**

August 22, 2012

Non Executive Chairman

## Report on Corporate Governance

(forming part of Directors' Report for the year ended March 31, 2012)

### Your Corporation's philosophy on code of Governance

Your Corporation is not a listed entity. Nevertheless, it endeavours to comply with Corporate Governance norms as specified under Clause 49 of the Listing Agreement. Your Corporation'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. Your Corporation ensures that its operations and actions are totally transparent and serve the underlying goal of enhancing shareholder value.

Your Corporation has a Code of Conduct for its Employees and Directors. The objective of this Code is to ensure observance of high ethical standards by the Directors and the Employees of your Corporation, and their commitment to the task of enhancing fairness and integrity of the system both in letter and in spirit.

### Board of Directors

The Board sets the strategic goals for your Corporation, defines its policies and oversees the implementation of these policies to enable actions that would lead to the attainment of the goals. The Board consists of six members including one independent director. The day-to-day management is being looked after by the Managing Director and CEO.

The composition of the Board as on August 22, 2012 is as follows:

1. Shri B. Ravindranath, representing IDBI Bank Limited & Non-Executive Chairman
2. Shri A. R. Sekar, representing General Insurers' (Public Sector) Association (GIPSA) member companies & the GIC
3. Shri Prakash P. Mallya, Independent Director
4. Shri S. B. Mainak, representing LIC of India
5. Shri G. Anantharaman, representing SU-UTI
6. Shri Ashok Motwani, Managing Director & CEO

### Details of the Board Meeting and Attendance

The Board of Directors meets atleast once a quarter. Four meetings were held during the financial year 2011-12. Details of Board Meetings held are as follows:

Sr. No.	Date of the Board Meeting	Board Strength	No. of Directors present
1	April 25, 2011	7	7
2	July 28, 2011	7	5
3	December 19, 2011	6	6
4	March 27, 2012	6	5

Attendance of Directors during 2011-12 at each of above meetings is as follows :



Sr. No.	Name of the Director	No. of meetings attended	Date of appointment	Date of resignation
1	Shri A. R. Sekar	2 (4)	July 25, 2007	N.A.
2	Shri R. C. Razdan	1 (1)	September 4, 2007	April 30, 2011
3	Shri B. Ravindranath	4 (4)	June 1, 2008	N.A.
4	Shri Prakash P. Mallya	3 (4)	September 22, 2008	N.A.
5	Shri S. B. Mainak	4 (4)	November 10, 2009	N.A.
6	Smt. Shashi Sharma	2 (2)	December 22, 2009	September 21, 2011
7	Shri G. Anantharaman	4 (4)	May 17, 2010	N.A.
8	Shri Ashok Motwani	3 (3)	April 25, 2011 as Additional Director & May 2, 2011 as MD & CEO	N.A.

(The figure in the bracket indicates the meetings held during the tenure of the Director)

The details of Directorships held by the Directors in other companies are as follows:

**Shri B. Ravindranath**

Sr. No.	Name of company / Institution	Nature of interest
1	Asset Reconstruction Company (India) Ltd.,	Nominee Director
2	Mangalore Refinery and Petrochemicals Ltd.	Nominee Director
3	IDBI Infrafin Limited	Nominee Director

**Shri A. R. Sekar**

Sr. No.	Name of company / Institution	Nature of interest
1	The New India Assurance Company Limited	Director
2	The New India Assurance (Trinidad & Tobago Limited), Port of Spain	Director
3	Prestige Assurance Plc., Nigeria	Director
4	India International Insurance Pte. Ltd., Singapore	Director
5	SVC Superchem Ltd., Mumbai	Director
6	GIC Housing Finance	Director

**Shri Prakash P. Mallya**

Sr. No.	Name of Company / Institution	Nature of interest
1	Falcon Tyres Ltd.	Independent Director
2.	Lanco Solar Private Limited	Director

**Shri S. B. Mainak**

Sr. No.	Name of Company / Institution	Nature of interest
1	National Stock Exchange of India Ltd.	Director
2	Ascent India Capital (UTI Venture)	Investment Committee Member - Fund I

**Shri G. Anantharaman**

Sr. No.	Name of company / Institution	Nature of interest
1	Shriram General Insurance Co. Ltd.	Director
2	Tata Reality & Infrastructure Ltd.	Director
3	Canara Robeco Asset Management Co. Ltd.	Chairman of Trustee Board

**Shri Ashok Motwani**

Sr. No.	Name of Company / Institution	Nature of interest
1	SHCIL Services Ltd.	Non-Executive Chairman
2	SHCIL Projects Ltd.	Non-Executive Chairman
3	National Securities Depository Limited	Member (user representative) on the Executive Committee

**Details of Audit Committee, Composition and the attendance**

The scope of internal audit covers audit of Custodial Operations, Depository Participant Operations, Derivatives, SGL, GOI bonds, Sub-broking activities, e-Stamping activities, other Products, Administration, Human Wealth Development, IT, etc.

As mandated, your Corporation conducts a yearly Custodial Audit and reports to SEBI under Regulation 14(2) of the SEBI Custodial Regulations 1996. Your Corporation also conducts audit of its depository activities and reports to SEBI under Regulation 46 of SEBI (Depository Participant) Regulation 1996 and Clause 10.3.1 of byelaws of NSDL and Clause 16.3 of byelaws of CDSL.

The Audit Committee met 4 times during the year. The details of attendance of the Directors at the Audit Committee meeting are as follows :

Sr. No.	Name of the Director	No. of meetings held	No. of meetings attended
1	Shri Prakash P. Mallya	4	3 (4)
2	Shri S. B. Mainak	4	4 (4)
3	Shri G. Anantharaman	4	4 (4)

(The figure in the bracket indicates the meetings held during the tenure of the Director.)

**Details of Remuneration Committee, Scope, composition and attendance**

The Remuneration Committee reviews the compensation package and other benefits payable to the employees at various levels, including the Managing Director, from time to time and recommends changes/ modifications in the same to the Board for its consideration and approval. The Remuneration Committee comprises three Directors, viz, Shri S. B. Mainak, Shri G. Anantharaman and Shri A. R. Sekar. The Remuneration





Committee met 4 times during the year. The details of attendance of the Directors at the Remuneration Committee meeting are as follows :

Sr. No.	Name of the Director	No. of meetings held	No. of meetings attended
1	Shri G. Anantharaman	4	4 (4)
2	Shri A. R. Sekar	4	2 (2)
3	Shri S. B. Mainak	4	3 (4)

(The figure in the bracket indicates the meetings held during the tenure of the Director.)

#### **Details of Risk Management Committee, Composition and the attendance**

Risk Management Committee reviews various risks your Corporation is exposed to and considers the mitigants suggested by the business heads / departmental heads.

The Risk Management Committee comprises three Directors, viz., Shri Prakash Mallya, Shri A. R. Sekar and Shri G. Anantharaman. The issues as and when they occur requiring risk containment and mitigation measures are placed before the Risk Management Committee for their recommendations.

#### **Details of Advisory Committee for Training Centre, Scope, Composition and the attendance**

Advisory Committee of the Board was constituted to evaluate various options for tie up with educational institutions which would further improve the visibility of your Corporation apart from generating additional income. The Committee comprises four Directors, viz., Shri S. B. Mainak, Shri A. R. Sekar, Shri G. Anantharaman and Shri Ashok Motwani.

The Committee met twice during the year. The details of attendance of the Directors at the Advisory Committee meeting are as follows :

Sr. No.	Name of the Director	No. of meetings held	No. of meetings attended
1	Shri G. Anantharaman	2	2 (2)
2	Shri A. R. Sekar	2	2 (2)
3	Shri S. B. Mainak	2	2 (2)
4	Shri Ashok Motwani	2	2 (2)

(The figure in the bracket indicates the meetings held during the tenure of the Director.)

#### **Details of Committee for Transfer of Shares, Scope, Composition and the attendance**

Committee for Transfer of Shares considers transfer of shares held by institutional shareholders in view of pre-emptive rights applicable to institutional shareholders.

The Committee met once during the year on August 24, 2011 and approved the sale of 35,70,000 equity shares of your Corporation by ICICI Bank Limited to IFCI Limited.

The Committee comprises three Directors, viz., Shri S. B. Mainak, Shri A. R. Sekar and Shri G. Anantharaman. The details of attendance of the Directors at the Committee Meeting for Transfer of Shares are as follows :

Sr. No.	Name of the Director	No. of meetings held	No. of meetings attended
1	Smt. Shashi Sharma	1	1 (1)
2	Shri A. R. Sekar	1	1 (1)
3	Shri G. Anantharaman	1	1 (1)
4	Shri S. B. Mainak	Nil	Nil

(The figure in the bracket indicates the meetings held during the tenure of the Director.)

### Shareholding Pattern

The share holding pattern of your Corporation is as under :

Equity Shareholders	Number of equity shares of face value Rs 10/-	% of total equity shares
IFCI Ltd	71,40,000	33.91
IDBI Bank Ltd	39,90,000	18.95
Administrator of the Specified Undertaking of the Unit Trust of India	35,70,000	16.96
Life Insurance Corporation of India	31,50,000	14.97
General Insurance Corporation of India	6,30,000	2.99
New India Assurance Company Limited	6,30,000	2.99
United India Insurance Company Limited	6,30,000	2.99
Oriental Insurance Company Limited	6,30,000	2.99
National Insurance Company Limited	6,30,000	2.99
Others	54,400	0.26
Total	2,10,54,400	100

### General Meetings

Annual General Meeting (AGM) & Extraordinary General Meeting (EGM) of your Corporation are held at Mumbai and the details of the meetings held during the past three years are as under :

General Meeting Year	22nd AGM 2008-09	23rd AGM 2009-10	24th AGM 2010-11
Venue	44/1, Kalicharan Mehra Estate, Nr. Vikhroli Station, Vikhroli West, Mumbai 400 079.	ITC Grand Central, Parel, Mumbai 400 012.	Unit no. 301, Centre Point, Dr. B. Ambedkar Road, Parel, Mumbai 400 012
Date and Day Meeting	September 25, 2009 Friday	September 27, 2010 Monday	September 23, 2011 Friday

The special resolutions passed during the last three Annual General Meetings, were as under :

Meeting no.	Resolution No.	Particulars of Resolution
22	5	Appointment of M/s. Kalyaniwalla & Mistry as Statutory Auditors of SHCIL
22	8	Amendment of Articles of Association of SHCIL – replacing the existing Article no.24 (buy back of shares)
22	9	Amendment of Articles of Association of SHCIL – inclusion of a sub-clause no.10 to the existing Article no.60(A) Preemptive rights
23	5	Appointment of M/s. Kalyaniwalla & Mistry as Statutory Auditors of SHCIL
24	5	Appointment of M/s. Kalyaniwalla & Mistry as Statutory Auditors of SHCIL
24	8	Amendment to Memorandum of Association to specifically cover Depository Participant (DP) Activities, being a pre-requisite for renewal of registration as DP.



## Disclosures

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

## Communication

The accounts of your Corporation are audited every quarter and the audited quarterly financial results are placed before the Audit Committee for recommendation and approval of the Board.

## Dividend history of last five years

Sr. No.	Financial year	Rate of dividend	Date of declaration (AGM)
1	2006-07	50%	September 3, 2007
2	2007-08	50%	August 4, 2008
3	2008-09	165%	September 25, 2009
4	2009-10	935%	September 27, 2010
5	2010-11	50%	September 23, 2011

Pursuant to section 205C of the Companies Act, 1956, dividends that are unclaimed for a period of seven years get transferred to the Investors' Education and Protection Fund administered by the Central Government.

## Shareholder Information

### a) Annual General Meeting

Date, time & Venue of the Annual General Meeting September 27, 2012 at 4.00 p.m. at Stock Holding Corporation of India Limited, 301, Centre Point, Dr. Babasaheb Ambedkar Road, Parel, Mumbai 400 012.

### b) Date of Book closure / record date

September 27, 2012

### c) Dividend payment date

Dividend after September 27, 2012 but within the statutory time limit

### d) Listing on Stock Exchange

Your Corporation's shares are not listed on any stock exchange.

### e) Share Transfer System

Your Corporation has received five requests for transfer of shares during the last three years.

### f) Distribution of shareholding as on March 31, 2012.

The promoter institutions viz., IFCI Ltd., IDBI Bank Limited, Administrator of the Specified Undertaking of Unit Trust of India, LIC of India, General Insurance Company of India, The Oriental Insurance Company Limited, The New India Assurance Company Limited, United India Insurance Company Limited, and National Insurance Company Limited together hold 99.74% out of 21,054,400 equity shares of Rs.10 each issued and subscribed, the balance 0.26% of the shares are held by individuals.

### g) Address for correspondence

The Company Secretary  
Stock Holding Corporation of India Limited  
301, Centre Point,  
Dr. Babasaheb Ambedkar Road  
Parel, Mumbai 400 012.

Dated: August 22, 2012

**Statement pursuant to section 212 of the Companies Act, 1956 relating to Subsidiary Companies**

S.N.	Name of the Subsidiary Company	SHCIL Services Limited March 31, 2012	SHCIL Projects Limited March 31, 2012
1	Financial period ended	March 31, 2012	March 31, 2012
2	Holding company's interest as at March 31, 2012	100%	100%
3	Shares held by the holding company and its nominees in the subsidiary	31,70,000 equity shares & 18,86,250 (7%) non cumulative convertible preference shares of face value of ₹10/- each	2,70,00,000 equity shares of face value of ₹10/- each
4	The net aggregate amount of profits / (losses) of the subsidiary so far as it concerns the members of the SHCIL and is not dealt within the accounts of SHCIL for the financial year ended March 31, 2012	₹28.18 lakh	₹19.70 lakh
5	The net aggregate amount of profits / (losses) of the subsidiary so far as it concerns the members of the SHCIL and is not dealt within the accounts of SHCIL for the previous financial years	₹56.04 lakh	(₹87.21 lakh)
6	The net aggregate amount of the Subsidiary Company's profits / (losses) so far as it concerns the members of SHCIL and is dealt with or provided for in the accounts of SHCIL for the financial year ended March 31, 2012 and for the previous financial year.	—	—

Pursuant to the requirement of Section 212 of the Companies Act, 1956, Annual Accounts, Directors' Report and Auditors' Report of the Subsidiary Companies whose financial year has ended on March 31, 2012 have been attached.

**For Stock Holding Corporation of India Limited**

**Shashikant L. Nayak**  
Company Secretary

**L. Viswanathan**  
Executive Vice President

**B. Ravindranath**  
Non - Executive Chairman

**Ashok Motwani**  
Managing Director & CEO

**A. R. Sekar**  
**Prakash P. Malliya**  
**S. B. Mainak**  
**G. Anantharaman**  
Directors

Date: August 22, 2012



## AUDITORS REPORT

### TO THE MEMBERS OF STOCK HOLDING CORPORATION OF INDIA LIMITED

1. We have audited the attached Balance Sheet of Stock Holding Corporation of India Limited as at March 31, 2012 and the Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with

by this report are in agreement with the books of account.

- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
  - ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
  - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the directors, other than nominee directors appointed by public financial institutions, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of

**Kalyaniwalla & Mistry**  
**Chartered Accountants**  
**Firm Registration No. 104607W**

**Viraf R. Mehta**  
**Partner**

Membership No: 32083

Place: Mumbai  
Date: June 27, 2012

## ANNEXURE TO THE AUDITOR'S REPORT

Referred to in Paragraph (3) of our report of even date on the accounts of **Stock Holding Corporation of India Limited** for the year ended 31st March, 2012.

- 1) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on such verification were not material and have been properly dealt with in the books of accounts.
- (c) In our opinion the fixed assets disposed off during the year do not affect the going concern assumption.
- 2) The Company does not have any inventory to which the provisions of this said clause are applicable. Accordingly, the provisions of sub-para (ii) of para 4 of the Order are not applicable.
- 3) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of sub-clause (b), (c), (d) and (e) of sub-para (iii) of para 4 of the Order are not applicable.
- (b) The Company has not taken any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of sub-clause (f) and (g) of sub-para (iii) of para 4 of the Order are not applicable.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in the internal control system.
- 5) According to the information and explanations provided by the management, there are no contracts or arrangements during the year that need to be entered in the register required to be maintained under section 301 of the Companies Act, 1956.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under in respect of the deposits accepted from the public.
- 7) The Company has an internal audit system, which in our opinion, is commensurate with the size of the Company and the nature of its business.
- 8) In our opinion and to the best of our knowledge and according to the information given to us, the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of the activities carried on by the Company.
- 9) (a) According to the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2012 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us and the records



examined by us, there are no dues of Income Tax, Wealth Tax, Customs Duty, Service Tax, Excise Duty or cess outstanding on account of any dispute, other than those stated hereunder:

Name of Statute	Nature of Dues	Amount (In Lac)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	15.21	AY 2008-09	ITAT
Income Tax Act, 1961	Income Tax	1.50	AY 2008-09 & AY 2009-10	CIT(A)

- 10) The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial years.
- 11) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- 12) According to the information and explanations given to us, the Company has not granted loans and advances granted on the basis of security by way of pledge of shares, and other securities.
- 13) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies.
- 14) In our opinion, the Company has maintained proper records of the transactions and contracts in respect of investments purchased and sold during the year and timely entries have been made therein. The investments made by the Company are held in its own name except to the extent of the exemptions under section 49 of the Act.
- 15) According to the information and explanations given to us and the records examined by us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- 16) As per the records examined by us, no term loans were obtained by the Company from banks or financial institutions.
- 17) On the basis on an overall examination of the balance sheet and cash flows of the Company and the information and explanations given to us, we report that the Company has not raised any funds on short-term basis.
- 18) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19) The Company did not issue any debentures during the year.
- 20) The Company has not raised any money through a public issue during the year.
- 21) Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of

**Kalyaniwalla & Mistry**  
**Chartered Accountants**  
**Firm Registration No. 104607W**

**Viraf R. Mehta**  
**Partner**

Membership No: 32083

Place: Mumbai  
Date: June 27, 2012



**BALANCE SHEET AS AT MARCH 31, 2012**

(₹ in lakhs)

Particulars	Note	As at March 31, 2012	As at March 31, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	2,105	2,105
Reserves and Surplus	4	43,065	40,785
		<b>45,170</b>	<b>42,890</b>
<b>Non- current liabilities</b>			
Long Term Liabilities	5	2,247	2,975
Long Term Provisions	6	1,520	434
		<b>3,767</b>	<b>3,409</b>
<b>Current liabilities</b>			
Trade Payables	7	2,068	986
Other Current Liabilities	8	19,586	15,059
Short Term Provisions	9	766	1,664
		<b>22,420</b>	<b>17,709</b>
<b>Total</b>		<b>71,357</b>	<b>64,008</b>
<b>Assets</b>			
<b>Non- current assets</b>			
Fixed Assets:			
Tangible assets	10	14,441	12,746
Intangible assets	11	545	310
Capital work-in-progress		327	855
		<b>15,313</b>	<b>13,911</b>
Non-current investments	12	7,309	6,519
Deferred tax assets (net)	13	140	317
Long term loans and advances	14	1,173	1,219
Other non-current assets	15	198	2,050
		<b>24,133</b>	<b>24,016</b>
<b>Current assets</b>			
Current investments	16	1,772	1,167
Stock in trade	17	-	95
Trade receivables	18	4,904	5,056
Cash and bank balances	19	36,114	28,424
Short term loans and advances	20	3,291	4,969
Other current assets	21	1,143	281
		<b>47,224</b>	<b>39,992</b>
<b>Total</b>		<b>71,357</b>	<b>64,008</b>

The notes are an integral part of these financial statements

As per our report of even date  
For and on behalf of  
**KALYANIWALLA & MISTRY**  
Chartered Accountants

**Viraf R. Mehta**  
Partner

**Shashikant L. Nayak**  
Company Secretary

**L. Viswanathan**  
Executive Vice President  
(Finance)

Place : Mumbai  
Date: June 27, 2012

For and on behalf of the Board  
**B. Ravindranath**  
Chairman

**Ashok Motwani**  
Managing Director & CEO

**Prakash P. Mallya**  
**S. B. Mainak**  
**A. R. Sekar**  
**G. Anantharaman**  
Directors





## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lakhs)

Particulars	Note	Year ended March 31, 2012	Year ended March 31, 2011
<b>INCOME :</b>			
Revenue from Operations	22	22,000	22,955
Other Income	23	4,124	3,889
Total Revenue		26,124	26,844
<b>EXPENDITURE:</b>			
Employee benefits expense	24	7,592	7,848
Finance cost	25	36	-
Depreciation	26	2,267	1,889
Other expenses	27	11,048	7,840
Total expenses		20,943	17,577
<b>PROFIT BEFORE TAX</b>		5,181	9,267
Tax Expense			
- Current Tax		1,300	2,460
- Deferred Tax		177	446
- Adjustment for previous years		93	-
		1,570	2,906
<b>PROFIT FOR THE PERIOD</b>		3,611	6,361
Earnings per equity share			
Nominal value per share : ₹ 10			
Basic and Diluted (in Rupees) (Refer note 41)		17.15	30.21

The notes are an integral part of these financial statements

As per our report of even date  
For and on behalf of  
**KALYANIWALLA & MISTRY**  
Chartered Accountants

**Viraf R. Mehta**  
Partner

**Shashikant L. Nayak**  
Company Secretary

**L. Viswanathan**  
Executive Vice President  
(Finance)

Place : Mumbai  
Date: June 27, 2012

For and on behalf of the Board

**B. Ravindranath**  
Chairman

**Ashok Motwani**  
Managing Director & CEO

**Prakash P. Mallya**  
**S. B. Mainak**  
**A. R. Sekar**  
**G. Anantharaman**  
Directors

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012**

(₹ in lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	5,181	9,267
<b>Adjusted for :</b>		
Depreciation	2,267	1,889
(Profit) on sale of investments	(40)	(34)
Loss on winding up of subsidiary	5	-
(Profit)/Loss on sale of fixed assets	(21)	60
Loss from trading in securities	6	-
Dividend Income	(722)	(868)
Interest Income	(2,552)	(1,658)
Interest paid	36	-
Bad debts written off	216	389
Provision for diminution in investments/(written back)	(8)	31
Provision for doubtful debts /(written back)	376	(135)
Excess Provisions written back	(461)	(803)
Provision for claims	1,223	-
Operating Profit before working capital changes	5,506	8,138
<b>Movements in working capital</b>		
Increase/(decrease) in trade payables	962	(1,428)
Increase/(decrease) in provisions	154	820
Increase/(decrease) in other current liabilities	4,558	335
Increase/(decrease) in long term liabilities	(964)	(2,064)
(Increase)/decrease in trade receivables	(440)	(28)
(Increase)/decrease in stock in trade	89	(65)
(Increase)/decrease in loan and advances	1,872	(1,066)
Cash generated from operations	11,737	4,642
Direct Taxes paid	(1,399)	(3,209)
Net Cash (used in) / from operating activities	10,338	1,433
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(3,715)	(3,239)
Proceeds from sale of fixed assets	61	147
Purchase of Investments	(2,431)	(3,195)
Proceeds from sale of investments	2,204	1,092
Investment in subsidiary company	(1,158)	(700)
Fixed deposits placed with banks (net)	(9,259)	-
Fixed deposits maturity proceeds from banks (net)	-	5,791
Proceeds from winding up/striking off of subsidiaries	55	-
Interest received	1,547	2,079
Interest paid	(36)	-
Dividend received	722	868
Net Cash (used in) / from investing activities	(12,010)	2,843



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	(1,578)	(737)
Tax on Distributed Profit	(171)	(122)
Net cash (used in) financing activities	(1,749)	(859)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(3,421)</b>	<b>3,417</b>
Cash and cash equivalents (Opening Balance)	<b>21,453</b>	18,036
Cash and cash equivalents (Closing Balance)	<b>18,032</b>	21,453
<b>Notes :</b>		
(1) <b>Components Of Cash and Cash equivalents</b>		
With Banks	17,311	17,631
Cash and stamps in hand	411	536
Short term highly liquid investments	310	3,286
<b>Cash &amp; Cash Equivalents considered for Cash flow</b>	<b>18,032</b>	21,453

(2) Cash and cash equivalents include :

- i) Bank deposits which are under lien towards security and margin money - ₹ 2,875 lakhs (31.03.11- ₹ 1,988 lakhs) (refer note 19)
- ii) Bank balances in respect of unclaimed redemption proceeds/ interest and dividends ₹ 1,222 lakhs (31.03.11- ₹ 873 lakhs)

(3) The Company's bankers have sanctioned total fund-based limits of ₹ 16,938 lakhs to finance working capital requirements. The entire limits were unutilised as on March 31, 2012

As per our report of even date  
For and on behalf of  
**KALYANIWALLA & MISTRY**  
Chartered Accountants

**Viraf R. Mehta**  
Partner

**Shashikant L. Nayak**  
Company Secretary

**L. Viswanathan**  
Executive Vice President  
(Finance)

Place : Mumbai  
Date: June 27, 2012

For and on behalf of the Board  
**B. Ravindranath**  
Chairman

**Ashok Motwani**  
Managing Director & CEO

**Prakash P. Mallya**  
**S. B. Mainak**  
**A. R. Sekar**  
**G. Anantharaman**  
Directors

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

### 1 Background

Stock Holding Corporation of India Ltd. (SHCIL) was promoted by the public financial institutions and incorporated as a limited company on July 28, 1986. SHCIL provides custodial, depository, commission, brokerage and derivative clearing services. It provides services to institutional investors, banks, mutual funds and retail investors. SHCIL also acts as a central record keeping agency for collection and payment of non judicial stamp duty in states. SHCIL is a depository participant having 233 offices/ facilitation centers across the country.

### 2 Significant Accounting Policies

#### a) Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006 as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-non current classification of assets and liabilities.

#### b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affects the reported balances of assets and liabilities as of the date of the financial statement and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from estimates.

#### c) Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes expenses related to acquisition and installation of the concerned asset.

#### d) Computer Software

Computer software which forms an integral part of the related hardware is capitalised along with the hardware as fixed asset. Softwares which are not an integral part of computer hardware and from which future economic benefits are expected are treated as intangible assets and are amortised over their estimated useful life, namely three years. Costs related to development, upgradation and maintenance of software are charged to revenue.

#### e) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair vale determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### f) **Stock-in-trade**

Securities held for trade and those devolved on the Corporation in the process of settlement are held as stock-in-trade. Securities are valued at lower of cost and net realisable value.

### g) **Securities on Deposit**

Securities and deposit receipts received as collateral or directly deposited by clients with stock exchange are not recorded in the accompanying financial statements.

### h) **Corporate Actions**

Benefits on securities and redemption money collected on behalf of clients are recorded in the financial statements on actual receipt.

### i) **Revenue Recognition**

Custodial fees are accrued monthly on the basis of daily/ weekly average holdings in custody on the net asset value of holding in the electronic segment.

Service charges received are recognised as income on completion of post-trading operations. A post trading operation is treated as complete on settlement under the electronic segment and on lodgement/delivery of securities under the paper segment. Service charges for incomplete operations are treated as Advance Service Charges.

The annual maintenance charges received from beneficiary account holders / clearing members for depository services are amortised on time basis over the period of contract.

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

Dividend income is recognised when the right to receive dividend is established.

### j) **Leases**

#### **As a lessee:**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

### k) **Depreciation**

Depreciation on assets other than computers, vehicles and software, is provided on the written down value method at rates specified in Schedule XIV to the Companies Act, 1956. Computers, vehicles and software are depreciated on the straight line method so as to write off the asset over its estimated useful life or at the rates specified in Schedule XIV, whichever is higher. Depreciation on assets acquired / disposed during the year is provided on pro rata basis from/upto the month of acquisition/ disposal.

Assets depreciated over estimated useful life:

Computer Hardware	4 years
Computer software	3 years
Vehicles	3 years

Leasehold land is amortised on a straight line basis over the lease period.

### l) **Asset Impairment**

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 when the carrying

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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.

### **m) Employee Benefits**

Defined Contribution Plan:

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

Defined Benefit Plan:

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 balance sheet.

Compensated Absences:

Long term compensated absences are provided for on the basis of an actuarial valuation using the projected unit credit method as at the date of the balance sheet. Actuarial gains/losses, if any, are immediately recognised in the statement of profit & loss. Short term compensated absences are provided based on estimates.

### **n) Taxation**

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.

Deferred income tax on account of timing differences between taxable income and accounting income for the year is accounted for, subject to the consideration of prudence, by applying the tax rates and laws enacted or substantially enacted on the balance sheet date. Deferred tax assets other than unabsorbed depreciation and carried forward losses, subject to the consideration of prudence are recognised and carried forward only to the extent there is reasonable certainty that sufficient taxable income will be available in future, against which the deferred tax assets can be realised.

### **o) Provisions and Contingent Liabilities**

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities are disclosed 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.

### **p) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss 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 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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lakhs)

	As at March 31, 2012	As at March 31, 2011
<b>3 Share Capital</b>		
<b>Authorised</b>		
50,000,000 Equity shares of ₹ 10/- each	<b>5,000</b>	5,000
<b>Issued, Subscribed and Paid-up</b>		
21,054,400 Equity shares of ₹ 10/- each fully paid up	<b>2,105</b>	2,105
	<b>2,105</b>	2,105

- a) The number of shares outstanding at the beginning and at the end of the year ended March 31, 2012 and for the previous year ended March 31, 2011 are the same.

**b) Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2012 the amount of per share dividend recognised as distribution to equity shareholders was ₹ 5 (March 31, 2011 ₹ 5)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Details of shareholders holding more than 5% of the aggregate shares in the company**

**Percentage of holding:**

Name of shareholder :	<b>IDBI Bank Ltd</b>	
Number of shares held	<b>3,990,000</b>	3,990,000
Percentage of holding	<b>18.95</b>	18.95
Name of shareholder :	<b>ICICI Bank Ltd</b>	
Number of shares held	-	3,570,000
Percentage of holding	-	16.96
Name of shareholder :	<b>IFCI Ltd</b>	
Number of shares held	<b>7,140,000</b>	3,570,000
Percentage of holding	<b>33.91</b>	16.96
Name of shareholder :	<b>Administrator of the Specified Undertaking of the Unit Trust of India</b>	
Number of shares held	<b>3,570,000</b>	3,570,000
Percentage of holding	<b>16.96</b>	16.96
Name of shareholder :	<b>Life Insurance Corporation of India</b>	
Number of shares held	<b>3,150,000</b>	3,150,000
Percentage of holding	<b>14.96</b>	14.96

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

(₹ in lakhs)

	As at March 31, 2012	As at March 31, 2011
<b>4 Reserves &amp; Surplus</b>		
<b>Securities Premium Account</b>		
Balance as per last Balance Sheet	527	527
<b>General Reserve</b>		
Balance as per last Balance Sheet	12,351	11,711
Transfer from Profit and Loss account	365	640
	<b>12,716</b>	<b>12,351</b>
<b>Staff Welfare Fund</b>		
Balance as per last Balance Sheet	108	109
Less : Welfare expenditure incurred during the year	108	1
	-	108
<b>Surplus in Statement of Profit and Loss</b>		
Balance as per last Balance Sheet	27,799	23,302
Add: Net profit for the year	3,611	6,361
Less: Appropriations:		
Interim dividend	526	-
Proposed Final Dividend	526	1,053
Tax on distributed profits	171	171
Transfer to General Reserve	365	640
	<b>29,822</b>	<b>27,799</b>
	<b>43,065</b>	<b>40,785</b>
<b>5 Long Term Liabilities</b>		
Creditors for capital expenses	594	667
Advances and deposits	1,585	1,502
Advance depository participant charges	68	76
Other Liabilities	-	730
	<b>2,247</b>	<b>2,975</b>
<b>6 Long Term Provisions</b>		
Provision for employee benefits		
- Provision for compensated absences	297	283
Provision for claims (refer note 31)	1,223	151
	<b>1,520</b>	<b>434</b>
<b>7 Trade Payables</b>		
Dues to micro, small and medium enterprises (refer note 32)	-	-
Sundry Creditors	2,068	986
	<b>2,068</b>	<b>986</b>





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lakhs)

	As at March 31, 2012	As at March 31, 2011
<b>8 Other Current Liabilities</b>		
Advance depository participant charges	1,143	1,206
Unclaimed dividend	10	10
Investor Education and Protection Fund (Unclaimed amounts shall be transferred to the fund when due)		
Advances and deposits	4,365	5,639
Amount due on settlement (net) (refer note 33)	13,181	6,066
Amounts payable to Reserve Bank of India on account of distribution of GOI bonds (net)	91	-
Due to subsidiaries	94	-
Other creditors for capital expenses	360	391
Other Liabilities		
- Employee Benefits payable	5	871
- Statutory dues including Provident Fund and taxes	337	876
	<b>19,586</b>	<b>15,059</b>
<b>9 Short-Term Provisions</b>		
Proposed dividend	527	1,053
Tax on distributed profits	171	171
Provision for employee benefits (Refer note 34)		
- Provision for gratuity	-	341
- Provision for compensated absences	68	99
	<b>766</b>	<b>1,664</b>

## 10 TANGIBLE ASSETS :

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Additions	Deductions	As at 31.03.2012	Up to 31.03.2011	For the Year	On Deductions	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
Leasehold Land	168	-	-	168	32	2	-	34	134	136
Buildings * *	9,128	224	-	9,352	1022	413	-	1,435	7,917	8,106
Plant & Machinery	2,573	528	107	2,994	732	300	81	951	2,043	1,841
Computers	5,617	2377	741	7,253	4,494	806	731	4,569	2,684	1,123
Furniture & Fixtures	1,763	149	16	1,896	622	240	15	847	1,049	1,141
Office Equipment	595	356	14	937	266	79	11	334	603	329
Vehicles	209	-	13	196	139	59	13	185	11	70
<b>As at 31.3.12</b>	20,053	3,634	891	22,796	7,307	1,899	851	8,355	14,441	12,746
<b>As at 31.3.11</b>	19,861	2,266	2,074	20,053	7,607	1,646	1,946	7,307	-	12,746

\* \*Note: Buildings includes ₹ 408/- being the cost of 8 shares held in a Co-op Housing society.

## 11 INTANGIBLE ASSETS :

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Additions	Deductions	As at 31.03.2012	Up to 31.03.2011	For the Year	On Deductions	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
Computer Software	2,079	603	-	2,682	1,769	368	-	2,137	545	310
<b>As at 31.03.12</b>	2,079	603	-	2,682	1,769	368	-	2,137	545	-
<b>As at 31.03.11</b>	2016	63	-	2,079	1526	243	-	1,769	-	310

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### 12 NON -CURRENT INVESTMENTS

		Face Value		Number	Amount (₹ in lakhs)		
		(₹)		Sold / Transfer during the year	As at 31.03.12	As at 31.03.12	As at 31.03.11
<b>Long Term Trade - Fully Paid - at Cost</b>							
<b>Equity Shares</b>							
<b>Subsidiary Companies - Unquoted</b>							
27,000,000	SHCIL Projects Ltd.	10	-	27,000,000	<b>2,700</b>		1,575
-	SHCIL Commodities and Derivatives Trading Co. Ltd. ***	10	50,001	-	-		5
-	Unitech Value Solutions Ltd. ****	SGD \$1	100,000	-	-		29
3,499,998	SHCIL Services Ltd.	10	-	3,499,998	<b>350</b>		317
					<b>3,050</b>		1,926
	Less : Provision for Diminution				-		(4)
					<b>3,050</b>		1,922
<b>Preference Shares</b>							
<b>Subsidiary Companies - Unquoted</b>							
1,886,250	SHCIL Services Ltd. (7% Non Cumulative Convertible Pref. Shares)	10	-	1,886,250	<b>189</b>		189
<b>Non Trade - Fully Paid - at Cost</b>							
<b>Equity Shares</b>							
<b>Quoted</b>							
76,800	Ashok Leyland ##	1	-	76,800	<b>25</b>		25
-	Bajaj Auto Ltd.	10	1,640	-	-		25
6,875	BHEL#	2	-	6,875	<b>28</b>		28
-	HDFC Ltd.	2	6,225	-	-		27
-	Hindustan Unilever Ltd.	1	17,660	-	-		42
-	ITC Ltd.	1	5,750	-	-		10
35,975	NTPC Ltd.	10	-	35,975	<b>75</b>		75
-	Power Grid Corporation of India Ltd.	10	5,300	-	-		5
2,965	Reliance Capital Ltd.	10	-	2,965	<b>25</b>		25
8,000	Reliance Industries Ltd.	10	-	8,000	<b>79</b>		79
32,800	Reliance Power Ltd.	10	-	32,800	<b>49</b>		49
9,519	Shipping Corporation of India Ltd.	10	-	9,519	<b>9</b>		4
-	State Bank of India	10	2,850	-	-		50
14,075	Steel Authority of India Ltd	10	-	14,075	<b>25</b>		25
-	Tata Chemicals Ltd.	10	13,780	-	-		50
8,555	Tata Steel Ltd.	10	-	8,555	<b>45</b>		25
-	Tata Global Beverages Ltd.	1	50,000	-	-		39
12,200	UCO Bank Ltd	10	-	12,200	<b>15</b>		15
5,280	Wipro Ltd.	2	-	5,280	<b>25</b>		25
					<b>400</b>		623



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

		Face Value	Number	Amount (₹ in lakhs)		
		(₹)	Sold / Transfer during the year	As at 31.03.12	As at 31.03.12	As at 31.03.11
<b>Other Companies - Unquoted</b>						
2,250,000	National Stock Exchange of India Ltd.	10	-	2,250,000	394	394
87,000	Bombay Stock Exchange Ltd.	1	-	87,000	300	300
750,101	Investor Services of India Ltd.	10	-	750,101	75	75
					<b>769</b>	<b>769</b>
<b>Government Securities</b>						
<b>Quoted</b>						
6.20% Maharashtra SDL 2015	10,000	-	-	*	*	
6.35% Govt. of India 2020**	100,000,000	-	-	918	918	
7.95% MP SDL 2016	2,000,000	-	-	20	20	
7.17% Maharashtra 2017	900,000	-	-	9	9	
6.20% Karnataka 2015	380,000	-	-	4	4	
7.17% Andhra SDL 2017	800,000	-	-	8	8	
7.17% Kerala SDL 2017	800,000	-	-	8	8	
7.77% Karnataka 2015	2,000,000	-	-	20	20	
8.35% Maharashtra 2017	1,000,000	-	-	10	10	
12.30% GOI 2016**	1,500,000	-	-	18	18	
11.60% GOI 2020**	2,500,000	-	-	31	31	
11.83% GOI 2014**	5,550,000	-	-	65	65	
10.50 % CG 2014	44,500	-	-	*	*	
10.03% GOI 2019**	2,340,000	-	-	26	26	
6.05% GOI 2019**	3,050,000	-	-	26	26	
10.25% GOI 2021**	4,700,000	-	-	54	54	
8.07% GOI 2017**	6,900,000	-	-	70	70	
10.70% GOI 2020**	100,000	-	-	1	1	
6.35% Govt. of India 2020**	100,000,000	-	-	904	904	
6.05% Govt. of India 2019**	50,000,000	-	-	-	436	
					<b>2,192</b>	<b>2,628</b>
<b>PSU/Corporate Bonds</b>						
<b>Quoted</b>						
- IDBI Regular Income Bond - Flexi Bond-17 2013	5,000	-	400	-	20	
- 7.90% HUDCO Bonds 2013	1,000,000	-	3	-	30	
1 7.35% HUDCO Bonds 2013	1,000,000	-	1	10	10	
2 7.30% FCI 2015	1,000,000	-	2	19	19	
5 7.50% Bank of India 2015	1,000,000	-	5	48	48	

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

	Face Value	Number	Amount (₹ in lakhs)		
	(₹)	Sold / Transfer during the year	As at 31.03.12	As at 31.03.12	As at 31.03.11
4 7.45% State Bank of India 2015	1,000,000	-	4	38	38
3 7.60% Power Finance Corporation 2015	1,000,000	-	3	29	29
1 8.00% HDFC NCD 2016	1,000,000	-	1	10	10
3 9.25% PGC STRPP 2017	1,250,000	-	3	39	39
2 8.78% Power Finance Corpn 2016	1,000,000	-	2	20	20
				<b>213</b>	<b>263</b>
<b>Tax Free Bonds</b>					
<b>Quoted</b>					
24,724 8.20% NHAI Tax Free Bonds 2022	1,000	-	24,724	247	-
10,875 8.00% IRFC Tax Free Bonds 2022	1,000	-	10,875	109	-
				<b>356</b>	<b>-</b>
<b>Mutual Funds</b>					
<b>Quoted</b>					
1,090 Goldman Sachs Nifty Junior Exchange Traded Scheme	1.25	-	1,090	1	1
516 IDBI Gold Exchange Traded Fund	100	-	516	15	-
				<b>16</b>	<b>1</b>
<b>Unquoted</b>					
1,287,416 IDBI Nifty Junior Index Fund Growth	10	-	1,287,416	124	124
				<b>124</b>	<b>124</b>
				<b>7,309</b>	<b>6,519</b>
Aggregate amount of quoted investments				<b>3,177</b>	3,515
Aggregate amount of unquoted investments				<b>4,132</b>	3,004
Aggregate amount of provision for diminution in value of investments				-	(4)
Market Value of Quoted Investments				<b>2,972</b>	3,442

\* denotes amounts less than ₹ 1 lakh.

## 38,400 Equity Shares of ₹ 1/- each were received as fully paid up bonus shares.

# 1375 Equity Shares of ₹ 10/- each split into 6875 shares of ₹ 2/- each.

\*\* security deposited as margin with CCIL.

\*\*\* SHCIL Commodities and Derivatives Ltd which was under voluntary winding up has been wound up. The dissolution order is awaited from the High Court.

\*\*\* Unitec Value Solutions Pte Ltd (UVS) is in the process of being struck off from ACRA in accordance with section 344 of the Companies Act, Singapore. The investment in UVS and the surplus has been repatriated during the year and the final order of striking off is awaited.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lakhs)

	As at March 31, 2012	As at March 31, 2011
<b>13 Deferred tax assets (net)</b>		
The major components of deferred tax assets and liabilities arising on account of timing differences are as under :		
<b>Deferred Tax Assets</b>		
Provision for doubtful debts/advances	371	248
Provision for claims	397	-
Provision for diminution in investments	-	3
Employee benefits	118	240
Municipal taxes	-	292
	<b>886</b>	<b>783</b>
<b>Deferred Tax Liabilities</b>		
Depreciation	746	466
<b>Net Deferred Tax Assets</b>	<b>140</b>	<b>317</b>
<b>14 Long term loan and advances</b>		
<b>(Unsecured and considered good, unless otherwise stated)</b>		
Capital advances	3	-
Staff loans (refer note 35)	364	435
Security and other deposits	777	761
(net of provision for doubtful deposits ₹ 26 lakhs, 31.03.11- ₹ 26 lakhs )		
Others	29	23
	<b>1,173</b>	<b>1,219</b>
<b>15 Other non current assets</b>		
Long Term deposits with banks with maturity period more than 12 months (Refer note (a) below)	198	-
Margin money deposits	-	2,050
	<b>198</b>	<b>2,050</b>

(a) Held under lien by bank

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012****16 CURRENT INVESTMENTS**

	Face Value	Amount (₹ in lakhs)	
	(₹)	As at 31.03.12	As at 31.03.11
<b>Current portion of long-term investments (valued at Cost)</b>			
<b>Government Securities (Quoted)</b>			
12% Kerala 2011	56,000	-	1
12% Maharashtra 2011	232,500	-	2
364 days Treasury Bill maturity November 2011	100,000,000	-	936
		-	939
<b>PSU / Corporate Bonds (Quoted)</b>			
- 10.00 % HUDCO Bonds 27-Mar-2012	500,000	-	21
400 IDBI Regular Income Bond - Flexi Bond 17 2013	5,000	20	-
3 7.90% HUDCO Bonds 2013	1,000,000	30	-
		50	21
<b>Current Investments</b>			
<b>(At lower of cost and fair value)</b>			
<b>Government Securities (Quoted)</b>			
<b>Quoted</b>			
6.85% Govt. of India 2012	6,000	*	*
364 days Treasury Bill maturity October 12**	100,000,000	922	-
		922	-
<b>Mutual Funds (Unquoted)</b>			
8,000,000 HDFC Mutual Fund FMP 370 days Growth 02-Jul-12	10	800	-
ICICI Pru Index Retail Option -Nifty Plan	10	-	207
		800	207
		1,772	1,167
Aggregate amount of quoted investments		972	960
Aggregate amount of unquoted investments		800	207
Aggregate amount of provision for diminution in value of investments			(3)
Market Value of Quoted Investments		1,002	978

\* denotes amounts less than ₹ 1 lakh

\*\* security deposited as margin with CCIL



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lakhs)

### 17 Stock- in- trade

(at lower of cost or net realisable value)	Number of Shares				
Equity shares	Face Value	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Power Grid Corporation of India Ltd.	10	-	3000	-	3
Oil & Natural Gas Corporation Ltd.	10	-	4880	-	14
Reliance Communication Ventures Ltd.	5	-	176	-	*
Reliance Infrastructure Ltd.	10	-	13	-	*
Reliance Power Ltd.	10	-	44	-	*
State Bank Of India	10	-	2500	-	67
Tata Power Company Ltd.	10	-	800	-	11
			11,413	-	95

\* denotes amounts of less than ₹ 1 lakh

(₹ in lakhs)

	As at March 31, 2012	As at March 31, 2011
<b>18 Trade receivables</b>		
<b>(Unsecured)</b>		
Outstanding for a period exceeding six months		
Considered good	654	156
Considered doubtful	951	592
	<b>1,605</b>	<b>748</b>
Less : Provision for doubtful receivables	951	592
	<b>654</b>	<b>156</b>
Other receivables		
Considered good	4,250	4,900
Considered doubtful	164	147
	<b>4,414</b>	<b>5,047</b>
Less : Provision for doubtful receivables	164	147
	<b>4,250</b>	<b>4,900</b>
	<b>4,904</b>	<b>5,056</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

(₹ in lakhs)

	As at March 31, 2012	As at March 31, 2011
<b>19 Cash and Bank Balances</b>		
<b>Cash and Cash equivalents</b>		
Balances with banks		
- In current accounts	10,577	10,491
- in unpaid dividend account	11	10
- in unclaimed redemption/interest proceeds account	1,211	863
- In deposit accounts (less than 3 months maturity)	4,875	5,848
(Refer note (a) below)		
Cheques in hand	637	419
Cash and stamps in hand	411	536
Short term highly liquid investments		
- ICICI Prudential Liquid Super Institutional Plan	-	3,286
- Money lent on CBLO transactions	310	-
	<b>18,032</b>	<b>21,453</b>
<b>Other Bank Balances</b>		
- In deposit accounts (more than 3 months but less than 12 months maturity) (Refer note (b) below)	18,082	6,971
	<b>36,114</b>	<b>28,424</b>

- (a) Balances with banks in deposit accounts includes fixed deposits with banks aggregating to ₹ nil (As at March 31, 2011 - ₹ 2,74 lakhs) against which lien has been marked by the banks as security for guarantees issued on behalf of the Company. It also includes fixed deposits with banks aggregating to ₹ 2,875 lakhs (As at March 31, 2011 - ₹ 1,714 lakhs) deposited with the Stock Exchanges against margin.
- (b) Other Bank Balances in deposit accounts includes fixed deposits with banks aggregating to ₹ 9,026 lakhs (As at March 31, 2011 - ₹ 2,113 lakhs) against which lien has been marked by the banks as security for overdraft facility and for guarantees issued on behalf of the Company. It also includes fixed deposits with banks aggregating to ₹ 5,057 lakhs (As at March 31, 2011 - ₹ 4,854 lakhs) deposited with the Stock Exchanges against margin.





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lakhs)

	As at March 31, 2012	As at March 31, 2011
<b>20 Short term loans and advances</b>		
<b>(Unsecured and considered good, unless otherwise stated)</b>		
Advances to subsidiary companies	183	125
Advances recoverable in cash or in kind (net of provision for doubtful advances ₹ 5 lakh 31.03.11 - ₹ 5 lakhs)	248	123
Amounts recoverable from Reserve Bank of India towards GOI Bonds redemption (net)	-	2,183
Advance to SHCIL Employees Group Gratuity Fund	-	25
Staff loans (refer note 35)	105	107
Inter corporate deposits	200	-
Advance payment of tax and taxes deducted at source (net of provision for taxation ₹ 19,106 lakhs 31.03.11 - ₹ 20,676 lakhs)	2,555	2,406
	<b>3,291</b>	<b>4,969</b>
<b>21 Other current assets</b>		
Accrued interest on bank deposits	1,085	197
Accrued income on investments	58	84
	<b>1143</b>	<b>281</b>

(₹ in lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
<b>22 Revenue from Operations</b>		
Custodial Services	163	189
Depository Services	14,547	17,275
Commission and brokerage (net)	7,019	5,133
Derivatives clearing services	228	313
Others	43	45
	<b>22,000</b>	<b>22,955</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

	(₹ in lakhs)	
	Year ended March 31, 2012	Year ended March 31, 2011
<b>23 Other Income</b>		
Interest (Gross)		
- Govt. securities & bonds	258	219
- Deposits with banks	1,954	1,307
- Others	197	132
- Interest on Income Tax Refund	143	
Dividend on long term investments	486	459
Dividend on current investments	236	409
Profit on sale of current investments (net)	-	5
Profit on sale of non current investments (net),	71	29
Profit on sale of fixed assets (net)	21	-
Provisions for diminution in investments written back (net)	8	-
Provisions for doubtful debts written back (net)	-	135
Excess Provisions written back - an exceptional item	461	803
Gain on exchange rate fluctuations(net)	6	-
Miscellaneous income *	283	391
	<b>4,124</b>	<b>3,889</b>
* Miscellaneous income includes ₹ 0.23 lakhs towards profit on closure of foreign subsidiary		
<b>24 Employee Benefits Expense</b>		
Salaries, allowances & bonus	6,674	6,420
Contribution to provident fund and other funds	541	1,050
Staff welfare expenses	377	378
	<b>7,592</b>	<b>7,848</b>
<b>25 Finance Cost</b>		
Interest on Overdraft	8	-
Interest on CBLO Borrowings	28	-
	<b>36</b>	<b>-</b>

- 26** The depreciation policy in respect of Computer hardware and vehicles has been changed w.e.f. April 01, 2011 from the written down method to the straight line method, whereby computer hardware and vehicles are fully depreciated over their estimated useful lives, namely 4 years for computer hardware and 3 years for vehicles. The depreciation charge for the year ended March 31, 2012 is lower by ₹ 154 lakhs (including ₹ 10 lakhs for earlier periods) and the profit before tax for the year is higher to that extent.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	(₹ in lakhs)	
	Year ended March 31, 2012	Year ended March 31, 2011
<b>27 Other expenses</b>		
Outsourcing expenses	1,070	374
Depository/custodian fees	382	481
Software expenses	313	294
Rent	744	598
Rates and taxes	332	518
Electricity	626	528
Insurance	132	141
Repairs and maintenance		
- Buildings	331	242
- Plant & machinery	611	477
- Others	31	54
Travelling & conveyance	262	391
Postage & courier	337	345
Telephone & communication	726	601
Printing & stationery	365	285
Legal & professional	154	162
Audit fees (refer note 38)	29	28
Technical know-how fees	481	505
Claims paid	530	63
Bad debts written off	216	389
Provision for doubtful debts/ advances	376	-
Provision for claims (refer note 31)	1,223	-
Provision for diminution in investments (net)	-	31
Loss from trading in securities (net)	6	-
Loss on sale/discarded fixed assets (net)	-	60
Loss on sale of current investments (net)	31	-
Loss on winding up of subsidiary	5	-
Advertisement & publicity	316	249
Commission and brokerage to selling agents	788	467
Document management expenses	223	24
Miscellaneous expenses	408	533
	<b>11,048</b>	<b>7,840</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

(₹ in lakhs)

	<b>As at March 31, 2012</b>	<b>As at March 31, 2011</b>
<b>28 Contingent Liabilities</b>		
A) Claims against the Company not acknowledged as debts		
i) Income Tax demand against which the Company has preferred appeals	<b>17</b>	17
ii) Claims by a bank in respect of cheques issued under the 'Cash on Payout' scheme, plus interest thereon, refer to note 30 below	<b>2,445</b>	2,445
	<b>(plus interest thereon)</b>	
iii) Other claims not acknowledged as debt	<b>173</b>	263
B) Bank Guarantees		
i) provided to stock exchanges (backed by counter guarantees, cash collateral and securities)	<b>4,650</b>	4,650
ii) other Bank Guarantees	<b>551</b>	526

**29 Capital and other commitments :**

Estimated amount of contracts to be executed on capital account, not provided for – ₹ 458 lakhs.  
(As at March 31, 2011 - ₹ 1,641 lakhs).

- 30** The Company had during the year 2000-01 undertaken a transaction of ₹ 2,445 lakhs with a client through the Calcutta Stock Exchange (CSE) under the 'Cash on Payout' scheme for the sale of 7,20,000 equity shares of DSQ Industries Limited. The said transaction was confirmed by CSE based on which post dated cheques were issued. The cheques were stopped for payment before their due date by the Company as the underlying trade transaction was contended to be non-bonafide and disallowed by CSE. A Bank, which had granted financial assistance against the said cheques, has issued a notice of demand against the Company under Section 138 of the Negotiable Instrument Act, 1881. The Company has disputed the claim of the Bank. The Bank's application to the Debt Recovery Tribunal for recovery of the amount alongwith compound interest from August 01, 2001 at the rate of 19%p.a.with quarterly rests till realisation from the Company had been dismissed. The bank and client had filed appeals in the Debt Recovery Appellate Tribunal (DRAT) against the dismissal which were allowed. DRAT vide order dated September 23, 2011 held the Corporation and the client jointly and severally liable. The Corporation filed a Revision Application in High Court on November 30, 2011 which has been admitted, however, no stay on DRAT order was granted. Hence, SHCIL has filed a Special Leave Petition in the Supreme Court for stay of the High Court Order, the Order of the DRAT and the recovery certificate by Presiding officer and notice of demand by recovery officer of DRT. The Supreme Court vide its order dated April 23, 2012 has requested the High Court to dispose of the revision application within a period of four months. In the meanwhile the Corporation has deposited ₹ 3,000 lakhs with the Registry of High Court as per the directions of the Supreme Court.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

31 The movement in provision for claims is as under :

	As at March 31, 2012	As at March 31, 2011
Opening Balance	151	954
Additions during the year	1,223	-
Reversed during the year	151	803
	<u>1,223</u>	<u>151</u>

32 There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

33 Amount due on settlement (net) represents amounts payable to Govt Of India, Clearing house, Clients and Brokers, as under:

	As at March 31, 2012	As at March 31, 2011
	Due to      Due from	Due to      Due from
Clearing House	1,317      5,109	2,843      27,291
Government-Stampduty	7,490      1,160	3,868      -
Clients	12,293      1,861	27,908      1,435
Brokers	211      *	173      *
	<u>21,311</u> <u>8,130</u>	<u>34,792</u> <u>28,726</u>
Net Payable	<u>13,181</u>	<u>6,066</u>

\* denotes amounts of less than ₹ 1 lakh

### 34 Employee Benefits:

The company has recognised the following amounts in the Profit and Loss account for the year:

	Year ended March 31, 2012	Year ended March 31, 2011
<b>A) Defined Contribution Plan</b>		
Contribution to Employees' Provident Fund	293	270
Contribution to Employees' Superannuation Fund	64	58

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### B) Defined Benefit Plans

Gratuity is payable to all eligible employees of the Company on superannuation, death and resignation in terms of provisions of the payment of Gratuity Act or as per the Company's scheme whichever is more beneficial. Benefit would be paid at the time of separation based on the last drawn base salary.

Valuations of the defined benefit obligation on account of gratuity has been carried out by an independent actuary as at the Balance sheet date based on the following assumptions

	Year ended March 31, 2012	Year ended March 31, 2011
<b>i) Change in Benefit Obligation</b>		
Liability at the beginning of the year	120,208,560	56,954,269
Interest Cost	9,917,206	4,698,727
Current Service Cost	8,010,291	7,081,470
Past Service Cost- Vested Benefit	-	1,939,023
Benefit Paid	(8,550,471)	(5,913,226)
Actuarial (gain)/loss on obligations	2,213,553	55,448,297
Liability at the end of the year	131,799,139	120,208,560
<b>ii) Fair value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	86,088,231	12,745,618
Expected Return on Plan Assets	6,887,058	1,019,649
Contributions	48,836,807	78,300,886
Benefit Paid	(8,550,471)	(5,913,226)
Actuarial gain/(loss) on Plan Assets	4,235,834	(64,696)
Fair Value of Plan Assets at the end of the year	137,497,459	86,088,231
<b>iii) Actual Return on Plan Assets</b>		
Expected Return on Plan Assets	6,887,058	1,019,649
Actuarial gain/(loss) on Plan Assets	4,235,834	(64,696)
Actual Return on Plan Assets	11,122,892	954,953
<b>iv) Amount Recognised in the Balance Sheet :</b>		
Fair Value of Plan Assets at the end of the year	137,497,459	86,088,231
Liability at the end of the year	(131,799,139)	(120,208,560)
Funded Status	5,698,320	(34,120,329)
Unrecognised Past Service Cost	-	-
Unrecognised Transition Liability	-	-
Amount Recognised in the Balance Sheet	5,698,320	(34,120,329)
<b>v) Expenses Recognised in the Income Statement :</b>		
Current Service Cost	8,010,291	7,081,470
Interest Cost	9,917,206	4,698,727
Expected Return on Plan Assets	(6,887,058)	(1,019,649)
Recognition of Transition Liability	-	-
Actuarial Gain or Loss	(2,022,281)	55,512,993
Past Service Cost-Vested Benefit Recognized during the Period	-	1,939,023
Expense Recognised in P& L	9,018,158	68,212,564



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### Actuarial Assumptions:

	Year ended March 31, 2012	Year ended March 31, 2011
a) Discount Rate	8.75%	8.25%
b) Rate of Return on Plan Assets	8.00%	8.00%
c) Salary Escalation	5.00%	5.00%

### vi) Basis used to determine expected rate of return on assets :

Expected rate of return on investments is determined based on the assessment made by the Company at the beginning of the year for returns over the entire life of the related obligation. The gratuity scheme is invested in a group gratuity cum assurance policy offered by Life Insurance Corporation of India.

### C) Other Long Term Employee Benefits

The long term employee benefits in the form of leave encashment have been determined using the projected unit credit method as at the Balance Sheet date on the basis of an actuarial valuation.

**35** Staff loans includes housing loan to the Company Secretary - ₹4 lakhs as on March 31, 2012 (As at March 31, 2011 - ₹ 5 lakhs). Maximum balance outstanding during the period is ₹ 5 lakhs.

### 36 Particulars of stock in trade purchased and sold during the year

	Year ended March 31, 2012		Year ended March 31, 2011	
	Units	Amount	Units	Amount
Reliance Industries	4,200	35	-	-
IDFC Ltd	13,300	16	-	-
	<u>17,500</u>	<u>51</u>	<u>-</u>	<u>-</u>

(₹ in lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
<b>37 Managerial Remuneration</b>		
Salary and allowances **	20	36
Contribution to provident fund and other funds	2	3
Perquisites (estimated monetary value)	32	37
	<u>54</u>	<u>76</u>

\*\* Previous year remuneration Includes arrears of remuneration of ₹ 16 lakhs for the period Nov-2007 to Dec-2009. Basic Salary and Leave contribution ₹ 14 lakhs and Pension Contribution ₹ 2 lakhs.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

(₹ in lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
<b>38 Auditor's Remuneration (excluding service tax)</b>		
<b>As Auditor :</b>		
Audit fees	21	21
Tax Audit fees	2	2
<b>In other capacity :</b>		
Taxation matters	3	3
Certification and other charges	3	2
Out of Pocket Expenses	*	*
	<b>29</b>	<b>28</b>

\* denotes amounts of less than ₹ 1 lakh

**39 Disclosure in respect of Operating Leases :-****A) Operating Leases taken by the Company**

The Company has taken various premises on leave and licence basis . The leave and license agreements are not cancellable and range between 1 year to 5 years and are renewable by mutual consent. Leave and license agreements being similar in substance to operating leases, the particulars of the significant leasing arrangements are as under :

(₹ in lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
i) Total of minimum lease payments for a period not later than 1 year	621	542
later than 1 year and not later than 5 years	695	1,338
ii) Lease payments recognised in profit and loss for the period	744	598
<b>B) Operating Leases granted by the Company</b>		
The Company has granted a portion of its premises on lease to its subsidiary companies		
i) Total of minimum lease payments for a period not later than 1 year	34	31
later than 1 year and not later than 5 years	69	92
ii) Lease payments recognised in profit and loss for the period	35	34

Since the premises given on lease is a small portion of the Company's office building, separate carrying amount and accumulated depreciation of the premises given on lease is not available





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	(₹ in lakhs)	
	Year ended March 31, 2012	Year ended March 31, 2011
<b>40 Expenditure in foreign currency</b>		
Travelling expenses	3	17
Technical know-how fees	398	505
Others	2	8
Capital expenditure	873	-
<b>Total</b>	<b>1276</b>	<b>530</b>
<b>41 Earnings Per Share</b>		
No. of Shares as at April 1, 2011	21,054,400	21,054,400
No. of Shares as at March 31, 2012	21,054,400	21,054,400
Weighted average number of shares outstanding during the period (Nos)	21,054,400	21,054,400
Net profit (₹ in lakhs)	3,611	6,361
Basic and diluted earnings per share of ₹ 10/- each (₹)	17.15	30.21

### 42 Segment Reporting

The Corporation's main business is to provide custodial and depository participant services to its clients. All other activities of the Corporation revolve around the main business. As such, there are no separate reportable segments, as per the Accounting Standard on 'Segment Reporting (AS 17)' issued by the Institute of Chartered Accountants of India.

### 43 Related Parties

#### a. List of Related Parties

##### Subsidiary Companies

SHCIL Services Limited

SHCIL Projects Limited

SHCIL Commodities and Derivatives Trading Ltd., (liquidated)

Unitec Value Solutions Pte. Ltd., Singapore (under strike off)

##### Associate

IFCI Limited

##### Key Management Personnel

Shri R. C. Razdan, Managing Director & CEO till April 30, 2011

Shri A. Motwani, Managing Director & CEO w.e.f. May 2, 2011

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### b. Transactions with Related Parties during the year

(₹ in lakhs)

Particulars	Year ended March 31, 2012			Year ended March 31, 2011		
	Subsidiaries	Associate	Key management personnel	Subsidiaries	Associates	Key management personnel
Service charges received	23	24	-	4	47	-
Reimbursement of office expenses	228	-	-	213	-	-
Dividends paid	-	536	-	-	125	-
Managerial Remuneration	-	-	54	-	-	76
Brokerage received	1,499	-	-	2,181	-	-
Brokerage paid	26	-	-	57	-	-
License fees paid for sub-broking terminals	19	-	-	35	-	-
Investments made	1,158	-	-	700	-	-
Proceeds on winding up / striking off of subsidiaries	63	-	-	-	-	-
Deposits repaid	-	-	-	1,300	-	-
Deposit placed	100	-	-	1,400	-	-
Commission received	18	-	-	15	-	-
Commission paid	*	-	-	-	-	-
Rent received	35	-	-	34	-	-
Document management expenses and other expenses	223	-	-	100	-	-
<b>Outstanding balances</b>						
Trade and other Receivables	636	*	-	156	*	-
Trade and other Payables **	276	23	-	8	2,574	-
Deposits placed	200	-	-	100	-	-

### c The significant Related Party Transaction are as under :

(₹ in lakhs)

Nature of Transaction	Year ended March 31, 2012	Year ended March 31, 2011
<b>Service Charges received</b>		
<b>Subsidiaries</b>		
SHCIL Services Ltd.	23	4
<b>Associate</b>		
IFCI Ltd	24	47
	<u>24</u>	<u>47</u>
<b>Reimbursement of office expenses</b>		
<b>Subsidiaries</b>		
SHCIL Services Ltd.	115	130
SHCIL Projects Ltd.	113	83
	<u>228</u>	<u>213</u>
<b>Dividends Paid</b>		
<b>Associate</b>		
IFCI Ltd.	536	125
	<u>536</u>	<u>125</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	(₹ in lakhs)	
	Year ended March 31, 2012	Year ended March 31, 2011
<b>Managerial Remuneration</b>		
<b>Key Management Personnel</b>		
Shri R.C.Razdan	9	76
Shri A.Motwani	45	-
	<u>54</u>	<u>76</u>
<b>Brokerage received</b>		
<b>Subsidiaries</b>		
SHCIL Services Ltd.	1,499	2,181
<b>Brokerage paid</b>		
<b>Subsidiaries</b>		
SHCIL Services Ltd.	26	57
<b>License fees paid for sub-broking terminals</b>		
<b>Subsidiaries</b>		
SHCIL Services Ltd.	19	35
<b>Investments made</b>		
<b>Subsidiaries</b>		
SHCIL Projects Ltd.	1,125	700
SHCIL Services Ltd.	33	-
	<u>1,158</u>	<u>700</u>
<b>Proceeds on winding up / striking off of subsidiaries</b>		
<b>Subsidiaries</b>		
Unitec Value Solutions Pte Ltd	63	-
Shcil Commodities and Derivatives Trading Ltd	*	-
	<u>63</u>	<u>-</u>
<b>Deposits Repaid</b>		
<b>Subsidiaries</b>		
SHCIL Services Ltd.	-	1,300
<b>Deposits placed</b>		
<b>Subsidiaries</b>		
SHCIL Services Ltd.	100	1,400
<b>Commission received</b>		
<b>Subsidiaries</b>		
SHCIL Projects Ltd.	18	15
<b>Commission paid</b>		
<b>Subsidiaries</b>		
SHCIL Services Ltd.	*	-

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

	Year ended March 31, 2012	(₹ in lakhs) Year ended March 31, 2011
<b>Rent received</b>		
<b>Subsidiaries</b>		
SHCIL Services Ltd.	24	20
SHCIL Projects Ltd.	11	14
	<u>35</u>	<u>34</u>
<b>Document management expenses and other expenses</b>		
<b>Subsidiaries</b>		
SHCIL Projects Ltd.	223	100
		(₹ in lakhs)
<b>Outstanding Balances</b>	<b>As at</b>	<b>As at</b>
	<b>March 31, 2012</b>	<b>March 31, 2011</b>
<b>Trade &amp; other Receivable</b>		
<b>Subsidiaries</b>		
SHCIL Projects Ltd.	136	15
SHCIL Services Ltd.	500	141
	<u>636</u>	<u>156</u>
<b>Associate</b>		
IFCI Ltd	*	*
	<u>*</u>	<u>*</u>
<b>Trade &amp; Other Payables **</b>		
<b>Subsidiaries</b>		
SHCIL Projects Ltd.	230	8
SHCIL Services Ltd.	46	-
	<u>276</u>	<u>8</u>
<b>Associate</b>		
IFCI Ltd	23	2,574
	<u>23</u>	<u>2,574</u>
<b>Deposit Placed</b>		
<b>Subsidiaries</b>		
SHCIL Services Ltd.	200	100

\* denotes amounts of less than ₹ 1 lakh

\*\*trade and other payables also includes ₹ 23 lakhs (previous year ₹ 2,574 lakhs, due to associate on account of settlement of trade transactions done on stock exchanges and paid on April 3 2012, the settlement date (previous year settlement date was Apr 5, 2011)).

44 Figures for the previous year have been regrouped wherever necessary, so as to make them comparable with those of the current period.



## AUDITORS' REPORT

### To The Board of Directors of

### Stock Holding Corporation of India Limited

1. We have audited the attached consolidated balance sheet of Stock Holding Corporation of India Limited (the Company) and its subsidiaries (collectively referred to as 'the SHCIL Group') as at March 31, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, both annexed thereto. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of one subsidiary, whose financial statements reflect the Group's share of total assets of ₹ 2,546 lakhs as at March 31, 2012, the Group's share of total revenues of ₹ 364 lakhs and the Group's share of net cash flows amounting to ₹ 54 lakhs for the year then ended. The financial statements of this subsidiary has been audited by another auditor whose

report has been furnished to us and our opinion, insofar as it relates to the amounts included in respect of this subsidiary, is based solely on the report of the other auditor.

4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements prescribed by the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the report of the other auditor on the separate financial statements and on other financial information of the components, in our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2012;
  - (b) in the case of the Consolidated Statement of Profit and Loss, of the consolidated profit for the year ended on that date; and
  - (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

For and on behalf of

**Kalyaniwalla and Mistry**  
Chartered Accountants  
Firm Reg. No. 104607W

**Viraf R. Mehta**  
Partner  
M. No. 32083

Place: Mumbai  
Date: June 27, 2012

**Consolidated Balance Sheet As at March 31, 2012**

<b>Particulars</b>	<b>Note</b>	<b>(₹ in lakhs) As at March 31, 2012</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' Funds</b>		
Share Capital	3	2,105
Reserves and Surplus	4	43,785
		<b>45,890</b>
<b>Non- current liabilities</b>		
Deferred tax liabilities (net)	5	27
Long Term Liabilities	6	2,247
Long Term Provisions	7	1,529
		<b>3,803</b>
<b>Current liabilities</b>		
Trade Payables	8	2,232
Other Current Liabilities	9	21,534
Short Term Provisions	10	792
		<b>24,558</b>
<b>Total</b>		<b>74,251</b>
<b>Assets</b>		
<b>Non- current assets</b>		
Fixed Assets:		
Tangible assets	11	15,004
Intangible assets	12	670
Capital work-in-progress		391
		<b>16,065</b>
Non-current investments	13	4,070
Deferred tax assets (net)	14	188
Long term loans and advances	15	1,912
Other non-current assets	16	437
		<b>22,672</b>
<b>Current assets</b>		
Current investments	17	1,772
Trade receivables	18	5,454
Cash and bank balances	19	39,953
Short term loans and advances	20	3,195
Other current assets	21	1,205
		<b>51,579</b>
<b>Total</b>		<b>74,251</b>

The notes are an integral part of these financial statements

As per our report of even date  
For and on behalf of  
**KALYANIWALLA & MISTRY**  
Chartered Accountants

**Viraf R. Mehta**  
Partner

**Shashikant L. Nayak**  
Company Secretary

**L. Viswanathan**  
Executive Vice President  
(Finance)

Place : Mumbai  
Date: June 27, 2012

For and on behalf of the Board  
**B. Ravindranath**  
Chairman

**Ashok Motwani**  
Managing Director & CEO

**Prakash P. Mallya**  
**S. B. Mainak**  
**A. R. Sekar**  
**G. Anantharaman**  
Directors



## Consolidated Statement of Profit and Loss for the year ended March 31, 2012

Particulars	Note	(₹ in lakhs) Year ended March 31, 2012
<b>INCOME :</b>		
Revenue from Operations	22	23,285
Other Income	23	4,197
Total Revenue		27,482
<b>EXPENDITURE:</b>		
Employee benefits expense	24	8,039
Finance cost	25	36
Depreciation		2,548
Other expenses	26	11,282
Total expenses		21,905
<b>PROFIT BEFORE TAX</b>		5,577
Tax Expense		
- Current Tax		1,450
- Deferred Tax		177
- Adjustment for previous years		91
		1,718
<b>PROFIT FOR THE PERIOD</b>		3,859
Earnings per equity share		
Nominal value per share : ₹ 10		
Basic and Diluted (in Rupees) (Refer note 35 )		18.33

The notes are an integral part of these financial statements

As per our report of even date  
For and on behalf of  
**KALYANIWALLA & MISTRY**  
Chartered Accountants

**Viraf R. Mehta**  
Partner

Place : Mumbai  
Date: June 27, 2012

**Shashikant L. Nayak**  
Company Secretary

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**A. R. Sekar**  
**G. Anantharaman**  
Directors

**Consolidated Cash Flow Statement for the year ended March 31, 2012**

	(₹ in lakhs) Year ended March 31, 2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit before Tax	5,577
<b>Adjusted for :</b>	
Depreciation	2,548
(Profit) on sale of investments	(40)
Loss on winding up of subsidiary	5
(Profit)/Loss on sale of fixed assets	(29)
Loss from trading in securities	8
Dividend Income	(732)
Interest Income	(2,782)
Interest paid	36
Bad debts written off	227
Provision for diminution in investments/(written back)	(8)
Provision for doubtful debts /(written back)	373
Excess provisions written back	(461)
Provision for claims	1,223
Operating Profit before working capital changes	5,945
<b>Movements in working capital</b>	
Increase/(decrease) in trade payables	964
Increase/(decrease) in provisions	145
Increase/(decrease) in other current liabilities	3,728
Increase/(decrease) in long term liabilities	(954)
(Increase)/decrease in trade receivables	(203)
(Increase)/decrease in stock in trade	238
(Increase)/decrease in loan and advances	2,187
Cash generated from operations	12,050
Direct Taxes paid	(1,517)
Net Cash (used in) / from operating activities	10,533
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>	
Purchase of fixed assets	(4,233)
Proceeds from sale of fixed assets	69
Purchase of Investments	(2,431)
Proceeds from sale of investments	2,890
Investment in subsidiary company	(33)
Fixed deposits placed with banks (net)	(11,650)
Fixed deposits maturity proceeds from banks (net)	799
Proceeds from winding up/striking off of subsidiaries	55
Interest received	1,741
Interest paid	(36)
Dividend received	722
Net Cash (used in) / from investing activities	(12,107)





## Consolidated Cash Flow Statement for the year ended March 31, 2012

	(₹ in lakhs) Year ended March 31, 2012
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>	
Dividend Paid	(1,578)
Tax on Distributed Profit	(171)
Net cash (used in) financing activities	(1,749)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(3,323)</b>
Cash and cash equivalents (Opening Balance)	23,275
Cash and cash equivalents (Closing Balance)	19,952
<b>Notes :</b>	
1) <b>Components of Cash and Cash equivalents</b>	
With Banks	19,231
Cash and stamps in hand	411
Short term highly liquid investments	310
<b>Cash &amp; Cash Equivalents considered for Cash flow</b>	<b>19,952</b>
2) Cash and cash equivalents include :	
i) Bank deposits which are under lien towards security and margin money - ₹ 2,875 lakhs	
ii) Bank balances in respect of unclaimed redemption proceeds/ interest and dividends ₹ 1,222 lakhs	
3) The Company's bankers have sanctioned total fund-based limits of ₹ 17,127 lakhs to finance working capital requirements.	
The entire limits were unutilised as on March 31, 2012	

As per our report of even date  
For and on behalf of  
**KALYANIWALLA & MISTRY**  
Chartered Accountants

**Viraf R. Mehta**  
Partner

Place : Mumbai  
Date: June 27, 2012

**Shashikant L. Nayak**  
Company Secretary

**L. Viswanathan**  
Executive Vice President  
(Finance)

For and on behalf of the Board

**B. Ravindranath**  
Chairman

**Ashok Motwani**  
Managing Director & CEO

**Prakash P. Mallya**  
**S. B. Mainak**  
**A. R. Sekar**  
**G. Anantharaman**  
Directors

## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

### 1 Background

Stock Holding Corporation of India Ltd. (SHCIL) was promoted by the public financial institutions and incorporated as a limited company on July 28, 1986. SHCIL provides custodial, depository, commission, brokerage and derivative clearing services. It provides services to institutional investors, banks, mutual funds and retail investors. SHCIL also acts as a central record keeping agency for collection and payment of non judicial stamp duty in states. SHCIL is a depository participant having 233 offices/facilitation centers across the country.

### 2 Significant Accounting Policies

#### a) Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006 as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-non current classification of assets and liabilities.

#### b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affects the reported balances of assets and liabilities as of the date of the financial statement and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from estimates.

#### c) Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes expenses related to acquisition and installation of the concerned asset.

#### d) Computer Software

Computer software which forms an integral part of the related hardware is capitalised along with the hardware as fixed asset. Softwares which are not an integral part of computer hardware and from which future economic benefits are expected are treated as intangible assets and are amortised over their estimated useful life, namely three years. Costs related to development, upgradation and maintenance of software are charged to revenue.

#### e) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

#### f) Stock-in-trade

Securities held for trade and those devolved on the Corporation in the process of settlement are held as stock-in-trade. Securities are valued at lower of cost and net realisable value.

#### g) Securities on Deposit

Securities and deposit receipts received as collateral or directly deposited by clients with stock exchange are not recorded in the accompanying financial statements.



## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

### h) Corporate Actions

Benefits on securities and redemption money collected on behalf of clients are recorded in the financial statements on actual receipt.

### i) Revenue Recognition

Custodial fees are accrued monthly on the basis of daily/ weekly average holdings in custody on the net asset value of holding in the electronic segment.

Service charges received are recognised as income on completion of post-trading operations. A post trading operation is treated as complete on settlement under the electronic segment and on lodgement/delivery of securities under the paper segment. Service charges for incomplete operations are treated as Advance Service Charges.

The annual maintenance charges received from beneficiary account holders / clearing members for depository services are amortised on time basis over the period of contract.

All income and 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 booked on receipt basis.

Income from Digitization Services is recognized on percentage completion method.

Income from software products is recognized on delivery/installation of the software product. Income from software services is recognized on percentage completion method.

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

Dividend income is recognised when the right to receive dividend is established.

### j) Leases

#### As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

### k) Depreciation

Depreciation on assets other than computers, vehicles and software, is provided on the written down value method at rates specified in Schedule XIV to the Companies Act, 1956. Computers, vehicles and software are depreciated on the straight line method so as to write off the asset over its estimated useful life or at the rates specified in Schedule XIV, whichever is higher. Depreciation on assets acquired / disposed during the year is provided on pro rata basis from/upto the month of acquisition/ disposal. .

Assets depreciated over estimated useful life:

Computer Hardware	4 years
Computer software	3 years
Vehicles	3 years

Leasehold land is amortised on a straight line basis over the lease period.

### l) Asset Impairment

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 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.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

### m) Employee Benefits

#### 1. Defined Contribution Plan:

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

#### 2. Defined Benefit Plan:

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 balance sheet.

#### 3. Compensated Absences:

Long term compensated absences are provided for on the basis of an actuarial valuation using the projected unit credit method as at the date of the balance sheet. Actuarial gains/losses, if any, are immediately recognised in the statement of profit & loss. Short term compensated absences are provided based on estimates.

### n) Taxation

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.

Deferred income tax on account of timing differences between taxable income and accounting income for the year is accounted for, subject to the consideration of prudence, by applying the tax rates and laws enacted or substantially enacted on the balance sheet date. Deferred tax assets other than unabsorbed depreciation and carried forward losses, subject to the consideration of prudence are recognised and carried forward only to the extent there is reasonable certainty that sufficient taxable income will be available in future, against which the deferred tax assets can be realised.

### o) Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities are disclosed 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.

### p) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss 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 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.

#### Basis of consolidation

Subsidiaries are entities over which the group has power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights.

The consolidated financial statements relate to Stock Holding Corporation of India Ltd, the Holding Company and its fully owned subsidiaries (collectively referred to as group). The consolidation of the financial statements of the Company with its subsidiaries has been prepared in accordance with the



## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

Accounting Standards (AS) 21 "Consolidated Financial Statements". The financial statements of the parent and its subsidiaries are combined on a line by line basis and intra group balances, intra group transactions and unrealised profits or losses are fully eliminated.

Since all the investments in the subsidiaries have been made at par, there is no goodwill or capital reserve arising on consolidation.

The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as of the Company ie year ending March 31, 2012 except Unitec Value Solutions Pte Ltd and SHCIL Commodities and Derivatives Trading Ltd which are as below :

The subsidiary companies considered in the consolidated financial statements are

Name of the subsidiary	Country of incorporation or residence	Proportion of ownership interest
SHCIL Services Ltd	India	100%
SHCIL Projects Ltd	India	100%
Unitec Value Solutions Pte Ltd upto September 12, 2011 (is in the process of being struck off)	Singapore	100%
SHCIL Commodities Derivatives Trading Ltd upto February 22, 2012 (is under voluntary winding up)	India	100%

(₹ in lakhs)

As at

March 31, 2012

### 3 Share Capital

#### Authorised

50,000,000 Equity shares of ₹ 10/- each 5,000

#### Issued, Subscribed and Paid-up

21,054,400 Equity shares of ₹10/- each fully paid up 2,105

2,105

- a) The number of shares outstanding at the beginning and at the end of the year ended March 31, 2012 and for the previous year ended March 31, 2011 are the same.

#### Terms/rights attached to equity shares

- b) The company has only one class of equity shares having a par value of ₹ 10 per share . Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2012 the amount of per share dividend recognised as distribution to equity shareholders was ₹ 5

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

### c) Details of shareholders holding more than 5% of the aggregate shares in the company Percentage of holding:

Name of shareholder :	IDBI Bank Ltd
Number of shares held	3,990,000
Percentage of holding	18.95
Name of shareholder :	IFCI Ltd
Number of shares held	7,140,000
Percentage of holding	33.91
Name of shareholder :	Administrator of the Specified Undertaking of the Unit Trust of India
Number of shares held	3,570,000
Percentage of holding	16.96
Name of shareholder :	Life Insurance Corporation of India
Number of shares held	3,150,000
Percentage of holding	14.96

(₹ in lakhs)  
As at  
March 31, 2012

#### 4 Reserves & Surplus

##### Securities Premium Account

Balance as per last Balance Sheet

527

##### General Reserve

Balance as per last Balance Sheet

12,351

Transfer from Profit and Loss account

365

12,716

##### Staff Welfare Fund

Balance as per last Balance Sheet

108

Less : Welfare expenditure incurred during the year

108

-

##### Surplus in Statement of Profit and Loss

Balance as per last Balance Sheet

28,271

Add : Net profit for the year

3,859

Less : Appropriations:

Interim dividend

526

Proposed Final Dividend

526

Tax on distributed profits

171

Transfer to General Reserve

365

30,542

43,785

#### 5 Deferred tax liabilities (net)

The major components of deferred tax assets and liabilities arising on account of timing differences are as under :

##### Deferred Tax Liabilities

Depreciation

31

31

##### Deferred Tax Assets

Provision for doubtful debts/advances

1

Employee benefits

1

Municipal taxes

2

4

##### Net Deferred Tax Liabilities

27



## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

	(₹ in lakhs) As at March 31, 2012
<b>6 Long Term Liabilities</b>	
Creditors for capital expenses	594
Advances and deposits	1,585
Advance depository participant charges	68
	<u>2,247</u>
<b>7 Long Term Provisions</b>	
Provision for employee leave benefits	
- Provision for compensated absences	306
Provision for claims (refer note 30)	1,223
	<u>1529</u>
<b>8 Trade Payables</b>	
Dues to micro, small and medium enterprises (refer note 31)	-
Sundry Creditors	2,232
	<u>2,232</u>
<b>9 Other Current Liabilities</b>	
Advance depository participant charges	1,143
Unclaimed dividend	10
Investor Education and Protection Fund (Unclaimed amounts shall be transferred to the fund when due)	
Advances and deposits	4,366
Amount due on settlement (net) (refer note 32)	15,072
Dues to sub brokers	18
Amounts payable to Reserve Bank of India (net) on account of distribution of GOI bonds	91
Other creditors for capital expenses	403
Other Liabilities	
- Employee Benefits payable	5
- Statutory dues including Provident Fund and taxes	350
- other liabilities	76
	<u>21,534</u>
<b>10 Short-Term Provisions</b>	
Proposed dividend	527
Tax on distributed profits	171
Provision for employee benefits (Refer note 33)	
- Provision for gratuity	3
- Provision for compensated absences	69
Provision for tax (net of advance tax ₹ 631 lakhs)	22
	<u>792</u>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(₹ in lakhs)

### 11 TANGIBLE ASSETS :

	GROSS BLOCK				DEPRECIATION				NET BLOCK
Particulars	As at 01.04.2011	Additions	Deductions	As at 31.03.2012	Up to 31.03.2011	For the year	On Deductions	Up to 31.03.2012	As at 31.03.2012
Leasehold Land	395	-	-	395	89	87	-	176	219
Buildings * *	9,128	224	-	9,352	1022	413	-	1,435	7,917
Plant & Machinery	2,893	575	107	3,361	744	367	81	1,030	2,331
Computers	6,099	2397	743	7,753	4,883	831	733	4,981	2,772
Furniture & Fixtures	1,835	198	16	2,017	630	257	15	872	1,145
Office Equipment	602	357	14	945	268	80	11	337	608
Vehicles	228	-	13	215	146	70	13	203	12
<b>As at 31.3.12</b>	21,180	3,751	893	24,038	7,782	2,105	853	9,034	15,004

\*\*Note: Buildings includes ₹ 408/- being the cost of 8 shares held in a Co-op Housing society.

### 12 INTANGIBLE ASSETS :

	GROSS BLOCK				DEPRECIATION				NET BLOCK
Particulars	As at 01.04.2011	Additions	Deductions	As at 31.03.2012	Up to 31.03.2011	For the year	On Deductions	Up to 31.03.2012	As at 31.03.2012
Computer Software	2,393	673	-	3,066	1,953	443	-	2,396	670
As at 31.03.12	2,393	673	-	3,066	1,953	443	-	2,396	670





## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

### 13 NON -CURRENT INVESTMENTS

	Face Value	Amount (₹ in lakhs)
	(₹)	As at 31.03.12
<b>Long Term Non Trade - Fully Paid - at Cost</b>		
<b>Equity Shares</b>		
<b>Quoted</b>		
76,800 Ashok Leyland ##	1	25
6,875 BHEL#	2	28
35,975 NTPC Ltd.	10	75
2,965 Reliance Capital Ltd.	10	25
8,000 Reliance Industries Ltd.	10	79
32,800 Reliance Power Ltd.	10	49
9,519 Shipping Corporation of India Ltd.	10	9
14,075 Steel Authority of India Ltd	10	25
8,555 Tata Steel Ltd.	10	45
12,200 UCO Bank Ltd	10	15
5,280 Wipro Ltd.	2	25
		<b>400</b>
<b>Other Companies - Unquoted</b>		
2,250,000 National Stock Exchange of India Ltd.	10	394
87,000 Bombay Stock Exchange Ltd.	1	300
750,101 Investor Services of India Ltd.	10	75
		<b>769</b>
<b>Government Securities</b>		
<b>Quoted</b>		
6.20% Maharashtra SDL 2015	10,000	*
6.35% Govt. of India 2020**	100,000,000	918
7.95% MP SDL 2016	2,000,000	20
7.17% Maharashtra 2017	900,000	9
6.20%Karnataka 2015	380,000	4
7.17% Andhra SDL 2017	800,000	8
7.17% Kerala SDL 2017	800,000	8
7.77%Karnataka 2015	2,000,000	20
8.35% Maharashtra 2017	1,000,000	10
12.30% GOI 2016**	1,500,000	18
11.60% GOI 2020**	2,500,000	31
11.83% GOI 2014**	5,550,000	65
10.50 % CG 2014	44,500	*
10.03% GOI 2019**	2,340,000	26
6.05% GOI 2019**	3,050,000	26
10.25% GOI 2021**	4,700,000	54
8.07% GOI 2017**	6,900,000	70
10.70% GOI 2020**	100,000	1
6.35% Govt. of India 2020**	100,000,000	904
6.05% Govt. of India 2019**	50,000,000	-
		<b>2,192</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

	Face Value	Amount (₹ in lakhs)
	(₹)	As at 31.03.12
<b>PSU/Corporate Bonds</b>		
<b>Quoted</b>		
1 7.35% HUDCO Bonds 2013	1,000,000	10
2 7.30% FCI 2015	1,000,000	19
5 7.50% Bank of India 2015	1,000,000	48
4 7.45% State Bank of India 2015	1,000,000	38
3 7.60% Power Finance Corporation 2015	1,000,000	29
1 8.00% HDFC NCD 2016	1,000,000	10
3 9.25% PGC STRPP 2017	1,250,000	39
2 8.78% Power Finance Corpn 2016	1,000,000	20
		<b>213</b>
<b>Tax Free Bonds</b>		
<b>Quoted</b>		
24,724 8.20% NHAI Tax Free Bonds 2022	1,000	247
10,875 8.00% IRFC Tax Free Bonds 2022	1,000	109
		<b>356</b>
<b>Mutual Funds</b>		
<b>Quoted</b>		
1,090 Goldman Sachs Nifty Junior Exchange Traded Scheme	1.25	1
516 IDBI Gold Exchange Traded Fund	100	15
		<b>16</b>
<b>Unquoted</b>		
1,287,416 IDBI Nifty Junior Index Fund Growth	10	124
		<b>124</b>
		<b>4,070</b>
Aggregate amount of quoted investments		<b>3,177</b>
Aggregate amount of unquoted investments		<b>893</b>
Market Value of Quoted Investments		<b>2,972</b>

\* denotes amounts less than ₹ 1 lakh.

## 38,400 Equity Shares of ₹ 1/- each were received as fully paid up bonus shares.

# 1375 Equity Shares of ₹ 10/- each split into 6875 shares of ₹ 2/- each.

\*\* security deposited as margin with CCIL.



## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(₹ in lakhs)  
As at  
March 31, 2012

### 14 Deferred tax assets (net)

The major components of deferred tax assets and liabilities arising on account of timing differences are as under :

#### Deferred Tax Assets

Provision for doubtful debts/advances  
Provision for claims  
Employee benefits

385  
397  
121

903

#### Deferred Tax Liabilities

Depreciation

715

#### Net Deferred Tax Assets

188

### 15 Long term loan and advances

(Unsecured and considered good unless otherwise stated)

Capital advances

397

Staff loans

364

Security and other deposits

1,122

(net of provision for doubtful deposits ₹ 26 lakhs)

Others

29

1912

### 16 Other non current assets

Long Term deposit with banks with maturity period more than 12 months

437

\* Held under lien by bank ₹ 198 lacs

437

### 17 CURRENT INVESTMENTS

	Face Value	Amount (₹ in lakhs)
	(₹)	As at 31.03.12
<b>PSU / Corporate Bonds (Quoted)</b>		
400 IDBI Regular Income Bond - Flexi Bond 17 2013	5,000	20
3 7.90% HUDCO Bonds 2013	1,000,000	30
		50
<b>Current Investments (At lower of cost and fair value)</b>		
<b>Government Securities (Quoted)</b>		
<b>Quoted</b>		
6.85% Govt. of India 2012	6,000	*
364 days Treasury Bill maturity October 12**	100,000,000	922
		922
<b>Mutual Funds (Unquoted)</b>		
8,000,000 HDFC Mutual Fund FMP 370 days Growth 02-Jul-12	10	800
		800
		1,772
Aggregate amount of quoted investments		972
Aggregate amount of unquoted investments		800
Market Value of Quoted Investments		1,002

\* denotes amounts less than ₹ 1 lakh

\*\* security deposited as margin with CCIL

## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

	(₹ in lakhs)
<b>18 Trade receivables</b>	<b>As at</b>
<b>(Unsecured)</b>	<b>March 31, 2012</b>
Outstanding for a period exceeding six months	
Considered good	668
Considered doubtful	986
	<u>1,654</u>
Less : Provision for doubtful receivables	<u>986</u>
	668
Other receivables	
Considered good	4,786
Considered doubtful	176
	<u>4,962</u>
Less : Provision for doubtful receivables	<u>176</u>
	4,786
	<u><u>5,454</u></u>
<b>19 Cash and Bank Balances</b>	
<b>Cash and Cash equivalents</b>	
Balances with banks	
- In current accounts	11,632
- In deposit accounts (less than 3 months maturity)	5,718
(Refer note (a) below)	
- on unpaid dividend account	11
- in unclaimed redemption/interest proceeds account	1,211
Cheques in hand	659
Cash and stamps in hand	411
Short term highly liquid investments:	
- Money lent on CBLO transactions	310
	<u>19,952</u>
<b>Other Bank Balances</b>	
- In deposit accounts (more than 3 months but less than 12 months maturity) (Refer note (b) below)	20,001
	<u><u>39,953</u></u>

(a) Balances with banks in deposit accounts includes fixed deposits with banks aggregating to ₹ nil against which lien has been marked by the banks as security for guarantees issued on behalf of the Company. It also includes fixed deposits with banks aggregating to ₹ 2,875 lakhs deposited with the Stock Exchanges against margin.

(b) Other Bank Balances in deposit accounts includes fixed deposits with banks aggregating to ₹ 9,235 lakhs against which lien has been marked by the banks as security for overdraft facility and for guarantees issued on behalf of the Company. It also includes fixed deposits with banks aggregating to ₹ 5,357 lakhs deposited with the Stock Exchanges against margin.



## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

	(₹ in lakhs)
<b>20 Short term loans and advances</b>	<b>As at</b>
<b>(Unsecured and considered good unless otherwise stated)</b>	<b>March 31, 2012</b>
Advances recoverable in cash or in kind (net of provision for doubtful advances ₹ 5 lakhs )	276
Staff loans	105
Inter corporate deposits	200
Security and other deposits	6
Advance payment of tax and taxes deducted at source (net of provision for taxation ₹19,106 lakhs)	2,605
Mat entitlement credit	3
	<u>3,195</u>
<b>21 Other current assets</b>	
Accrued interest on bank deposits	1,147
Accrued income on investments	58
	<u>1205</u>
	(₹ in lakhs)
	<b>Year ended</b>
	<b>March 31, 2012</b>
<b>22 Revenue from Operations</b>	
Custodial Services	405
Depository Services	14545
Commission and brokerage (net)	8040
Derivatives clearing services	228
Others	67
	<u>23,285</u>
<b>23 Other Income</b>	
Interest ( Gross)	
- Govt. securities & bonds	258
- Deposits with banks	2172
- Others	197
- Interest on Income Tax Refund	155
Dividend on long term investments	486
Dividend on current investments	246
Profit on sale of non current investments (net),	71
Profit on sale of fixed assets (net)	29
Provisions for diminution in investments written back (net)	8
Excess Provisions written back	461
Gain on exchange rate fluctuations(net)	6
Miscellaneous income	108
	<u>4197</u>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

	(₹ in lakhs) Year ended March 31, 2012
<b>24 Employee Benefits Expense</b>	
Salaries, allowances & bonus	7064
Contribution to provident fund and other funds	561
Staff welfare expenses	414
	<u>8039</u>
<b>25 Finance Cost</b>	
Interest on Overdraft	8
Interest on CBLO Borrowings	28
	<u>36</u>
<b>26 Other expenses</b>	
Outsourcing expenses	1184
Depository/custodian fees	382
Software expenses	320
Rent	758
Rates and taxes	340
Electricity	626
Insurance	145
Repairs and maintenance	
- Buildings	331
- Plant & machinery	611
- Others	115
Travelling & conveyance	288
Postage & courier	354
Telephone & communication	732
Printing & stationery	394
Legal & professional	177
Audit fees	29
Technical know-how fees	481
Claims paid	530
Bad debts written off	227
Provision for doubtful debts/ advances	373
Provision for claims (refer note 30)	1223
Loss from trading in securities (net)	8
Loss on sale of current investments (net)	31
Loss on winding up of subsidiary	5
Advertisement & publicity	322
Commission and brokerage to selling agents	788
Document storage expenses	6
Miscellaneous expenses	502
	<u>11,282</u>



## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

### 27 Contingent Liabilities

	(₹ in lakhs) As at March 31, 2012
A) Claims against the Company not acknowledged as debts	
i) Income Tax demand against which the Company has preferred appeals	17
ii) Claims by a bank in respect of cheques issued under the 'Cash on Payout' scheme, plus interest thereon, refer to note 28 below	2,445
	(plus interest thereon)
iii) Other claims not acknowledged as debt	173
B) Bank Guarantees	
i) provided to stock exchanges (backed by counter guarantees, cash collateral and securities)	4,650
ii) other Bank Guarantees	551

### 28 Capital and other commitments :

Estimated amount of contracts to be executed on capital account, not provided for – ₹ 751.48 lakhs.

- 29 The Company had during the year 2000-01 undertaken a transaction of ₹ 2,445 lakhs with a client through the Calcutta Stock Exchange (CSE) under the 'Cash on Payout' scheme for the sale of 7,20,000 equity shares of DSQ Industries Limited. The said transaction was confirmed by CSE based on which post dated cheques were issued. The cheques were stopped for payment before their due date by the Company as the underlying trade transaction was contended to be non-bonafide and disallowed by CSE. A Bank, which had granted financial assistance against the said cheques, has issued a notice of demand against the Company under Section 138 of the Negotiable Instrument Act, 1881. The Company has disputed the claim of the Bank. The Bank's application to the Debt Recovery Tribunal for recovery of the amount alongwith compound interest from August 01, 2001 at the rate of 19%p.a. with quarterly rests till realisation from the Company had been dismissed. The bank and client had filed appeals in the Debt Recovery Appellate Tribunal (DRAT) against the dismissal which were allowed. DRAT vide order dated September 23, 2011 held the Corporation and the client jointly and severally liable. The Corporation filed a Revision Application in High Court on November 30, 2011 which has been admitted, however, no stay on DRAT order was granted. Hence, SHCIL has filed a Special Leave Petition in the Supreme Court for stay of the High Court Order, the Order of the DRAT and the recovery certificate by Presiding officer and notice of demand by recovery officer of DRT. The Supreme Court vide its order dated April 23, 2012 has requested the High Court to dispose of the revision application within a period of four months. In the meanwhile the Corporation has deposited ₹ 3,000 lakhs with the Registry of High Court as per the directions of the Supreme Court.

	(₹ in lakhs) As at March 31, 2012
30 The movement in provision for claims is as under :	
Opening Balance	151
Additions during the year	1,223
Reversed during the year	151
	<u>1,223</u>

- 31 There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

**32** Amount due on settlement (net) represents amounts payable to Govt of India, Clearing house, Clients and Brokers, as under:

	(₹ in lakhs) As at March 31, 2012	
	Due to	Due from
Clearing House	1,317	5,109
Government-Stampduty	7,490	1,160
Clients	14,184	1,861
Brokers	211	*
	<b>23,202</b>	<b>8,130</b>
Net Payable	<b>15,072</b>	

\* denotes amounts of less than ₹ 1 lakh

### 33 Employee Benefits:

The company has recognised the following amounts in the Profit and Loss account for the year:

#### A) Defined Contribution Plan

	Year ended March 31, 2012
Contribution to Employees' Provident Fund	305
Contribution to Employees' Superannuation Fund	65
Contribution to Employees' Pension Fund	3

#### B) Defined Benefit Plans

Gratuity is payable to all eligible employees of the Company on superannuation, death and resignation in terms of provisions of the payment of Gratuity Act or as per the Company's scheme whichever is more beneficial. Benefit would be paid at the time of separation based on the last drawn base salary.

Valuations of the defined benefit obligation on account of gratuity has been carried out by an independent actuary as at the Balance sheet date based on the following assumptions

##### i) Change in Benefit Obligation

Liability at the beginning of the year	120,948,892
Interest Cost	9,978,283
Current Service Cost	8,281,112
Past Service Cost- Vested Benefit	-
Benefit Paid	(8,628,148)
Actuarial (gain)/loss on obligations	2,190,424
Liability at the end of the year	<b>132,770,563</b>

##### ii) Fair value of Plan Assets

Fair Value of Plan Assets at the beginning of the year	87,186,567
Expected Return on Plan Assets	6,974,022
Contributions	48,849,807
Benefit Paid	(8,628,148)
Actuarial gain/(loss) on Plan Assets	4,233,934
Fair Value of Plan Assets at the end of the year	<b>138,616,182</b>





## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

Year ended  
March 31, 2012

### iii) Actual Return on Plan Assets

Expected Return on Plan Assets	6,974,022
Actuarial gain/(loss) on Plan Assets	4,233,934
Actual Return on Plan Assets	11,207,956

### iv) Amount Recognised in the Balance Sheet :

Fair Value of Plan Assets at the end of the year	138,616,182
Liability at the end of the year	(132,770,563)
Funded Status	5,845,619
Unrecognised Past Service Cost	-
Unrecognised Transition Liability	-
Amount Recognised in the Balance Sheet	5,845,619

### v) Expenses Recognised in the Income Statement :

Current Service Cost	8,281,112
Interest Cost	9,978,283
Expected Return on Plan Assets	(6,974,022)
Recognition of Transition Liability	-
Actuarial Gain or Loss	(2,043,510)
Past Service Cost-Vested Benefit Recognized during the Period	-
Expense Recognised in P&L	9,241,863
a) Discount Rate	8.75%
b) Rate of Return on Plan Assets	8.00%
c) Salary Escalation	5.00%

### vi) Basis used to determine expected rate of return on assets :

Expected rate of return on investments is determined based on the assessment made by the Company at the beginning of the year for returns over the entire life of the related obligation. The gratuity scheme is invested in a group gratuity cum assurance policy offered by Life Insurance Corporation of India.

## C) Other Long Term Employee Benefits

The long term employee benefits in the form of leave encashment have been determined using the projected unit credit method as at the Balance Sheet date on the basis of an actuarial valuation.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

### 34 Disclosure in respect of Operating Leases :-

The Company has taken various premises on leave and licence basis. The leave and license agreements are not cancellable and range between 1 year to 5 years and are renewable by mutual consent. Leave and license agreements being similar in substance to operating leases, the particulars of the significant leasing arrangements are as under :

	(₹ in lakhs) Year ended March 31, 2012
i) Total of minimum lease payments for a period not later than 1 year	621
later than 1 year and not later than 5 years	695
ii) Lease payments recognised in profit and loss for the period	744
	Year ended March 31, 2012

### 35 Earnings Per Share

No. of Shares as at April 1, 2011	21,054,400
No. of Shares as at March 31, 2012	21,054,400
Weighted average number of shares outstanding during the period (Nos)	21,054,400
Net profit (₹ in lakhs)	3,859
Basic and diluted earnings per share of ₹ 10/- each (₹)	18.33

### 36 Segment Reporting

The Corporation's main business is to provide custodial and depository participant services to its clients. All other activities of the Corporation revolve around the main business. As such, there are no separate reportable segments, as per the Accounting Standard on 'Segment Reporting (AS 17)' issued by the Institute of Chartered Accountants of India.

### 37 Related Parties

#### a. List of Related Parties

##### Associate

IFCI Limited

##### Key Management Personnel

Shri R. C. Razdan, Managing Director & CEO till April 30, 2011

Shri A. Motwani, Managing Director & CEO w.e.f. May 2, 2011

#### b. Transactions with Related Parties during the year

(₹ in lakhs)

Particulars	Year ended March 31, 2012	
	Associates	Key management personnel
Service charges received	24	-
Dividends paid	536	-
Managerial Remuneration	-	54
<b>Outstanding balances</b>		
Trade and other Receivables	*	
Trade and other Payables ***	23	-



## Notes to the Consolidated Financial Statements for the year ended March 31, 2012

### c The significant Related Party Transaction are as under :

	(₹ in lakhs) Year ended March 31, 2012
<b>Nature of Transaction</b>	
<b>Service Charges received</b>	
<b>Associate</b>	
IFCI Ltd	24
	<hr/> 24
<b>Dividends Paid</b>	
<b>Associate</b>	
IFCI Ltd.	536
	<hr/> 536
<b>Managerial Remuneration</b>	
<b>Key Management Personnel</b>	
Shri R.C.Razdan	9
Shri A.Motwani	46
	<hr/> 54
<b>Trade &amp; Other Receivables</b>	
<b>Associate</b>	
IFCI Ltd	*
	<hr/> *
<b>Trade &amp; Other Payables ***</b>	
<b>Associate</b>	
IFCI Ltd	23
	<hr/> 23

\* denotes amounts of less than ₹ 1 lakh

\*\*\*trade and other payables includes ₹ 23 lakhs due to associate on account of settlement of trade transactions done on stock exchanges and paid on April 3 2012.

**38** This being the first occasion that the Consolidated Financial Statement are presented, comparative figures for the previous year are not presented.

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## **SUBSIDIARY COMPANIES**

**SHCIL SERVICES LIMITED**

**SHCIL PROJECTS LIMITED**

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## **BOARD OF DIRECTORS**

Ashok Motwani Non - Executive Chairman

P. H. Kutumbe

V. S. Nair

Vineet Potnis

Nitin Jog Managing Director & CEO

Mitul Palankar Company Secretary

**Statutory Auditors** M/s Kalyaniwalla & Mistry

**Internal Auditors** M/s Shah Gupta & Co.

**Compliance Auditors** M/s Kailashchand Jain & Co.

**Bankers** Corporation Bank  
Axis Bank Ltd.  
IDBI Bank Ltd.  
HDFC Bank Ltd.  
ICICI Bank Ltd.

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**Registered Office :** SHCIL House, P-51, T.T.C. Industrial Area,  
MIDC, Mahape, Navi Mumbai - 400 710  
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](http://www.shcilservices.com)

## PERFORMANCE HIGHLIGHTS

(₹ In Lakhs)

PARTICULARS	2011-12	2010-11	2009-10	2008-09	2007-08
<b>EARNINGS :</b>					
Income From Operations	2,533	3,278	3,554	1,790	2,083
Other Income	159	77	119	67	35
<b>Total Income</b>	<b>2,692</b>	<b>3,355</b>	<b>3,673</b>	<b>1,857</b>	<b>2,118</b>
<b>EXPENSES &amp; PROFITABILITY :</b>					
Operating Expenses	2,120	2,786	3,272	1,377	1,813
Interest And Financial Charges	8	12	2	4	7
Profit before Depreciation	564	557	399	476	298
Depreciation	135	92	117	189	190
<b>Profit/(Loss) Before Taxation</b>	<b>429</b>	<b>465</b>	<b>282</b>	<b>287</b>	<b>108</b>
Provision for Taxation	148	175	160	123	15
Deferred Tax	(1)	(8)	(23)	41	(52)
<b>Profit/(Loss) After Taxation</b>	<b>282</b>	<b>298</b>	<b>145</b>	<b>123</b>	<b>145</b>
<b>ASSETS EMPLOYED :</b>					
Net Fixed Assets	174	289	73	214	413
Capital Work-In-Progress	20	3	3	5	18
Investments	-	2	4	7	15
Current Assets, Loans And Advances	3,998	3,642	7,388	5,994	4,711
Deferred Tax Assets	48	46	38	14	55
Current Liabilities & Provisions	(2,859)	(2,883)	(6,705)	(5,578)	(4,679)
<b>Total Assets</b>	<b>1,381</b>	<b>1,099</b>	<b>801</b>	<b>656</b>	<b>533</b>
<b>FINANCED BY :</b>					
Share Capital	539	539	539	539	539
Reserves and Surplus	842	560	262	117	(6)
<b>Total Funds</b>	<b>1,381</b>	<b>1,099</b>	<b>801</b>	<b>656</b>	<b>533</b>
<b>KEY INDICATORS :</b>					
Networth	1,381	1,099	801	656	533
Earning Per Share (₹)	8.05	8.51	4.13	3.55	6.93
Book Value Per Equity Share (₹)	34.07	26.01	17.50	13.37	9.85

## DIRECTORS' REPORT

Your Directors have the pleasure in presenting their Seventeenth Report on the business and operations of the Company and the financial accounts for the year ended on March 31, 2012.

### BUSINESS:

The Company is in the business of Stock Broking and is a member of BSE-Cash Segment and NSE-Cash and F & O Segment. The Stock Broking service is offered to both retail investors and institutional clients.

### OPERATIONS:

During the year, your Company earned a profit before tax of ₹ 428.47 Lac. The profit after tax was ₹ 281.85 Lac. The financial results are summarized below:

(₹ in Lac)

Particulars	2011-12 ₹	2010-11 ₹
Total Income	2692.18	3354.56
Profit/(Loss) Before Tax	428.47	464.65
Profit/(Loss) After Tax	281.85	297.91

Indian capital markets witnessed a challenging year with volatile FII inflows, muted retail participation in equities, Eurozone concerns, high inflation, supply side constraints and widening fiscal deficit. These impacted overall market sentiment as well as the business performance of your company during the first three quarters of the year. However, with high liquidity sloshing in the markets, there was significant improvement in the performance in the last quarter. This helped your company to maintain profitability more or less in line with previous year.

### FUTURE OUTLOOK:

Indian capital market is passing through a volatile phase with falling turnover particularly in cash segment. This clubbed with depreciating rupee has led to FIIs being the net sellers impacting the market further.

However, we trust that Indian growth story is intact. Declining crude prices & strong domestic savings are likely to drive growth in the second half of the current fiscal leading to higher FII, DII and retail participation in the capital market.

### DIVIDEND:

With a view to conserving resources for business/

expansion, your Directors do not recommend any dividend for financial year 2011-12.

### DIRECTORS:

Shri Vineet Potnis, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The present Board of Directors comprises of the following:

#### Name of the Director Category

1. Shri Ashok Motwani Non-Executive Chairman (Nominee of SHCIL)
2. Shri P H Kutumbe Independent
3. Shri V S Nair Independent
4. Shri Vineet Potnis Nominee of SHCIL
5. Shri Nitin Jog Managing Director & CEO (Nominee of SHCIL)

### AUDIT COMMITTEE:

Your Company has constituted an Audit Committee with Shri P H Kutumbe as Chairman of the Committee. Other Members being Shri V S Nair and Shri Vineet Potnis. The Audit Committee had three meetings during the financial year 2011-12.

### STATUTORY AUDITORS:

Present Statutory Auditors of the Company, M/s. Kalyaniwalla & Mistry, retire at the ensuing Annual General Meeting and are eligible for reappointment.

### PARTICULARS OF THE EMPLOYEES UNDER SECTION 217(2A):

Since none of the employees of the Company earned income in excess of the amount specified under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the relevant provisions are not applicable.

### FIXED DEPOSITS:

The Company has not accepted any Fixed Deposits from the public during the financial year 2011-12.

### BUY BACK OF SHARES:

During the financial year 2011-12, the Company



has not announced any scheme for buy back of its shares from its shareholders. Accordingly, the requirement as to disclosure of reasons for failure to complete the buy back within the time specified under Section 77A of the Companies Act, 1956 does not arise.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

- a) As the Company does not carry on manufacturing activities, particulars required to be disclosed with respect to conservation of energy and technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Directors' Report) Rules, 1988 are not applicable
- b) Foreign Exchange Earnings & Outgo : Nil

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to sub-section 2AA of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- (i) in the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) 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 the company at the end of the financial year and of the profit of the company for the financial year;

- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a going concern basis.

#### **ACKNOWLEDGEMENTS:**

The Board places on record its deep appreciation for the valuable support, patronage and co-operation of Securities and Exchange Board of India, Bombay Stock Exchange Ltd., National Stock Exchange of India Ltd., Clients, Banks & Stock Holding Corporation of India Ltd. The Board wishes to express its gratitude for the valuable contribution made by staff and officers of the Company.

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

Place: Navi Mumbai  
Date: May 4, 2012

**Ashok Motwani**  
Non - Executive Chairman

## REPORT ON CORPORATE GOVERNANCE

(forming part of Directors' Report for the year ended March 31, 2012)

### The Company's philosophy on code of Governance

The Company is not a listed entity. Nevertheless, it endeavours to comply with Corporate Governance norms as specified under clause 49. 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 five members, of which 2 are independent directors. The day-to-day management of the Corporation vests in the hands of the Managing Director and CEO.

### Details of the Board Meeting and Attendance

The Board of Directors meet at least once in every three months. Four meetings were held during the financial year 2011-12. Details of Board Meetings held are as follows:

Sr. No.	Date of the Board Meeting	Board Strength	No. of Directors present
1	April 19, 2011	5	4
2	July 8, 2011	5	4
3	December 20, 2011	5	5
4	February 15, 2012	5	4

Attendance of Directors during 2011-12 at each of above meetings is as follows:

Sr. No.	Name of the Director	No. of meetings held	No. of meetings attended	Date of appointment	Date of resignation
1	Shri R. C. Razdan	4	1(1)	September 19, 2007	April 30, 2011
2*	Shri Ashok Motwani	4	3(3)	July 8, 2011	NA
3**	Shri Nitin Jog	4	4(4)	June 24, 2007/ December 1, 2009	NA
4	Shri Vineet Potnis	4	4(4)	November 19, 2009	NA
5	Shri P. H. Kutumbe	4	2 (4)	June 21, 2007	NA
6	Shri V. S. Nair	4	3(4)	January 9, 2008	NA

(The figure in the bracket indicates the meetings held during the tenure of the Director.)

\*Shri Ashok Motwani was appointed as Director w.e.f. July 8, 2011.

\*\* Shri Nitin Jog was appointed as the Managing Director and CEO w.e.f. December 1, 2009.

The details of Directorships held by the Directors in other companies are as follows:

Shri Ashok Motwani

Sr. No.	Name of the Company/Institution	Nature of interest
1	Stock Holding Corporation of India Limited	Nominee Director
2	SHCIL Projects Limited	Nominee Director

Shri Nitin Jog

Sr. No.	Name of the Company/Institution	Nature of interest
—	—	—

Shri V. S. Nair

Sr. No.	Name of the Company/Institution	Nature of interest
—	—	—

Shri P. H. Kutumbe

Sr. No.	Name of the Company/Institution	Nature of interest
—	—	—

Shri Vineet Potnis

Sr. No.	Name of the Company/Institution	Nature of interest
—	—	—

**Details of Audit Committee, Composition and the attendance**

The Audit Committee met 3 times during the year. The details of attendance of the Directors at the Audit Committee meeting are as follows:

Sr. No.	Name of the Director	No. of meetings held	No. of meetings attended
1	Shri Vineet Potnis	3	3 (3)
2	Shri P. H. Kutumbe	3	3 (3)
3	Shri.V. S. Nair	3	- (3)

**General Meetings**

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

General Meeting	14th AGM	15th AGM	16th AGM	10th EGM
Year	2008-09	2009-10	2010-11	2009-10
Venue	Mittal Court, 'B' Wing, 2nd Floor, 224, Nariman Point, Mumbai - 400 021	SHCIL House, P-51, T.T.C Industrial Area, MIDC, Mahape, Navi Mumbai - 400 710	SHCIL House, P-51, T.T.C Industrial Area, MIDC, Mahape, Navi Mumbai - 400 710	301, Centre Point, Dr. Babasaheb Ambedkar Road, Parel, Mumbai - 400 012
Date and Day of Meeting	December 22, 2009	September 6, 2010	August 17, 2011	March 31, 2010

The special resolutions passed during the last four General Meetings were as under:

Meeting No.	Resolution No.	Particulars of Resolution
14th AGM	3	1) Appointment of M/s Kalyaniwalla & Mistry as Statutory Auditors of the Company
15th AGM	3	1) Appointment of M/s Kalyaniwalla & Mistry as Statutory Auditors of the Company
	4	2) Appointment of Shri Dinesh Shah as Whole Time Director of the Company
	5	3) Appointment and terms of appointment of Shri Nitin Jog as Managing Director and CEO
	9	4) Alteration of Articles of Association of the Company
16th AGM	1	1) Appointment of M/s Kalyaniwalla & Mistry as Statutory Auditors of the Company 2) Appointment and terms of appointment of Shri Nitin Jog as Managing Director and CEO 3) Preferential Issue of Shares to SHCIL under section 81(A) and other applicable provisions, if any, of the Companies Act 1956.
10th EGM	1	1) Change in Registered Office of the Company

#### Disclosures

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

#### Shareholder Information

##### a) Annual General Meeting

Date, time & venue of the  
Annual General Meeting

August 24, 2012 at 3.30 p.m.  
SHCIL House, P-51,  
T.T.C. Industrial Area,  
MIDC, Mahape,  
Navi Mumbai - 400 710

##### b) Date of Book closure/record date

—

##### c) Dividend payment date

NA

##### d) Listing on Stock Exchange

The Company is a closely held Public Limited Company and its shares are not listed in any Stock Exchange.

##### e) Distribution of shareholdings as on March 31,2012

The Company is wholly owned subsidiary of Stock Holding Corporation of India Limited (SHCIL). However, seven individuals are holding one share each in the Company as a nominee of SHCIL.

##### f) Address for correspondence

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

## AUDITORS' REPORT

### TO THE MEMBERS OF SHCIL SERVICES LIMITED

1. We have audited the attached Balance Sheet of **SHCIL Services Limited** as at March 31, 2012, the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, where applicable.
  - e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
    - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.
    - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
5. On the basis of the written representations received from the directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of

**Kalyaniwalla and Mistry**  
**Chartered Accountants**

Firm Reg No. 104607W

**Vinayak M. Padwal**  
**Partner**

Membership No: 49639

Place: Mumbai

Date: May 4, 2012

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph (3) of our report of even date on the accounts of **SHCIL Services Limited** for the year ended March 31, 2012.

- 1) (a) The Company is generally maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the Company during the year. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were reported for the assets verified during the year.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets have not been disposed off by the Company during the year which could affect the going concern status of the company.
- 2) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- 3) In our opinion and according to the information and explanations given to us, the internal control procedures are commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and sale of services.
- 4) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of all the contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder.
- 6) The Company has an internal audit system, which is commensurate with the size and nature of its business.
- 7) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed for maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of the activities carried on by the Company.
- 8) (a) According to the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities during the year.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid statutory dues were outstanding, at the year end for a period of more than six months from the date they became payable.
- 9) The Company does not have accumulated losses, as at the end of the financial year, nor has it incurred cash losses in the current financial year and in the immediately preceding financial year.
- 10) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to a financial institution, banks or debenture holders as at the balance sheet date.
- 11) According to the information and explanations given to us, the Company has not granted loans

- and advances on the basis of security by way of pledge of shares and other securities.
- 12) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/ mutual benefit fund/ societies.
  - 13) In our opinion, the Company has maintained proper records of the transactions and contracts in respect of investments purchased and sold during the year and timely entries have been made therein. The investments made by the Company are held in its own name.
  - 14) According to the information and explanations given to us and the records examined by us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
  - 15) As per the records examined by us, no term loans were obtained by the Company from banks or financial institutions.
  - 16) On the basis of an overall examination of the balance sheet and cash flows of the Company and the information and explanations given to us, we report that the Company has not utilized the funds raised on short-term basis for long-term investment.
  - 17) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
  - 18) The Company did not issue any debentures during the year.
  - 19) The Company has not raised any money through a public issue during the year.
  - 20) Based on the audit procedures performed and the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of

**Kalyaniwalla and Mistry**  
**Chartered Accountants**  
 Firm Reg No. 104607W

**Vinayak M. Padwal**  
**Partner**  
 Membership No: 49639

Place: Mumbai  
 Date: May 4, 2012

**Balance Sheet As at March 31, 2012**

	Note	As at March 31, 2012 (₹)	As at March 31, 2011 (₹)
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	3	53,862,500	53,862,500
Reserves and Surplus	4	84,228,438	56,043,785
		<b>138,090,938</b>	109,906,285
<b>NON - CURRENT LIABILITIES</b>			
Other Long Term Liabilities	5	-	-
Long term Provisions	6	987,349	-
		<b>987,349</b>	-
<b>CURRENT LIABILITIES</b>			
Trade Payables	7	17,247,821	16,206,430
Other Current liabilities	8	264,757,176	272,299,024
Short Term Provisions	9	2,871,907	(169,571)
		<b>284,876,904</b>	288,335,883
		<b>423,955,191</b>	398,242,168
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Fixed Assets	10		
Tangible Assets		10,557,945	19,608,816
Intangible Assets		6,854,404	9,274,275
Capital Work-In-Progress		1,997,060	312,000
		<b>19,409,409</b>	29,195,091
Non - Current Investments	11	-	200,000
Deferred Tax Assets (Net)	12	4,771,318	4,621,577
Long Term Loans & Advances	13	64,049,619	64,008,153
Other Non - Current Assets		-	-
		<b>88,230,346</b>	98,024,821
<b>CURRENT ASSETS</b>			
Stock in Trade	14	-	546,370
Trade Receivables	15	90,888,240	61,486,924
Cash & Cash Equivalents	16	237,902,264	233,961,870
Short Term Loans & Advances	17	6,934,341	4,222,183
Other Current Assets	18	-	-
		<b>335,724,845</b>	300,217,347
		<b>423,955,191</b>	398,242,168

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS****1 to 23**

The Notes referred to above form an integral part of the Balance Sheet

As per our report of even date

For and on behalf of

**KALYANIWALLA & MISTRY**

Chartered Accountants

**Vinayak M. Padwal**

Partner

Membership No. 49639

Place : Navi Mumbai

Date: May 4, 2012

**Mitul Palankar**

Company Secretary

**Maya Sawant**

Head - Finance

For and on behalf of the Board

**Ashok Motwani**

Non - Executive Chairman

**Nitin Jog**

MD &amp; CEO

**P. H. Kutumbe**

Director

**Vineet Potnis**

Director



**Profit And Loss Account For the year ended March 31, 2012**

	Note	Year ended March 31, 2012 (₹)	Year ended March 31, 2011 (₹)
<b>INCOME :</b>			
Revenue From Operations	19	253,352,185	327,777,955
Other Income	20	15,865,675	7,678,249
<b>TOTAL REVENUE</b>		<b>269,217,860</b>	<b>335,456,204</b>
<b>EXPENDITURE:</b>			
Employee Benefit Expenses	21	28,107,480	26,023,103
Sub - Brokerage Expenses		149,899,612	218,040,762
Financial Costs	22	835,119	1,233,767
Depreciation and Amortization Expenses		13,568,710	9,220,379
Other Expenses	23	33,959,401	34,472,858
<b>TOTAL EXPENSES</b>		<b>226,370,322</b>	<b>288,990,869</b>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>42,847,538</b>	<b>46,465,335</b>
<u>Tax expense:</u>			
Current tax		15,000,000	17,500,000
Deferred tax		(149,741)	(826,156)
Adjustments for previous years		(187,374)	-
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>28,184,653</b>	<b>29,791,491</b>
Earning Per Share Before & After Extraordinary Items (Basic & Diluted)		<b>8.05</b>	8.51

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS****1 to 23**

The Notes referred to above form an integral part of the Profit &amp; Loss Account

As per our report of even date

For and on behalf of  
**KALYANIWALLA & MISTRY**  
Chartered Accountants**Vinayak M. Padwal**  
Partner  
Membership No. 49639Place : Navi Mumbai  
Date: May 4, 2012**Mitul Palankar**  
Company Secretary**Maya Sawant**  
Head - Finance

For and on behalf of the Board

**Ashok Motwani**  
Non - Executive Chairman**Nitin Jog**  
MD & CEO**P. H. Kutumbe**  
Director**Vineet Potnis**  
Director

### Cash Flow Statement for the year ended March 31, 2012

	Year ended March 31, 2012 (₹)	Year ended March 31, 2011 (₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) Before Tax	42,847,538	46,465,335
<b>Adjustments for :</b>		
Depreciation	13,568,710	9,220,379
Profit/(Loss) on Sale/Discard of Fixed Assets	(793,483)	(40,000)
Income from Dividend	(21,066)	(841,880)
Interest Earned	(12,505,273)	(6,740,888)
Writeback of excess Provision for Doubtful Debts	(833,267)	1,531,214
Writeback of excess Provision for Stock in Trade	(177,643)	151,655
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	42,085,516	49,745,815
<b>Adjustments for :</b>		
Trade & Other Receivables	(26,757,082)	(27,551,082)
Trade Payables	(5,464,113)	(381,063,473)
Cash Generated/(Used) from Operations	9,864,321	(358,868,740)
Direct Taxes (Paid)/Refund	(11,508,142)	(17,049,461)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES (A)	(1,643,821)	(375,918,201)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2,097,985)	(31,510,300)
Proceeds on Sale of Fixed Assets	793,500	799,266
Capital Advance	(1,997,060)	-
Purchase of Investments	-	(3,266,274,108)
Proceeds from Sale of Investments	200,000	3,266,474,108
Dividend Received	21,066	841,880
Interest Earned	8,664,694	9,088,674
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES (B)	5,584,215	(20,580,480)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	-	-
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES (C)	-	-
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	3,940,394	(396,498,681)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	233,961,870	630,460,551
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	237,902,264	233,961,870

As per our report of even date

For and on behalf of  
**KALYANIWALLA & MISTRY**  
Chartered Accountants

**Vinayak M. Padwal**  
Partner  
Membership No. 49639

Place : Navi Mumbai  
Date: May 4, 2012

**Mitul Palankar**  
Company Secretary

**Maya Sawant**  
Head - Finance

For and on behalf of the Board

**Ashok Motwani**  
Non - Executive Chairman

**Nitin Jog**  
MD & CEO

**P. H. Kutumbe**  
Director

**Vineet Potnis**  
Director

## NOTES ON ACCOUNTS

### 1. Background

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 14<sup>th</sup> March, 2006. The Company has no branches/offices other than Mumbai office.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a) Accounting Convention:

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. These financial standards have been prepared to comply in all material aspects with the accounting standards notified under section 211 (3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of services offered, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

#### b) Presentation and disclosure of financial statements:

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

#### c) Use of Estimates:

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

#### d) Revenue Recognition:

- 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. The following specific recognition criteria must also be met before revenue is recognized.
- Amount receivable/payable from/to clients/exchanges on account of broking transactions are accounted in the books on the date of settlement instead of on the date of transaction.
- All other 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.
- Dividend is recognized when the company's right to receive dividend is established by the reporting date.
- 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.
- Charges collected on Cheque dishonored/bounced are recognized on actual basis.

**e) Fixed Assets:**

Fixed assets are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the statement of profit and loss.

**f) Depreciation:**

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The company has used the following rates to provide depreciation on its fixed assets.

Particulars	Rates (SLM)
Furniture & Fixtures	6.33%
Office Equipments	4.75%
Plant & Machinery	4.75%
Motor Car	9.50%
Computer Hardware	33.33%
Computer Software	33.33%

Leasehold improvements are amortized on straight line basis over the period of lease, i.e. 3 years.

Depreciation on assets acquired/disposed during the year is provided on pro-rata basis from/ upto the date of acquisition/disposal.

**g) Asset Impairment:**

The Company reviews the carrying value of the tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognized when carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value based on appropriate discount rate.

**h) Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**i) Stock-in-trade:**

Securities held for trade and those devolved on the Company in the process of settlement of transactions are held as stock-in-trade. Securities are valued at lower of cost and net realizable value.

**j) Taxation:**

Provision for current income tax is made on the basis of the assessable income under the Income Tax Act, 1961. Deferred income tax on account of timing difference between taxable income and accounting income for the year is accounted for by applying the tax rates and laws enacted or substantially enacted on the balance sheet date. Deferred tax assets subject to the consideration of prudence are recognised and carried forward only to the extent there is reasonable certainty that sufficient taxable profits will be available in future against which the deferred tax assets can be realised.

**k) Provision:**

A provision is recognized when the company has a present obligation 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 a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**l) Contingent Liabilities:**

A contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**m) Securities on Deposit:**

Securities on deposit and in the process of transfer to/from client/exchange are not recorded in the accompanying financial statements

**n) Retirement and Other Employee Benefits:**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

The Company operates a defined benefit plan for its employees, viz. gratuity. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year – end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presented leave less than 12 months as a current liability.

### 3. Share Capital:

- a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

#### Equity Shares

Particulars	31-Mar-2012 (₹)	31-Mar-2011 (₹)
At the beginning of the period	35,000,000	35,000,000
Issued during the period - Bonus issue	-	-
Issued during the period - ESOP	-	-
<b>Outstanding at the end of the period</b>	<b>35,000,000</b>	<b>35,000,000</b>

#### Preference Shares

Particulars	31-Mar-2012 (₹)	31-Mar-2011 (₹)
At the beginning of the period	18,862,500	18,862,500
Issued during the period - Bonus issue	-	-
Issued during the period - ESOP	-	-
<b>Outstanding at the end of the period</b>	<b>18,862,500</b>	<b>18,862,500</b>

- b. 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.

The company has not declared any dividend for the current year ended March 31, 2012.

- c. Terms of conversion of preference shares:

The conversion of 1,886,250 7% Non-Cumulative Convertible Preference Shares of ₹ 10/- each fully paid up held by SHCIL, the Holding Company, into Equity Shares which was due for conversion on February 1, 2011 has been deferred for the further period of five years commencing from February 1, 2011. The terms of conversion will be decided by the board at the time of conversion.

- d. Details of shareholders holding more than 5% shares in the company:

#### Equity Shares

Particulars	Mar-12		Mar-11	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity shares of ₹ 10/- each fully paid held by holding company, Stock Holding Corporation of India Ltd.	3,499,993	100	3,169,993	91
Mrs. Gopika Vaishnav & Mr. Nilesh Vaishnav	-	-	320,000	9
<b>Total</b>	<b>3,499,993</b>	<b>100</b>	<b>3,489,993</b>	<b>100</b>

**Preference shares**

Particulars	Mar-12		Mar-11	
	No. of Shares	% of Holding	No. of Shares	% of Holding
7% Non-Cumulative Convertible Preference Shares (5 Years) of ₹ 10/- each fully paid up, held by holding company, Stock Holding Corporation of India Ltd.	1,886,250	100	1,886,250	100
<b>Total</b>	<b>1,886,250</b>	<b>100</b>	<b>1,886,250</b>	<b>100</b>

**4. Earnings per share (EPS)**

Particulars	31-Mar-12	31-Mar-11
Number of shares at the beginning of the year	3,500,000	3,500,000
Number of shares at the end of the year	3,500,000	3,500,000
Weighted average of shares outstanding during the year	3,500,000	3,500,000
Net Profit/(Loss) for the year ended (₹)	28,184,653	29,791,491
Less : Preference dividend on Non-Cumulative shares provided for (₹)	-	-
Net Profit/(Loss) available for equity shareholders (₹)	28,184,653	29,791,491
Basic & Diluted Earning Per Share (₹)	8.05	8.51

**5. Disclosure pursuant to Accounting Standard –15 (Revised) 'Employee Benefits'**

a. Effective from April 1, 2007, the company has adopted Accounting Standard - 15 (revised 2005) on 'Employee Benefits' issued by ICAI.

b. The Company has recognized the following amounts in the Profit and Loss Account for the year:

**A.**

Particulars	As at 31-Mar-2012 (₹)	As at 31-Mar-2011 (₹)
Contribution to Employees' Provident Fund	691,234	680,576
Contribution to Employees' Superannuation Fund	52,358	51,635
Contribution to Employees' Pension Scheme	308,669	324,065

B. Defined Benefit Plans & other Long Term Employee Benefit valuations in respect of Gratuity have been carried out by an independent actuary as at the Balance sheet date based on the following assumptions:

Actuarial Assumption		As at March 31, 2012 (%)	As at March 31, 2011 (%)
a	Discount Rate	8.50	8.25
b	Rate of Return on plan Assets	8.00	8.00
c	Salary Escalation	5.00	5.00

**i) Change in Benefit Obligation**

Particulars	As at March 31, 2012 (₹)	As at March 31, 2011 (₹)
Liability at the beginning of the year	663,672	471,540
Interest Cost	54,753	38,902
Current Service Cost	208,166	196,526
Actuarial (gain)/loss on obligations	(56,148)	(43,296)
Liability at the end of the year	792,766	663,672

**ii) Fair value of Plan Assets**

Particulars	As at March 31, 2012 (₹)	As at March 31, 2011 (₹)
Fair Value of Plan Assets at the beginning of the year	908,336	649,081
Expected Return on Plan Assets	72,667	51,926
Contributions	-	141,549
Benefit Paid in the Normal Course	(77,677)	-
Actuarial Gain/(Loss) on Plan Assets	8,376	65,780
Fair Value of Plan Assets at the end of the year	911,702	908,336
Total Actuarial Gain/(Loss) to be recognised	8,376	65,780

**iii) Actual Return on Plan Assets**

Particulars	As at March 31, 2012 (₹)	As at March 31, 2011 (₹)
Expected Return on Plan Assets	72,667	51,926
Actuarial gain/(loss) on Plan Assets	8,376	65,780
Actual Return on Plan Assets	81,043	117,706

**iv) Amount Recognized in the Balance Sheet**

Particulars	As at March 31, 2012 (₹)	As at March 31, 2011 (₹)
Liability at the end of the year	911,702	663,672
Fair Value of Plan Assets at the end of the year	792,766	908,336
Difference	118,936	244,664
Unrecognised Past Service Cost	-	-
Unrecognised Transition Liability	-	-
Amount Recognised in the Balance Sheet	118,936	244,664



**v) Expenses Recognised in the Income Statement**

Particulars	As at March 31, 2012 (₹)	As at March 31, 2011 (₹)
Current Service Cost	208,166	196,526
Interest Cost	54,753	38,902
Expected Return on Plan Assets	(72,667)	(51,926)
Actuarial Gain or Loss	(64,524)	(109,076)
Expense Recognised in P&L	125,728	74,426

**vi) Basis used to determine expected rate of return on assets**

Expected rate of return on investments is determined based on the assessment made by the Company at the beginning of the year on the return expected on its existing portfolio since these are generally held to maturity, along with the estimated incremental investments to be made during the year.

**vii) General descriptions of significant defined plans**

Gratuity is payable to all eligible employees of the company on superannuation, death, and resignation in terms of provisions of the payment of Gratuity Act or as per the Company's scheme whichever is more beneficial. Benefit would be paid at the time of separation based on the last drawn base salary.

**6. Leases**

- The Company has entered into agreement with SHCIL for occupancy of Office Premises in 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. April 1, 2010 purely as a License-cum-Allottee of office space, without having any right, title or interest upon the demised premises.
- UTI Building, Fort, 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, commencing from March 1, 2011 purely on Leave and License basis, without having any right, title or interest upon the demised premises.

Particulars	31-Mar-2012 (₹)		31-Mar-2011 (₹)	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within 1 year	2,328,000	-	2,328,000	-
After one year but not more than five years	330,000	-	2,658,000	-
More than five years	-	-	-	-
<b>Total minimum lease payments</b>	<b>2,658,000</b>	<b>-</b>	<b>4,986,000</b>	<b>-</b>
Less: amounts representing finance charges	-	-	-	-
Present value of minimum lease payments	-	-	-	-

**7. Related Parties**

List of Related Parties

**a. Holding Company**

Stock Holding Corporation of India Limited

**b. Fellow Subsidiary**

SHCIL Projects Limited

**c. Key Management Personnel**

Nitin Jog – MD &amp; CEO

Transactions with related party during the year ended March 31, 2012

	Holding Company		Fellow Subsidiary		Key Managerial Personnel	
Nature of transaction	Year ended March 31, 2012 (₹)	Year ended March 31, 2011 (₹)	Year ended March 31, 2012 (₹)	Year ended March 31, 2011 (₹)	Year ended March 31, 2012 (₹)	Year ended March 31, 2011 (₹)
Service charges received	(858,112)	(3,978,139)	-	-	-	-
Sub - brokerage paid	156,097,651	218,051,675	-	-	-	-
Reimbursement of Expenses (Net)	8,925,006	9,513,709	5,070,572	4,478,062	-	-
Deputation Cost of Employees	5,488,503	4,831,785	-	-	17,830	29,261
Sale of Fixed Assets	-	-	-	-	-	-
<u>Outstanding balances</u>						
Trade and other (receivable)/payable	43,942,861	11,427,578	829,287	2,123,005	-	-
Deposits (receivable)/payable	20,000,000	10,000,000	-	-	-	-

**8. Managerial Remuneration**

Managerial Remuneration paid /payable to Directors for year ended is as follows:

Particulars	Year ended March 31, 2012 (₹)	Year ended March 31, 2011 (₹)
Salary, Allowances & Incentive (Including Service Tax : CY - ₹ 2,12,644/- , PY - ₹ 2,07,638/-)	2,204,006	2,157,285
Contribution to Provident Fund	73,142	66,256
Contribution to Retirement Benefit	259,150	141,653
<b>Total</b>	<b>2,536,298</b>	<b>2,365,193</b>

**9. Auditor's Remuneration (Excluding Service Tax)**

Particulars	Year ended March 31, 2012 (₹)	Year ended March 31, 2011 (₹)
<b>As auditor</b>		
Audit Fees	<b>400,000</b>	400,000
Tax Audit Fees	<b>100,000</b>	100,000
<b>In other capacity</b>		
Taxation matters	<b>255,000</b>	137,000
Out of pocket expenses	<b>15,290</b>	9,985
<b>Total</b>	<b>770,290</b>	646,985

**10. Capital Commitment**

Estimated amount of contracts remaining to be executed on capital account ₹ 1,040,859/- (Previous Year - ₹ 518,850/-).

**11. 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 on March 31, 2012 on account of principal amount together with interest is NIL.

**12. Previous year figures**

Till the year ended March 31, 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for the preparation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. Figures for the corresponding previous year have been regrouped, recast and rearranged to conform to those of current year.

## NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2012 (₹)	As at March 31, 2011 (₹)
<b>3. SHARE CAPITAL</b>		
<b>Authorised</b>		
18,000,000 (previous year ended March 31, 2011 - 18,000,000) Equity Shares of ₹ 10/- each	180,000,000	180,000,000
2,000,000 (previous year ended March 31, 2011 - 2,000,000) 7% Non-Cumulative Convertible Preference Shares of ₹ 10/- each	20,000,000	20,000,000
	<u>200,000,000</u>	<u>200,000,000</u>
<b>Issued, Subscribed and Paid-up</b>		
3,500,000 (previous year ended March 31, 2011 - 3,500,000) Equity Shares of ₹ 10/- each fully paid up. (w.e.f. February 15, 2012 all the Equity Shares are held by SHCIL, the Holding Company, out of which 7 Equity Shares are held by nominees of SHCIL.)	35,000,000	35,000,000
1,886,250 (previous year ended March 31, 2011 - 1,886,250) 7% Non-Cumulative Convertible Preference Shares of ₹ 10/- each fully paid up are held by SHCIL, the Holding Company.	18,862,500	18,862,500
	<u>53,862,500</u>	<u>53,862,500</u>
<b>4. RESERVES AND SURPLUS</b>		
<b>Profit and Loss Account</b>		
Balance as per last Balance Sheet	56,043,785	26,252,294
Add: Net profit for the year ended	28,184,653	29,791,491
Amount available for appropriation	<u>84,228,438</u>	<u>56,043,785</u>
<b>5. OTHER LONG TERM LIABILITIES</b>		
	-	-
	-	-
	<u>-</u>	<u>-</u>
<b>6. LONG TERM PROVISIONS</b>		
Provision for employee benefits	987,349	-
	<u>987,349</u>	<u>-</u>

## NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2012 (₹)	As at March 31, 2011 (₹)
<b>7. TRADE PAYABLES</b>		
Dues of Micro, Small and Medium Enterprises	-	-
Dues of other creditors	17,247,821	16,206,430
	<u>17,247,821</u>	<u>16,206,430</u>
<b>8. OTHER CURRENT LIABILITIES</b>		
Deposits from holding company as sub-broker	20,000,000	10,000,000
Dues to holding company including sub-brokerage	43,942,861	11,427,578
Dues to other Sub Brokers	1,767,212	1,737,058
Dues of other creditors	189,134,101	235,525,057
Provision for expenses	5,911,087	8,767,476
Retention Money	1,580,631	1,566,259
Taxes payable	2,421,284	3,275,596
	<u>264,757,176</u>	<u>272,299,024</u>
<b>9. SHORT TERM PROVISIONS</b>		
Provision for Income Taxes (net of advance taxes & TDS ₹ 63,113,280/- ; previous year ₹ 46,147,039/-)	2,225,310	(1,079,174)
Provision for employee benefits	646,597	909,603
	<u>2,871,907</u>	<u>(169,571)</u>

## NOTES TO FINANCIAL STATEMENTS

## NOTE 10 : FIXED ASSETS

(Amount in ₹)

Particulars	Gross Block			Depreciation				Net Block	
	As at April 01, 2011	Additions	Deductions	As at March 31, 2012	Depreciation for the Year Ended March 31, 2012	Depreciation on Deduction for the Year Ended March 31, 2012	As at March 31, 2012	As at March 31, 2011	As at March 31, 2011
<b><u>Tangible Assets</u></b>									
Leasehold Improvements	22,759,386	-	12	22,759,374	8,546,440	-	14,236,284	8,523,090	17,069,542
Furniture & Fixtures	603,710	-	-	603,710	37,086	-	169,687	434,023	471,109
Office Equipments	641,815	10,789	3	652,601	25,890	-	229,762	422,839	437,943
Plant & Machinery	1	-	-	1	-	-	-	1	1
Motor Car	887,546	-	-	887,546	84,316	-	391,035	496,511	580,827
Computer Hardware	32,378,940	284,160	186,000	32,477,100	652,071	185,998	31,795,619	681,481	1,049,394
<b><u>Intangible Assets</u></b>									
Computer Software	26,492,581	1,803,036	-	28,295,617	4,222,907	-	21,441,213	6,854,404	9,274,275
<b>Grand Total</b>	<b>83,763,979</b>	<b>2,097,985</b>	<b>186,015</b>	<b>85,675,949</b>	<b>13,568,710</b>	<b>185,998</b>	<b>68,263,600</b>	<b>17,412,349</b>	<b>28,883,091</b>
<b>Previous Year</b>	<b>54,189,079</b>	<b>31,510,301</b>	<b>1,935,400</b>	<b>83,763,979</b>	<b>9,220,379</b>	<b>1,176,134</b>	<b>54,880,888</b>	<b>28,883,091</b>	<b>7,352,436</b>

## NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2012 (₹)	As at March 31, 2011 (₹)
<b>11. NON - CURRENT INVESTMENTS - AT COST</b>		
<u>Unquoted</u>		
G. K. Management Services (I) Ltd.	-	200,000
Aggregate book value of investment	-	200,000
<b>12. DEFERRED TAX ASSETS (NET)</b>		
<b>The major components of deferred tax assets and liabilities arising on account of timing differences are as under :</b>		
Provision for difference in bank reconciliation	-	1,075,250
Provision for doubtful debts / advances	1,378,275	1,687,882
Provision for gratuity	40,798	24,722
Provision for diminution in value of investments	-	59,009
Provision for leave encashment	317,485	180,424
Difference in net block	3,034,760	1,594,290
	4,771,318	4,621,577
<b>13. LONG TERM LOANS AND ADVANCES</b>		
<u>(Unsecured and considered good unless otherwise stated)</u>		
Base capital deposit - BSE	17,000,000	17,000,000
Base capital deposit - NSE Cash & F&O	46,100,000	46,000,000
Security deposit - Others	949,619	1,008,153
	64,049,619	64,008,153

## Note 14 : STOCK IN TRADE

Scrip Name	Face Value (₹)	Number				Amount in (₹)	
		As at April 1, 2011	Acquired during the period	Sold during the period	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
Bharat Petroleum Corporation Ltd.	10	300	-	300	-	-	221,352
NTPC Ltd.	10	700	-	700	-	-	142,114
Reliance Communications Ltd.	5	200	-	200	-	-	36,604
Reliance Infrastructure Ltd.	10	300	-	300	-	-	323,943
						-	724,013
Less : Provision For Diminution						-	177,643
						-	546,370

## NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2012 (₹)	As at March 31, 2011 (₹)
<b>15. TRADE RECEIVABLES</b>		
(Unsecured)		
Outstanding for a period over six months		
Considered good	-	-
Considered doubtful	3,011,314	2,830,913
	<u>3,011,314</u>	<u>2,830,913</u>
Other debts		
Considered good	90,888,240	61,486,924
Considered doubtful	1,236,722	2,250,390
	<u>95,136,276</u>	<u>66,568,227</u>
Less : Provision for doubtful debts	4,248,036	5,081,303
	<u>90,888,240</u>	<u>61,486,924</u>
<b>16. CASH AND CASH EQUIVALENTS</b>		
Cash in hand	9,428	11,982
Balances with scheduled banks		
- In current accounts	105,347,118	181,099,888
- In deposit accounts	132,545,718	52,850,000
	<u>237,902,264</u>	<u>233,961,870</u>
(Fixed Deposits amounting to ₹ 20,945,717/- (Previous Year - ₹ 19,900,000/-) have been placed as collateral with the Corporation Bank towards Overdraft facility availed from the Bank.)		
<b>17. SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured and considered good unless otherwise stated)		
Advances recoverable in cash or in kind	1,686,906	2,728,376
Other advances	242,250	329,201
Accrued interest on fixed deposit	5,005,185	1,164,606
	<u>6,934,341</u>	<u>4,222,183</u>
<b>18. OTHER CURRENT ASSETS</b>		
Accrued income	-	-
	<u>-</u>	<u>-</u>



## NOTES TO FINANCIAL STATEMENTS

	Year ended March 31, 2012 (₹)	Year ended March 31, 2011 (₹)
<b>19. INCOME FROM OPERATIONS</b>		
Brokerage	252,032,785	324,598,105
Other operating income	1,319,400	3,179,850
	<u>253,352,185</u>	<u>327,777,955</u>
(Brokerage includes commission from distribution of Mutual Funds/IPOs.)		
<b>20. OTHER INCOME</b>		
Dividend from mutual funds & others	21,066	841,880
Interest on fixed deposits	12,505,273	6,740,888
Provision for doubtful debts written back	833,267	-
Interest on income tax refund	1,221,131	-
(Loss)/profit on sale/write off of assets	793,483	-
(Loss)/profit on pro-trading	-	93,596
Provision for diminution in value of stock in trade	177,643	-
Miscellaneous income	313,812	1,885
	<u>15,865,675</u>	<u>7,678,249</u>
(Interest on Income Tax Refund relates to refund of Income tax and Fringe benefit tax for Assessment Year 2007-08.)		

## NOTES TO FINANCIAL STATEMENTS

	Year ended March 31, 2012 (₹)	Year ended March 31, 2011 (₹)
<b>21. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, allowances & bonus	25,662,583	23,604,884
Contribution to provident fund and other funds	1,163,034	1,168,216
Staff welfare expenses	1,281,863	1,250,003
	<u>28,107,480</u>	<u>26,023,103</u>
<b>22. FINANCIAL COSTS</b>		
Bank charges	835,119	1,233,767
	<u>835,119</u>	<u>1,233,767</u>
<b>23. OTHER EXPENSES</b>		
BSE expenses	212,368	687,718
Connectivity charges	708,764	942,031
Depository charges	245,750	543,768
NSE expenses	242,168	150,290
Electricity charges	1,458,206	1,291,108
Office expenses	1,827,195	1,414,883
Outsourcing expenses	7,829,736	7,236,924
Postage & courier	1,474,961	1,289,462
Printing & stationery	2,183,534	3,116,465
Rent & taxes	2,358,000	2,042,057
Repairs & maintenance	9,670,309	6,752,740
Telephone & communication	521,467	477,454
Travelling & conveyance	1,236,452	1,386,752
Bad debts written off	3,237,000	-
Less: provision for difference in bank reconciliation	(3,237,000)	-
Advertisement	36,000	144,704
Business promotion expenses	20,050	45,565
Directors sitting fees	100,000	170,000
Insurance	1,053,617	557,475
Legal fees	234,000	75,000
Professional fees	1,828,647	2,566,069
Miscellaneous expenses	349,094	965,490
Loss/(profit) on sale of shares	34,731	214,767
Loss/(profit) on pro-trading	334,352	-
Loss/(profit) on sale/write off of assets	-	719,267
Provision for doubtful debts	-	1,531,214
Provision for diminution in value of stock in trade	-	151,655
	<u>33,959,401</u>	<u>34,472,858</u>

(Outsourcing expenses include ₹ 4,532,694/- (PY ₹ 5,528,447/-) towards documentation expenses to SHCIL Projects Ltd.)

**BOARD OF DIRECTORS**

(as on June 20, 2012)

Ashok Motwani Non - Executive Chairman

G.S.P. Sinha Director

L. Viswanathan Director

Umesh Punde Director

Pankaj Inamdar Director

Jagdish Thakur Director

Sanjeev Vivrekar Managing Director & CEO

**Statutory Auditors**

M/s PKF Sridhar & Santhanam

**Internal Auditors**

M/s N D Kapur & Company

## DIRECTOR'S REPORT

Your Directors have the pleasure in presenting the Sixth Annual Report on the business and operations of the Company alongwith the Audited Accounts for the financial year ended March 31, 2012.

### BUSINESS:

Your Directors are delighted to report that despite difficult economic scenario, your Company achieved higher revenue of Rs 623 lac registering a growth of 29% over previous year's revenues. The business during the first three quarters of the financial year was sluggish. After three difficult quarters, different segments of the Company i.e. physical custody, digitisation and sale of software performed exceptionally well in the last quarter. In order to achieve rapid growth, your Company has decided to tap foreign markets where digitisation services have good potential.

During the year under review, your Company received in-principle approval of Insurance Regulatory and Development Authority of India (IRDA) to set up an Insurance Repository. Insurance repository operations are expected to start in the 2<sup>nd</sup> quarter of financial year 2012-2013 after receipt of final approval from IRDA.

### OPERATIONS:

During the year, your Company earned a profit after tax of Rs. 19.70 lac as against profit after tax of Rs 33.34 lac earned during the previous year. The financial results are summarized below:

(Rs. in lac)

Particulars	March 31,2012	March 31,2011
Total Revenue	623.28	482.26
Total Expenditure	601.92	434.15
Profit before Tax	21.36	48.11
Provision for Tax	1.66	14.77
Profit after Tax	19.70	33.34

Profit during the year was lower mainly due to expenses incurred for setting up facilities for Insurance Repository activities which will have positive impact on the future profitability of the Company. Further lower profitability was also due

to higher incidence of depreciation on the infrastructure and storage assets acquired during the year.

### DIVIDEND:

With a view to conserving resources for business/ expansion, your Directors do not recommend any dividend for financial year 2011-12.

### DIRECTORS:

The present Board of Directors comprises of the following:

1	Shri Ashok Motwani	Non - Executive Chairman
2	Shri G. S. P. Sinha	Director
3	Shri L.Viswanathan	Director
4	Shri Umesh Punde	Director
5	Shri Pankaj Inamdar	Director
6	Shri Jagdish Thakur	Director
7	Shri Sanjeev Vivrekar	MD & CEO

Shri Jagdish Thakur and Shri Pankaj Inamdar, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

### AUDIT COMMITTEE:

The Audit Committee comprises of three Directors viz:

Shri G. S. P. Sinha, Independent Director (Chairman)  
Shri Jagdish Thakur, Non- Executive Director and  
Shri Umesh Punde, Non- Executive Director

The Audit Committee met 4 times during the financial year 2011-12.

### STATUTORY AUDITORS:

PKF Sridhar & Santhanam, Chartered Accountants were the Statutory Auditors of the Company for the financial year 2011-12. M/s PKF Sridhar & Santhanam, Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for re-appointment.

**PARTICULARS OF THE EMPLOYEES UNDER SECTION 217(2A):**

None of the employees of the Company was in receipt of remuneration exceeding the limits specified u/s 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended; hence, the relevant provisions are not applicable.

**FIXED DEPOSITS:**

Your Company has not accepted any fixed deposits from the public during the financial year 2011-12.

**BUY BACK OF SHARES:**

During the financial year 2011-12, the Company has not announced any scheme for buy back of its shares from its shareholders. Accordingly, the requirement as to disclosure of reasons for failure to complete the buy back within the time specified under section 77A of the Companies Act, 1956 does not arise.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

- a) As the Company does not carry out manufacturing activities, particulars required to be disclosed with respect to conservation of energy and technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.
- b) Foreign Exchange earning and outgoing during the year under review:
- Foreign Exchange earnings - **NIL**
- Foreign Exchange outgo - **NIL**

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- (i) in preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) 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 the company at the end of the financial year and of the profit or loss of the company for financial year;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a going concern basis.

**ACKNOWLEDGEMENTS:**

The Board places on record its deep appreciation for the valuable cooperation and goodwill of the Customers & Bankers. The Board also expresses its sincere gratitude to Insurance Regulatory and Development Authority of India (IRDA) and Stock Holding Corporation of India Ltd. for cooperation and support in various spheres of the company's activities. The Board also wishes to place on record its deep appreciation for the valuable contribution made by SPL employees.

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

Place: Mumbai  
Date: June 20, 2012

**Ashok Motwani**  
Non Executive Chairman

## AUDITOR'S REPORT

### To: The Members of SHCIL Projects Limited

1. We have audited the attached Balance Sheet of SHCIL Projects Limited, as at 31st March, 2012 and the Profit and Loss Account and the Cash Flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the Act) and on the basis of the checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we set out in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to in paragraph (3) above, we report that:
  - a) We have 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 appears from our examination of the books;

- c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, the Profit and Loss Account, the Cash Flow Statement and the schedules thereon dealt with by this report comply with the accounting standards referred to in sub – section (3C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of the representations received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of Clause (g) of sub – section (1) of section 274 of the Companies Act, 1956.
5. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements together with notes thereon gives the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,
    - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
    - b) In the case of the Profit and Loss Account, of the profit for the year ended on that date;
    - c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **PKF SRIDHAR & SANTHANAM**

Chartered Accountants

Firm's registration no. : 003990S

**Ramanarayanan. J**

Partner

Membership No.: 220369

Place: Chennai

Date: April 30, 2012

**Annexure to the Auditors' Report**

[Referred to in paragraph (3) of our report]

- (i) a) The Company is maintaining proper records for all major assets showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the management at the periodic intervals; no material discrepancies were noticed on such verification.
- c) The Company has not sold or disposed off any major asset during the year.
- (ii) The Company has not granted / taken any loans, secured or unsecured from/to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (iii) There is adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of fixed assets; and for sale of goods and rendering services. During the course of our audit, we have not observed any continuing failures to correct major weaknesses in internal controls.
- (iv) According to the information and explanation given to us there are no transactions exceeding ₹5 Lakhs in respect of each party made in pursuance of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (v) In our opinion, the Company has an internal audit system to commensurate with its size and nature of its business.
- (vi) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Professional Tax, Investor Education Protection fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess were in arrears, as on March 31, 2012 for a period of more than six months from the date they become payable.

- c) There are no dues of Income tax, Sales Tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess which have not been deposited on account of any dispute.
- (vii) The Company's accumulated losses at the end of the financial year are less than fifty percent of its net worth and the Company has not incurred any cash losses in the current year as well as in immediately preceding financial year.
- (viii) The Company has not given any loan during the year.
- (ix) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (x) The Company has not taken any term loans during the year.
- (xi) On an overall examination of the Balance Sheet of the Company funds raised on short term have not been used for long-term investment.
- (xii) Except for issue of shares to the holding company during the year, being an wholly owned subsidiary, the price of the issue not being prejudicial to the interest of the Company, the Company has not made any other preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xiii) According to the information and explanations given to us, the Company has not issued any debentures, during the year.
- (xiv) The Company has not raised any money by public issues during the year.
- (xv) According to the information and explanations provided to us, no fraud on or by the Company has been noticed or reported during the year.

Clauses (ii), (vi), (viii), (xi), (xiii), and (xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company during the period under review.

For **PKF SRIDHAR & SANTHANAM**

Chartered Accountants

Firm's registration no. : 003990S

**Ramanarayanan. J**

Partner

Membership No.: 220369

Place: Chennai

Date: April 30, 2012

**BALANCE SHEET AS AT MARCH 31, 2012**

Particulars	Note	(₹ in lakhs)	
		As at March 31, 2012	As at March 31, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	2,700.00	1,575.00
Reserves and Surplus	4	(67.51)	(87.21)
		2,632.49	1,487.79
<b>Non- current liabilities</b>			
Deferred tax liabilities	12	26.87	25.22
Other long term liabilities	5	-	-
Long- term provisions	6	4.91	1.52
		31.78	26.74
<b>Current liabilities</b>			
Trade payables	7	-	-
Other current liabilities	8	56.74	57.94
Short-term provisions	9	0.08	1.53
		56.82	59.47
<b>Total</b>		2,721.09	1,574.00
<b>Assets</b>			
<b>Non- current assets</b>			
Fixed Assets:			
Tangible assets	10	500.77	457.06
Intangible assets	10	67.07	36.46
Intangible assets under development		28.69	37.77
Capital Work in Progress		14.75	-
		611.28	531.29
Non-current investments	11	-	-
Long term loans and advances	13	398.75	92.26
		398.75	92.26
<b>Current assets</b>			
Current investments	15	-	684.20
Trade receivables	14	222.87	180.01
Cash and Bank Balances	16	1,399.54	17.35
Short term loans and advances	17	76.11	28.89
Other current assets	18	12.54	40.00
		1,711.06	950.45
<b>Total</b>		2,721.09	1,574.00

See accompanying notes to the financial statements numbered 1-18 and 24-30.

As per our report of even date

**For PKF Sridhar & Santhanam**

Chartered Accountants

Firm Registration no: 003990S

**Ramanarayanan. J**

Partner

Membership No: 220369

Place: Mumbai

Date : April 30, 2012

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

Company Secretary

**Jyoti Katira**

Head Finance

**Sanjeev Vivrekar**

MD &amp; CEO

**G.S.P. Sinha****Pankaj Inamdar**

Directors



**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2012**

Particulars	Note	Year ended March 31, 2012	(₹ in lakhs) Year ended March 31, 2011
<b>INCOME :</b>			
I Revenue from Operations	19	<b>519.01</b>	460.96
II Other Income	20	<b>104.27</b>	21.26
III Prior Period Income (net)		-	0.04
IV Total Revenue		<b>623.28</b>	482.26
<b>V EXPENDITURE:</b>			
Employee benefit expense	21	<b>166.08</b>	111.28
Depreciation	10	<b>90.88</b>	74.15
Other expenses	22	<b>338.36</b>	248.72
Prior Period Expense	23	<b>6.60</b>	-
Total expenses		<b>601.92</b>	434.15
VI <b>PROFIT/(LOSS) BEFORE TAX (IV- V)</b>		<b>21.36</b>	48.11
VII Tax Expense			
- Current Tax/MAT		<b>3.23</b>	-
- Less: MAT Credit Entitlement		<b>(3.23)</b>	-
- Deferred Tax		<b>1.66</b>	14.77
		<b>1.66</b>	14.77
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>19.70</b>	33.34
Earnings per equity share (Face value ₹ 10 per share)		<b>0.09</b>	0.31

Basic and Diluted (in ₹)

See accompanying notes to the financial statements numbered 1,2,10,19-30.

As per our report of even date

**For PKF Sridhar & Santhanam**

Chartered Accountants

Firm Registration no: 003990S

**Ramanarayanan. J**

Partner

Membership No: 220369

Place: Mumbai

Date : April 30, 2012

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

Company Secretary

**Sanjeev Vivrekar**

MD &amp; CEO

**G.S.P. Sinha****Pankaj Inamdar**

Directors

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012**

	Year ended March 31, 2012	(₹ in lakhs) Year ended March 31, 2011
<b>Cash flows from operating activities :</b>		
<b>Profit before tax</b>	<b>21.36</b>	48.11
<i>Adjusted for:</i>		
Depreciation/amortisation	<b>90.88</b>	74.15
Provision for doubtful debts	<b>5.45</b>	-
Interest/Dividend income	<b>(103.34)</b>	(21.05)
	<b>(7.01)</b>	53.10
Operating Profit/(loss) before working capital changes	<b>14.35</b>	101.21
<b>Changes in working capital</b>		
(Increase)/Decrease in Trade Receivables, Long term & Short term Loans & Advances and Other Current Assets	<b>(56.14)</b>	(161.12)
Increase/(Decrease) in Trade Payables, Other Liabilities & Provisions	<b>0.74</b>	(31.64)
	<b>(55.40)</b>	(192.76)
<b>Cash generated from operations</b>	<b>(41.05)</b>	(91.55)
Taxes paid	<b>(3.23)</b>	-
<b>Net cash generated from operating activities</b>	<b>(44.28)</b>	(91.55)
<b>Cash flows from investing activities :</b>		
Purchase of fixed assets including capital work in progress & capital advances	<b>(477.60)</b>	(354.36)
(Purchase)/Sale of Current Investments (Net)	<b>684.19</b>	(684.20)
Redemption of Fixed Deposits	<b>6.00</b>	410.59
Purchase of Fixed Deposits	<b>(1,376.79)</b>	-
Interest/Dividend received	<b>94.88</b>	24.84
<b>Net cash generated from/(used in) investing activities</b>	<b>(1,069.32)</b>	(603.13)
<b>Cash flows from financing activities :</b>		
Proceeds from issue of capital	<b>1,125.00</b>	700.00
<b>Net cash (used in) financing activities</b>	<b>1,125.00</b>	700.00
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>11.40</b>	5.32
Cash and cash equivalents, beginning of the year	<b>11.35</b>	6.03
Cash and cash equivalents, end of year	<b>22.75</b>	11.35
Note: Cash and cash equivalents include the following :		
Cash balance	<b>0.01</b>	-
Balance with scheduled banks:		
- in current accounts	<b>1.05</b>	0.79
- cheques on hand	<b>21.69</b>	10.56
	<b>22.75</b>	11.35

Note: Cash Flow Statement is prepared under "Indirect Method" as set out in Accounting Standards (AS-3) "Cash Flow Statement" as specified in the Companies Accounting Standards Rules, 2006

As per our report of even date

**For PKF Sridhar & Santhanam**

Chartered Accountants

Firm Registration no: 003990S

**Ramanarayanan. J**

Partner

Membership No: 220369

Place: Mumbai

Date : April 30, 2012

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

**Mandar Vasmatkar**

Company Secretary

**Jyoti Katira**

Head Finance

**Sanjeev Vivrekar**

M D & CEO

**G.S.P. Sinha**

**Pankaj Inamdar**

Directors

## Notes to Financial Statements For the year ended March 31, 2012

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

### 1 Background

SHCIL Projects Ltd (SPL) was incorporated on August 10, 2006 and is a wholly owned subsidiary of Stock Holding Corporation of India Ltd. (SHCIL). SPL provides physical custody services, digitization services and software products & services.

### 2 Significant Accounting Policies

#### A) Basis of preparation

The financial statements have been prepared on accrual basis under the historical cost convention, in accordance with the accounting principles generally accepted in India and comply with the Accounting Standards (AS) notified by the Central Government under the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956, to the extent applicable.

#### B) Change in presentation and disclosure of financial statement

During the year ended March 31, 2012 the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statement. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

#### C) Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the balance sheet date, reported amounts of revenues and expenses for the period ended and disclosure of contingent liabilities as of the balance sheet date. The estimates and assumptions used in these financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from those estimates. Any revision to accounting estimates is recognized prospectively.

#### D) Revenue recognition

Income from Physical Custody Services is recognized on a monthly basis as per agreements with customers.

Income from Digitization Services is recognized on percentage completion method.

Income from software products is recognized on delivery/installation of the software product. Income from software services is recognized on percentage completion method.

Dividend income from investment is recognized as and when right to receive the income is established.

Interest income is recognized on time proportion basis.

#### E) Fixed Assets

##### Tangible Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes expenses related to acquisition and installation of the concerned asset.

## Notes to Financial Statements For the year ended March 31, 2012

### Intangible Assets

Software bought out is capitalized at acquisition price. 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.

Advance given towards acquisition of fixed assets and the cost of assets not ready for use as at the balance sheet date are disclosed under long term loans & advances and capital work in progress / intangible assets under development respectively.

### F) Investments

Current investments are stated at cost of acquisition or market value which ever is lower.

### G) Depreciation

#### Tangible Assets

Depreciation on Plant & Machinery is provided on straight-line method and other tangible assets on the written down value method at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on additions/disposal during the period is calculated on pro-rata basis from / up to the date of acquisition/disposal.

#### Intangible Assets

Software both bought out and internally developed is amortized on straight-line method at lower of the estimated life of the product and ten years.

### H) Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the impairment loss is recognized in the profit and loss account. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that extent.

### I) Accounting of Operating Leases (as a lessee)

Where lease rentals are so structured that the rental is higher in the later years, lease rentals have been recognized as an expense in the statement of Profit and Loss Account on Straight Line basis over the term of the lease. The difference between the equated rent and the rent as per the agreement is transferred to Provision for Lease Equalization account to be adjusted over the period of the lease.

In other cases, lease rentals are accounted as per the terms of the lease contract.

### J) Employee Benefits

#### 1. Defined Contribution Plan:

All employees of the company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contribution to the plan at a predetermined rate (presently 12%) of the employee's salary. These contributions are made to the fund administered and managed by the Government of India.

## Notes to Financial Statements For the year ended March 31, 2012

### 2. Defined Benefit Plan:

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 balance sheet date. Actuarial gains/losses if any are immediately recognized in the profit and loss account.

### 3. Compensated Absences:

Long term compensated absences are provided on actuarial valuation using the projected unit credit method as at the balance sheet date. Actuarial gains/losses if any are immediately recognized in the profit and loss account. Short term compensated absences are provided on estimated availment pattern.

## K) Taxation

### Current tax

The Company provides for income tax on the basis of taxable income for the current accounting period in accordance with the provisions of the Income Tax Act, 1961.

### Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the accounting income as per the Company's financial statements and the taxable income for the period.

Deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets other than unabsorbed depreciation and carry forward losses, are recognised only to the extent there is reasonable certainty that the assets can be realised in future. When there is unabsorbed depreciation or carried forward of losses under tax laws, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets are reviewed as at each Balance Sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realised.

## L) Provision and Contingent Liabilities

A provision is recognized when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in respect of possible obligations that arose from past events but their existence is confirmed by the occurrence of one or more uncertain future events, not wholly within the control of the Company.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not disclosed.

**Notes to Financial Statements For the year ended March 31, 2012**

	As at March 31, 2012	(₹ in lakhs) As at March 31, 2011
<b>3 Share Capital</b>		
<b>Authorised</b>		
300,00,000 (2011: 200,00,000) equity shares of ₹ 10 each	<b>3,000.00</b>	2,000.00
	<b>3,000.00</b>	2,000.00
<b>Issued</b>		
270,00,000 (2011: 158,90,000) equity shares of ₹ 10 each	<b>2,700.00</b>	1,589.00
	<b>2,700.00</b>	1,589.00
<b>Subscribed &amp; Paid up</b>		
270,00,000 (2011: 157,50,000) equity shares of ₹ 10 each, fully paid-up	<b>2,700.00</b>	1,575.00
	<b>2,700.00</b>	1,575.00
<b>Reconciliation of shares outstanding</b>		
<b>Particulars</b>	<b>No. of shares</b>	<b>No. of shares</b>
Shares outstanding at the beginning of the period	<b>15,750,000</b>	8,750,000
Add : Shares Issued during the period	<b>11,250,000</b>	7,000,000
Less : Shares bought back during the period	-	-
<b>Shares outstanding at the end of the period</b>	<b>27,000,000</b>	15,750,000
<b>Percentage of holding:</b>		
The entire paid up share capital is held by Stock Holding Corporation of India Ltd and its Nominees		
<b>4 Reserves &amp; Surplus</b>		
<b>Profit and Loss Account</b>		
Balance as per last Balance Sheet	<b>(87.21)</b>	(120.55)
Add: Net profit/(loss) for the period	<b>19.70</b>	33.34
	<b>(67.51)</b>	(87.21)
<b>5 Other Long Term Liabilities</b>		
Trade payables	-	-
Advances and deposits	-	-
Advance depository participant charges	-	-
	-	-
<b>6 Long Term Provisions</b>		
Provision for employee benefits	<b>4.91</b>	1.52
	<b>4.91</b>	1.52

## Notes to Financial Statements For the year ended March 31, 2012

	As at March 31, 2012	(₹ in lakhs) As at March 31, 2011
<b>7 Trade Payables</b>		
Dues to Holding Company	-	-
Dues to other Creditors	-	-
	<u>-</u>	<u>-</u>
<b>8 Other current liabilities</b>		
Statutory liabilities	12.23	19.89
Provision for expenses	16.66	22.89
Security Deposits payable	0.73	0.73
Retention money payable	21.06	13.89
Other liabilities	6.06	0.54
	<u>56.74</u>	<u>57.94</u>
<b>9 Short-term provisions</b>		
Provision for employee benefits	0.08	1.53
	<u>0.08</u>	<u>1.53</u>

## 10 FIXED ASSETS

(₹ in lakhs)

Particulars	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at April 1, 2011	Additions	Deductions	As at March 31, 2012	Up to April 1, 2011	For the Year	Deductions	Up to March 31, 2012	As at March 31, 2012	As at March 31, 2011
<b>Tangible assets</b>										
Computers/printers	44.65	12.25	-	56.90	17.82	13.41	-	31.23	25.67	26.83
Scanners	113.61	4.91	-	118.52	58.34	22.68	-	81.02	37.50	55.27
Motor vehicles	10.04	-	-	10.04	3.84	1.60	-	5.44	4.60	6.20
Office equipments	0.92	1.23	-	2.15	0.15	0.31	-	0.46	1.69	0.77
Plant and Machinery	320.32	46.87	-	367.19	11.99	16.79	-	28.78	338.41	308.33
Furniture & Fixtures	66.26	48.24	-	114.50	6.60	15.00	-	21.60	92.90	59.66
Total	555.80	113.50	-	669.30	98.74	69.79	-	168.53	500.77	457.06
<b>Intangible assets</b>										
Bought out softwares	20.49	6.96	-	27.45	7.02	7.91	-	14.93	12.52	13.47
Internally developed software	28.50	44.74	-	73.24	5.51	13.18	-	18.69	54.55	22.99
Total	48.99	51.70	-	100.69	12.53	21.09	-	33.62	67.07	36.46
<b>As at 31.03.12</b>	<b>604.79</b>	<b>165.20</b>	<b>-</b>	<b>769.99</b>	<b>111.27</b>	<b>90.88</b>	<b>-</b>	<b>202.15</b>	<b>567.84</b>	<b>493.52</b>
As at 31.03.11	265.74	339.05	-	604.79	37.12	74.15	-	111.27	493.52	228.62

**Notes to Financial Statements For the year ended March 31, 2012**

	As at March 31, 2012	(₹ in lakhs) As at March 31, 2011
<b>11 Non Current Investments</b>		
Trade Investments	-	-
Other Investments	-	-
	<u>-</u>	<u>-</u>
<b>12 Deferred Tax Liabilities (net)</b>		
The major components of deferred tax assets and liabilities arising on account of timing differences are as under :		
<b>Deferred Tax Assets (A)</b>		
Provision for doubtful debts/advances	1.68	0.26
Employee benefits	0.92	0.47
Stamp duty & ROC form fees	1.73	-
<b>Deferred Tax Liabilities (B)</b>		
Depreciation	31.20	25.95
<b>Net Deferred Tax Liabilities (B-A)</b>	<u>26.87</u>	<u>25.22</u>
<b>13 Long term loans and advances</b>		
<b>(Unsecured and considered good unless otherwise stated)</b>		
Capital Advances	393.35	86.61
Security and other deposits	5.40	5.65
Others	-	-
	<u>398.75</u>	<u>92.26</u>
<b>14 Trade receivables</b>		
<b>(Unsecured)</b>		
Outstanding for a period over six months		
Considered good	18.60	17.95
Considered doubtful	5.45	0.85
Less : Provision for doubtful debts	(5.45)	(0.85)
	<u>18.60</u>	<u>17.95</u>
Other debts		
Considered good	204.27	162.06
Considered doubtful	-	-
	<u>204.27</u>	<u>162.06</u>
	<u>* 222.87</u>	<u>180.01</u>

\* (Includes ₹ 114.94 Lakhs (2011: ₹ 4.19 Lakhs) due from Holding Company)



## Notes to Financial Statements For the year ended March 31, 2012

### 15 CURRENT INVESTMENTS

	Face Value	Number					Amount (₹ in lakhs)	
		As at	Purchased during the year ended	Dividend Reinvested during the year ended	Sold during the year ended	As at	As at	As at
	(₹)	April 1, 2011	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2011
<b>Mutual Funds</b>								
<b>Unquoted</b>								
ICICI Prudential MF's Liquid Fund-SuperInstitutional Plan, Daily Dividend Scheme	100.0226	477,872.7940	140,868.1646	8,638.9207	627,379.8793	-	-	477.98
IDBI MF's Liquid Fund - Daily Dividend Scheme	1,000.0000	20,622.4130	-	146.8960	20,769.3090	-	-	206.22
Aggregate Book Value of Investments						-	-	684.20

	As at March 31, 2012	(₹ in lakhs) As at March 31, 2011
<b>16 Cash and Bank Balances</b>		
Cash and Cash equivalents		
- Cash Balance	0.01	-
- Bank Balance in current accounts	1.05	0.79
- Cheques in Hand	21.69	10.56
	<b>22.75</b>	<b>11.35</b>
Others		
- In deposit accounts	1,375.79	-
- In margin money deposits	1.00	6.00
	<b>1,376.79</b>	<b>6.00</b>
	<b>1,399.54</b>	<b>17.35</b>
<b>17 Short term loans and advances</b> (Unsecured and considered good unless otherwise stated)		
Loans and advances to related parties	-	-
Others		
Advances recoverable in cash or in kind	17.27	12.24
Advance payment of tax and taxes deducted at source (net of provision for FBT ₹0.16 Lakhs)	49.87	13.97
MAT Credit Entitlement	3.23	-
Surplus in Gratuity Fund	0.28	1.13
Security and other deposits	5.46	1.55
	<b>76.11</b>	<b>28.89</b>
<b>18 Other current assets</b>		
Accrued income	12.54	40.00
	<b>12.54</b>	<b>40.00</b>

**Notes to Financial Statements For the year ended March 31, 2012**

	Year ended March 31, 2012	(₹ in lakhs) Year ended March 31, 2011
<b>19 Revenue from Operations</b>		
Income from physical custody	360.57	276.09
Income from digitization services	108.81	148.62
Income from software products/services	49.63	36.25
	<u>519.01</u>	<u>460.96</u>
<b>20 Other Income</b>		
Interest ( Gross)		
- Deposits with banks	93.23	7.35
- Interest on Income Tax Refund	0.22	0.03
Dividend on current investments	10.11	13.70
Miscellaneous Income	0.71	0.18
	<u>104.27</u>	<u>21.26</u>
<b>21 Employee benefits expense</b>		
Salaries, allowances & bonus	134.84	89.50
Contribution to provident fund and other funds	7.07	4.69
Staff welfare expenses	24.17	17.09
	<u>166.08</u>	<u>111.28</u>
<b>22 Other expenses</b>		
Outsourcing Expenses	69.57	34.80
Project Resources & Trainee Expenses	4.89	27.28
Traveling & Conveyance	14.16	11.09
Repairs & Maintenance	16.59	15.62
Electricity Charges	12.73	10.62
Postage, Printing & Stationery	8.49	6.65
Marketing Expenses	4.90	4.53
Director's Sitting Fees	2.00	3.20
Telephone & Telecommunication	5.45	3.96
Commission	17.35	15.14
Rent	60.07	39.52
Rates & Taxes	8.24	9.82
Legal & Professional Charges	6.37	4.52
Recruitment & Training Expenses	1.48	2.45
Audit fee (Including Statutory audit fee: ₹ 2.25 Lakh, Tax Audit fee: ₹ 0.50 Lakh & networth certification fee: ₹ 0.10 Lakh)	2.85	2.15

**Notes to Financial Statements For the year ended March 31, 2012**

	Year ended March 31, 2012	(₹ in lakhs) Year ended March 31, 2011
<b>22 Other expenses (Contd.)</b>		
Insurance	3.44	3.32
Bank Charges	0.18	0.10
Software Expenses	25.80	0.65
Transportation Expenses	11.58	15.63
Packing Expenses	25.12	19.35
Security Expenses	16.06	11.91
Bad Debts Written off	11.07	2.54
Provision for Doubtful Debts	5.45	-
Other Expenses	4.52	3.87
	<b>338.36</b>	<b>248.72</b>
<b>23 Prior Period Expense</b>		
Rent paid to SHCIL - Data Centre (For rack hosting & ancilliary services)	6.60	-
	<b>6.60</b>	<b>-</b>
<b>24 Capital and other commitments</b>		
Estimated amount of contract to be executed on capital account (net of advances)	283.07	259.45
	<b>283.07</b>	<b>259.45</b>
<b>25 Payment of managerial remuneration</b>		
Salary and Allowances	17.59	15.73
Contribution to PF and other Funds	1.71	1.33
Perquisites (As per Income Tax Rules)	0.32	0.32
	<b>19.62</b>	<b>17.38</b>
Note: Excludes leave accrued determined actuarially, by Holding Company SHCIL, the amount whereof is not currently determinable.		
<b>26 Earning per Share</b>		
Number of shares at the beginning of the period	157.50	87.50
Number of shares at the end of the period	270.00	157.50
Weighted average number of shares outstanding during the year	219.59	106.29
Net Profit/(Loss) for the period	19.70	33.34
Net Profit/(Loss) available for equity shareholders	19.70	33.34
Basic & Diluted Earning per share (in ₹)	<b>0.09</b>	<b>0.31</b>

## Notes to Financial Statements For the year ended March 31, 2012

### 27 Related Parties

#### a. List of Related Parties

Holding Company	<b>Stock Holding Corporation of India Ltd</b>
Fellow Subsidiary	<b>SHCIL Services Ltd</b>
Key Management Personnel	<b>Sanjeev Vivrekar - MD &amp; CEO</b>

#### b. Transactions with related parties for the year ended March 31, 2012. (₹ in lakhs)

Particulars	Year ended March 31, 2012				Year ended March 31, 2011			
	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Total	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Total
Reimbursement of Expenses	68.75	-	-	68.75	189.65	-	-	189.65
Rent *	51.46	-	-	51.46	37.29	-	-	37.29
Managerial Remuneration	-	-	19.62	19.62	-	-	17.38	17.38
Purchase of Business	-	-	-	0.00	-	-	-	0.00
Subscription to Share Capital	1,125.00	-	-	1,125.00	700.00	-	-	700.00
Commission	17.35	-	-	17.35	15.14	-	-	15.14
Services Rendered (Physical Custody/Digitisation/Software) **	251.88	55.50	-	307.38	106.54	66.72	-	173.26
Sitting Fees Paid	1.50	-	-	1.50	2.45	-	-	2.45
Balances - Receivables	114.94	8.74	-	-	4.19	26.78	-	-

\* Including rent of ₹ 6.60 lakhs pertaining to prior period.

\*\* Services rendered to related parties include service tax and vat.

	Year ended March 31, 2012	(₹ in lakhs) Year ended March 31, 2011
<b>28 Operating Leases</b>		
<b>Minimum Lease Payments for a period</b>		
(a) Not later than one year	<b>22.65</b>	25.65
(b) Later than one year but not later than 5 years	<b>39.75</b>	45.39
Lease payments charged to Profit and Loss Account	<b>24.82</b>	13.60

### 29 Disclosure pursuant to Accounting standard – 15 'Employee Benefits'

#### a) Defined Contribution plans

Contribution to provident fund ₹ 5.22 Lakhs (Previous year: ₹ 4.15 Lakhs) is recognized as an expense and included under the head in Company's contribution to Employees Provident Fund & Gratuity Fund.

#### b) Defined benefit plan

The Company is statutorily required to provide for gratuity a defined benefit retirement plan covering eligible employees. Gratuity plan provides for a lump sum payment to employees on retirement, death, incapacitation, termination of employment, of amounts that are based on salaries and tenure of the employees.

The gratuity liability is funded by the company through contributions made to LIC.

Present Liability of Gratuity is accounted based on actuarial valuation done by a professional Actuary.

**Notes to Financial Statements For the year ended March 31, 2012**

<b>I. Actuarial assumptions :</b>	<b>2011-12</b>	<b>2010-11</b>
Discount Rate	<b>8.50%</b>	8.25%
Rate of Return on Plan Assets *	<b>8.60%</b>	8.00%
Future Salary Rise**	<b>5.00%</b>	5.00%
Attrition Rate Current Year	<b>2.00%</b>	2.00%
* This is based on expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.		
** The Estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in employment markets.		

	<b>Year ended March 31, 2012</b>	<b>(₹ in lakhs) Year ended March 31, 2011</b>
<b>II. Change in Benefit Obligation:</b>		
Liability at the beginning of the year	<b>0.77</b>	0.57
Interest cost	<b>0.06</b>	0.05
Current service cost	<b>0.63</b>	0.69
Acturial (gains)/losses on obligations	<b>0.33</b>	(0.55)
Liability at the end of the year	<b>1.79</b>	0.77
<b>III. Fair Value of Plan Assets:</b>		
Fair value of plan assets at the beginning of the year	<b>1.90</b>	1.64
Expected Return on plan assets	<b>0.14</b>	0.13
Contributions	<b>0.13</b>	0.11
Acturial gains/(losses) on plan assets	<b>(0.10)</b>	0.02
Fair value of plan assets at the end of the year	<b>2.07</b>	1.90
<b>IV. Total Actuarial (Gain) / Loss to be recognized</b>	<b>0.43</b>	(0.56)
<b>V. Actual Return on Plan Assets</b>	<b>0.04</b>	0.15
<b>VI. Amount Recognised in the Balance Sheet :</b>		
Fair value of plan assets at the end of the year	<b>2.07</b>	1.90
Liability at the end of the year	<b>(1.79)</b>	(0.77)
Funded Status	<b>0.28</b>	1.13
Unrecognized past service cost	-	-
Unrecognized Transition Liability	-	-
Net (liability)/Asset recognized in the Balance Sheet	<b>0.28</b>	1.13

**VII. 100% of the Plan assets has been invested in Insured Managed Funds**

**Notes to Financial Statements For the year ended March 31, 2012**

	Year ended March 31, 2012	(₹ in lakhs) Year ended March 31, 2011
<b>VIII. Expenses Recognised in the Income Statement:</b>		
Current service cost	0.63	0.69
Interest cost	0.06	0.05
(Expected return on plan assets)	(0.14)	(0.13)
Actuarial (gains)/losses	0.43	(0.56)
Expense recognised in P & L	0.98	0.04
<b>IX. Balance Sheet Reconciliation</b>		
Opening net liability	(1.13)	(1.06)
Expense as above	0.98	0.04
Employers contribution	(0.13)	(0.11)
Amount recognised in balance sheet	(0.28)	(1.13)
<b>IX. Expected Employer's Contribution in next year is Rs.0.76 Lakh (Actual Contribution in Current Year: Rs. 0.13 Lakh).</b>		
<b>X. Experience Adjustment</b>		
On Plan liability (gains)/losses	0.59	(0.55)
On Plan assets (losses)/Gains	(0.10)	0.02

## c) Compensated Absences for Employees

The Company permits encashment of leaves accumulated by its employees on retirement, separation and during the course of service. The liability for unexpired leave is determined and provided on the basis of actuarial valuation at the Balance Sheet date. The compensated absences liability is not funded.

## (i) Actuarial Assumptions at the Valuation date

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Discount Rate	8.50% p.a.	8.25% p.a.
Salary Escalation Rate	5.00% p.a.	5.00% p.a.
Attrition Rate	2.00% p.a.	2.00% p.a.
Mortality	Published notes under the LIC (1994 – 96) Mortality Tables	

## (ii) Amount recognized in Balance Sheet and movements in net liability:

**Particulars**

Opening Balance of Compensated Absences (X)	1.53	0.76
Present value of Compensated Absences (As per actuary valuation) (Y)	2.25	1.53
Unfunded / (Excess) liability of Compensated Absences recognised in the Profit and Loss account for the year (Y – X)	0.72	0.77

## Notes to Financial Statements For the year ended March 31, 2012

### 30 Segment Reporting

- a) Physical Custody Services & Digitisation of Documents have been considered as primary segments.  
The Profit & Loss account of the reportable segments is set out here below:

	Year ended March 31, 2012	(₹ in lakhs) Year ended March 31, 2011
<b>b) Segment Revenue</b>		
Physical Custody Services	<b>360.57</b>	276.09
Digitisation Services	<b>108.81</b>	148.62
Software Services	<b>49.63</b>	36.25
<b>Total Revenue</b>	<b>519.01</b>	460.96
<b>c) Segment Results</b>		
Physical Custody Services	<b>268.99</b>	207.05
Digitisation of Documents	<b>76.77</b>	110.47
Software Services	-	35.60
<b>Total Net Revenue</b>	<b>395.39</b>	353.13
<b>Unallocated Expenses</b>		
Operating Expenses	<b>380.82</b>	252.17
Depreciation & Amortisation	<b>90.88</b>	74.15
<b>Operating Profit</b>	<b>(76.31)</b>	26.81
Other income	<b>104.27</b>	21.26
Prior Period (Expenses) / Income (net)	<b>(6.60)</b>	0.04
<b>Profit before Taxation</b>	<b>21.36</b>	48.11
Less: Tax	<b>(1.66)</b>	(14.77)
<b>Profit After Taxation</b>	<b>19.70</b>	33.34

Note: The segment operating profit is arrived at before allocating certain expenses to segments and such unallocable expense are separately disclosed.

## Notes to Financial Statements For the year ended March 31, 2012

The assets and liabilities of the reportable segments are set out here below:

	Year ended March 31, 2012	(₹ in lakhs) Year ended March 31, 2011
<b>d) Segment Assets</b>		
Physical Custody Services	802.60	346.10
Digitisation of Documents	39.24	55.27
Software Services	125.19	123.06
Unallocable Assets	1,754.06	1,049.57
<b>Total Assets</b>	<b>2,721.09</b>	<b>1,574.00</b>
<b>e) Segment Liabilities</b>		
Physical Custody Services	-	-
Digitisation of Documents	-	-
Software Services	-	-
Unallocable Liabilities	88.60	86.20
<b>Total Liabilities</b>	<b>88.60</b>	<b>86.20</b>
<b>f) Capital Employed</b>		
Physical Custody Services	-	-
Digitisation of Documents	-	-
Software Services	-	-
Unallocable	2,632.49	1,487.79
<b>Total Capital Employed (d-e)</b>	<b>2,632.49</b>	<b>1,487.79</b>

Note: There are no reportable geographical segments.



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## OFFICES/BRANCHES

Sr. No.	Region/Location	Address	Contact Number
	<b>MUMBAI and HO</b>		
1	PAREL	Unit no .301, Peninsula Centre Point, Dr. Babasaheb Ambedkar Road, Parel, Mumbai - 400012	022 -61779400-09
2	MAHAPE	SHCIL House, Plot No. P -51, T.T.C. Industrial Area, MIDC, Mahape, Navi Mumbai- 400710	022- 61778100 /01/02/03/04/05/06/07/08/09
3	ANDHERI	Shop No. 4, Parsian Apartments, V.P. Road, Next to Zoroastrian Co-op. Bank, Off. S.V. Road, Andheri (West), Mumbai - 400058	022 -26230910 / 12
4	BORIVALI	Shop No 10, Ground Floor, Madhumilan C.H.S., Mangal Kunj, S. V. Road, Borivali (West), Mumbai - 400092	022 -28332104 / 085
5	CHEMBUR	Basaveshwar Bhavan, 1st Floor, Basaveshwar Chowk, D. K. Sandhu Marg, Chembur, Mumbai - 400071.	022 -25288358/ 25290542
6	DADAR	169/C Neelkanth Niwas, Dr. Ambedkar Road, Dadar TT, Mumbai - 400014.	022 -24151722/ 06
7	DOMBIVILI	c/o Dombivli Nagri Sahakari Bank, Guruprasad Building, Manpada Road, Near Shivaji Statue, Dombivli (East)- 421201,Thane District.	0251 - 2861199 / 2860751
8	FORT	12/14, UTI Building, Bank street Cross Lane, Near Old Custom House, Fort, Mumbai - 400023	022 - 22622677 / 22675960 / 22675961
9	GHATKOPAR	Vishwa C.H.S., Ground Floor, Junction of R. B. Mehta Road & Hingwala Lane, Ghatkopar (East), Mumbai - 400077	022 -21020790 / 21021795
10	GOREGOAN	G-2, Unique Towers, Ground. Flr., near Kamath Club, Off. S. V. Road, Goregaon (West), Mumbai - 400062.	022 - 28787336 / 41
11	KALYAN	Gala No. 110, Vasant Vihar Complex, Chandulal Joshi Compound, Opp. Railway Station, Kalyan (West), Thane - 421301	0251-3231160 / 64
12	MAHALAXMI	Rewa Apartments, 'B' Wing, Ground. Floor, Behind BOI, Opp. Cadbury House, Bhulabhai Desai Road, Mahalaxmi, Mumbai - 400026.	022 - 23538225/ 23526220
13	MULUND	Shop no 2, Koteswar apts, R.H.B. Road, opp ICICI Bank, Mulund (west )- Mumbai 400080	022 -25907618 / 17
14	THANE	No 1, Crystal Court, 1st Floor, Near Thane Janta Bank, B Cabin Road, Shivaji Nagar, Naupada, Thane (west)	022 -25451752 / 25453791 / 25453790
15	VASHI	11/12, Thakker Towers, Ground Floor, Sector - 17, Vashi, Navi Mumbai - 400703.	27897167 / 70
16	VIKROLI	25, Ground Floor, Hazari Baug, Station Road, Vikhroli (West), Mumbai - 400083	022 -25779282 / 25778466
17	VILE PARLE	104, Shyamkamal, 'A' Wing, 1st Floor, Opp. Vile Parle Rly. Stn., Vile Parle (East), Mumbai - 400057.	022 -26161092 / 26161101/ 26184143
18	GOA	2nd Floor, Tamba Building, Dr A B Road, Panaji, Goa - 403001.	832 -2421497 / 96
19	NARIMAN POINT	Raheja Chambers, Office No. 15, Ground Floor, Nariman Point, Mumbai-400021.	022-22844247 / 22884685/ 22027202 / 22884687
20	BANDRA KURLA COMPLEX	MIKeshava, Bandra Kurla Complex, Bandra (East ),Mumbai-400051	022 - 26591252 / 54
21	OLD PANVEL	Shop no 1, Yashoghandh CHS, Near Rupali Theatre, Middle Class CHS, Old Panvel - 410206.	022 - 27462056 / 57
22	PAREL	Shop No 8 , Bay Side Arcade , Dr. B.A.Road , Mumbai -400012	022-24115313 / 24125310
	<b>MAHARASHTRA</b>		
23	AMRAVATI	Block no 82, Gulshan market, Mofussil plots, NR.panchsaheel talkies, Jaistambh chowk, Amravati -444601.	0721 - 6522774/ 2560470
24	AURANGABAD	Ragbhir Chambers, Above IDBI Bank, 1st Floor, Vidyanagar, Jalna Road, Aurangabad - 431005	0240- 2453631/ 32/ 33
25	CHINCHAWAD	218/219 Kohinoor arcade, sec no 24,b,bay pune road, nigdi-chinchwad, Pune - 411044.	020 - 27654837
26	CHANDRAPUR	2nd Floor, Raghuwanshi Complex, Near Azad Garden, Main Road, Chandrapur-442702	07172- 270302/ 274202
27	JALGAON	C/O Shree Mahavir Sahakari Bank Ltd, 87/ Polan Peth, Dana Bazar, Jalgaon - 425001.	0257 -2222690

## OFFICES/BRANCHES

Sr. No.	Region/Location	Address	Contact Number
28	KOLHAPUR	Ayodhya Towers, 4 th Floor, 511 KH 'E' Ward, Near Dabholkar Corner, Station road, Kolhapur - 416001.	0231 -2663123/ 80 / 24
29	DHANTOLI	3rd Floor, Saraf Court, Opp. Yeshwant Stadium, Dhantoli, Nagpur - 440012	0712 -2443561/ 6611595 / 2420059
30	NASHIK	F-8, 1st Floor, Suyojit Sankul, adjacent to Rajiv gandhi bhavan (NMC), Sharanpur Road, Nashik- 422002.	0253 2232859/ 2571535/ 2311058
31	PUNE	Sneh Leela Appartment, 1st Floor, Apte Road, Deccan Gymkhana, Pune - 411004.	020 -25520418/ 25521842 / 43
32	SANGLI	Gomtesh Padmavati, 111/112, Mahavir Nagar, Sangli - 416416.	0233 -2623252 / 53 / 51
33	YAVATMAL	Shop No 18,19,20,12, First Floor, Super Bazar, SBI Square, Yavatmal - 445001.	07232 -244884
34	WARDHA	Shop No. 3 & 4, Sun complex, Rajkala Road, Opp. Maharashtra Bank, Wardha -442001.	07152-251925
35	JAYSINGPUR	CTS NO 1504/A, Ashish Enterprises, 1st Floor, 11th lane, Jaysingpur - 416101.	02322 - 227552 /53
36	ICHALKARANJII	545/1, Murgunde Bldg, Shahu Corner Road, Ichalkaranji -416115.	0230-2421595 / 94
37	NANDED	1st Floor, Ramashish Bldg, above ICICI Bank, VIP Road, Nanded -431602.	02462 -252962 / 640474
38	NAGPUR II	1st Floor, Vishnu Complex, Opp. Rahate Hospital, C A Road, Nagpur -440008	0712 -6643469 / 70
39	SOLAPUR	148 , Railway lines , Solapur - 413001	0271 - 2310093 / 94
40	PUNE	5/33 Agarkar Nagar , Boat Club Road , Near Alankar Theatre , Pune - 411001	020- 26050115 / 116
<b>GUJARAT</b>			
41	AMRELI	Shop No.12 &13, First Floor, Mona Arcade, Opp Hirak Baug, Bus Station Road, Amreli- 365601.	02792-225241/ 42
42	AHMEDABAD	304-306, Sears Towers, 3rd floor, Patel Society, Gulbai Tekra, Panchawati, Ahmedabad-380006.	079- 26464760 / 47
43	MANINAGAR	F-1, 1st Floor, Parkland Avenue Complex, Near Daxin Railway Crossing, Maninagar west, Ahmedabad - 380008.	079-25462717 / 25460677
44	ANAND	204, Nathwani Chambers, near Patel market, Sardar Gunj, Anand -388001.	02692 -266611
45	VADODRA	305-308, 3rd Floor, Paradise Complex, Sayajiganj, Vadodara -390005.	0265- 2361062 / 2363516 / 419
46	BHARUCH	119 / A, 1st Floor, Bluechip Complex, Sevashram Road, Bharuch 392001	02642 -268633/34, 650809
47	BHAVNAGAR	G-2 Vasundhara Complex, 1st floor, Opp Dakshinamurti high school, Waghawadi Road, Bhavnagar -364002.	0278 -2471113/ 14
48	GANDHIDHAM	Office no. 206, Sindhu - II, Plot no. 302, Ward 12-B, Gandhidham -370201.	02836 -226585 / 86
49	GANDHINAGAR	Plot No 447, Second Floor, Sector 16, GH -5, Near Pragna Petrol pump, Gandhinagar -382016.	079 -23248579
50	JAMNAGAR	Office No. 6,7& 8, Madhav Darshan Complex, Off cricket bungalow, Gurudwara Road, Jamnagar -361001.	0288 -2770125 / 2661159
51	JUNAGADH	34,35 Platinum Complex,Jayshree Talkies Road, Kalwa chowk, Junagadh- 362001	0285 -2629748 / 2652748
52	KHAMBHAT	4, Raj Darshan Complex, Station Road, Khambhat -388620.	02698 -222283
53	MEHSANA	Om Complex, 2nd Floor, Radhanpur Cross Road, Near Petrol Pump, Mehsana-384002.	02762 -232622 / 23
54	NAVSARI	2288/101, 1st floor, Nanuvishnudham, Swami Vivekanand Road, Kansarwad, Navsari -396445.	02637-249403 / 01 / 25
55	PATAN	55,56,57 2nd Floor, Shreedev Complex, Station Road, Patan-384265.	02766 -222920 / 21
56	PORBANDER	Ground Floor, Purusharth, B/H Aroon Photo Studio, M G Road, Porbander - 360575.	0286 - 2215884 / 31
57	RAJKOT	Shree Sadguru Complex, 1st Floor, Opp Tirupati Petrol Pump, Kalawad Road, Rajkot -360007.	0281- 2478004 / 06



## OFFICES/BRANCHES

Sr. No.	Region/Location	Address	Contact Number
58	SURAT	311, Shree Shyam Chambers, Opp. Sub Jail, Ring Road, Surat -395002.	0261 -2321281/ 82 / 83
59	SURENDRANAGAR	First Floor, above Himanshu Textorium, Jawahar Road, Derasar Chownk, Surendra Nagar-363001.	02752 -228237 / 220075
60	VERAVAL	1st Floor, Swastik Complex, Bus Stand Road, Veraval -362265.	02876 -244202 / 03
61	VISNAGAR	48, Sukhivas Complex, 1st Floor, Station Road, Visnagar -384315.	02765-227610 / 20
62	VYARA	206-208 Citi Mall Shopping Centre, Sneh Kunj Colony, Vyara -394650.	02626-220436 / 220145
63	ELLORA PARK	G-3, Siddhivinayak Complex, Near Bank of India, Ellora Park-390023.	0265-2393384
64	HARNI WARASIA RING ROAD	FF-2, Ananya Avenue, Motinagar Char Rasta, Warasia Ring Road, Vadodara-390006.	0265-2531029/ 2531039
65	MOTERA	209, 2nd Floor, Shukan Mall, Nr Visat Petrol Pump, Motera,Sabarmati, Ahmedabad-380005.	079- 27502790 / 27571390
66	SADAR BAZAR	Orbit Complex, Ground Floor, Nr.Sadar Police Chowki, Sadar Bazar, Rajkot-360001.	0281-2474959
67	ASHRAM ROAD	106, Sukh Sagar Complex, Near Fortune land mark Hotel, Usmanpura, Ashram Road, Ahmedabad - 380013.	079- 27556730 / 31
68	UNJHA	F-9-10, Shilp Complex, above Axis Bank, Unjha - 384170.	02767-255622 / 23
69	ADAJAN	H-207, "Manthan ", near Gujarat gas Circle, Above Central Bank of India, Adajan, Surat - 395009.	0261- 2788995 / 96
70	NADIAD	SF-B/3, Virgo Shopping Centre, Santram Road, Nadiad - 387001.	0268 -2569158 / 59
	<b>CENTRAL (Chattisgarh &amp; Madhya pradesh)</b>		
71	BHILAI	Room no. 8, second floor, Chauhan estate, G.E road, Supela, Bhilai-490020.	0788-2290454 , 2295355
72	BHOPAL	First Floor, Alankar Complex, Plot No. 11, Zone - II, M P Nagar, Bhopal -462011.	0755-4221321
73	BILASPUR	Shop no B-2, Vrindavan Parisar, Telipara road, Bilaspur-495001.	07752-412039
74	GWALIOR	1st Floor, Sharma Mansion, Near Archies Gallary, Old High Court Road, Jayendra Ganj, Lashkar, Gwalior -474009.	0751 -4077783
75	INDORE	220-221, D.M.Towers, Race Course Road, Indore-452003.	0731-2432061 / 71
76	JABALPUR	7, Ankita Complex, 2nd floor, Opp Prabhu Vandana Talkies, Civic Centre, Jabalpur -482002.	0761-4014944
77	RAIPUR	222-223, Rishabh Complex, M G ROAD, Behind Hotel All Near, Raipur - 492001.	0771-2534212, 4034155
78	RATLAM	Building No : 38, 1st Floor, New Road, Opposite Gujarati School, Ratlam - 457001.	07412 -231100 , 409348
79	UJJAIN	Office No: 4, 1st Floor, Siddhivinayak Trade Centre, Opposite Shaheed Park, Freeganj, Ujjain - 456010.	0734-4014174
80	SATNA	Shop no 1, In front of Bank of Maharashtra, 1st Floor, K.B.Complex, Semariya Chowk, Rewa Road, Satna-485001.	07672- 411095
	<b>NORTH EAST (Arunachal Pradesh, Assam &amp; Tripura)</b>		
81	AGARTALA	1st Floor , 88,Motor Stand Road , Opp: Petrol Pump, P.O.Agartala, Agartala, Tripura West - 799001.	0381 -2300089
82	GUWAHATI	Blue Dart Complex, Maniram Dewan Lane, G.S.Road Ulubari, Guwahati -781007.	0361 -2460587/ 88
83	JORHAT	Kay Dee Building,1st Floor, Rupahi Ali, Garali, Jorhat -785001.	0376 -2300368
84	TINSUKIA	Shyam kunj complex, Opp Hero honda Show room, ChirwayaPatty Road, Tinsukia -786125.	0374 -2336010
85	SILCHAR	N.N.Dutta Road, Near Guruduvara, Cachar, Silchar- 788001.	03842-230120 / 26

## OFFICES/BRANCHES

Sr. No.	Region/Location	Address	Contact Number
86	SIVASAGAR	Ground Floor, PP No. 2834, DAG No. 2736, R.K.Complex, Station Chariali, A.T.Road, Sivasagar - 785640.	03772 - 224013 / 232012
	<b>NORTH WEST (Chandigarh, Haryana, Himachal Pradesh, Punjab, Jammu &amp; Kashmir)</b>		
87	AMRITSAR	33,34 Deep complex, Opp doaba automobiles, Court Road Amritsar, Amritsar-143001.	0183- 2402227 / 2210103
88	BHATINDA	MC 4373, 1st Floor, Opp Indian Overseas Bank, Kikar bazar, Bhatinda-151005.	0164-2253846
89	CHANDIGARH	2nd floor, sco 154 & 155, Deepak Towers, Sector 17-C, Chandigarh - 160017.	0172-2542807 / 2702545
90	JALANDHAR	1st Floor , SCO 33 , Multani Towers , PUDA Complex, Opp : Tehsil Complex, Jalandhar - 144001	0181-2453076 / 2243974
91	JAMMU	83, A/d Extn Near Police Lines, Gandhinagar, Jammu -180004.	0191-2455058 / 2454473
92	LUDHIANA	Cabin no 501, 5th floor, SCO -18, Feroze gandhi Mkt, Opp L.S.E., Ludhiana- 141001.	0161-2422157 / 3017701
93	MOGA	NIFD Campus, 531/9, New Town, Opp DM College, Moga-142001.	01636-223896 / 233296
94	MOHALI	SCF-33, 1ST Floor, Phase 5, Mohali -160059.	0172- 2272123 / 4655065
95	PANCHKULA	SCO 64 1st Floor, Sec-11, Panchkula - 134112.	0172- 4635063
96	PATIALA	No 6 & 7, Leela Bhavan Mkt, Patiala- 147001.	0175-2201890 / 2304678
97	PHAGWARA	1st Floor SCF 31, Near Arjun Mall, Guru hargobind Nagar Mkt, Phagawara -144401.	01824-262725 / 262981
98	SHIMLA	201, P.C.Chambers, Ridge, Ritz Cinema Road, Near Mall Road, Shimla - 171001.	177-2803737 / 2804747
99	SOLAN	Platinum Mall, Ground floor, South Enclave Bye Pass Saproon, Solan-173211.	01792 -225464 / 65
	<b>NORTH (Delhi, Haryana, Uttar Pradesh, Utaranchal )</b>		
100	AGRA	6 Awagarh House, M.G. Road, Civil Lines, Agra -282001.	0562-2524126 / 2520325
101	ALLAHABAD	LDA Centre Ground Floor, 2 S.P.Marg Civil Lines, Allahabad - 211001	0532-2560088 / 2560178
102	GORAKHPUR	Office no. 16,17,18 3rd floor, "The mall" Cross road, Bank Road, Gorakhpur-273001.	0551-2341809
103	KANPUR	Ground Floor krishna tower, 15/63 civil lines , Kanpur -208001.	0512-2306092
104	LUCKNOW	1st Floor, 215 / 27A, Subhash Marg, Lucknow-226003.	0522-2652263
105	LUCKNOW	Sri Ram Tower 1stFloor, Office No 103/104, Ashok Marg, hazaratganj, Lucknow-226001.	0522-2286193 / 95
106	MEERUT	T-306, Ganga Plaza, Begum Bridge Road, Meerut -250002.	0121-2655167/2656274
107	VARANASI	Kuber Complex ,4th Floor, D 58/2 Rathyatra, Varanasi -221010.	0542-2226818
108	VARANASI	Shop No.7, Kashiraj Apartement, Kamachha, Varanasi - 221010	0542-2455732
109	KANPUR	Ground Floor, 124/1, C Block, Bhatia Complex, Govind Nagar, Kanpur - 208006.	0512- 2653687
110	MUGALSARAI	3rd Floor, 952, G.T.Road, Subash Nagar, Near Subash Park, Mugalsarai, Chandauli- 232101.	05412- 257542
111	MEERAPUR	188/255, C.L.Plaza, Attarsuiya, Meerapur, Allahabad - 211003.	0532 - 2451012 /13
112	MIRZAPUR	Plot No 64 , 301 Mission Compound, Ramai Patti, Civil Lines , Mirzapur - 231001	05442-253012
113	AMBALA	5502,1st floor Surya tower, opp Nigar Cinema, Nicholson Road Ambala Cantt-133001.	0171 2645367/ 66 / 58
114	DEHRADUN	19, Windlass Shopping Complex, Rajpur Road, Dehradun - 248001.	0135-2652558 / 2710215



## OFFICES/BRANCHES

Sr. No.	Region/Location	Address	Contact Number
115	BHIKAJI CAMA	Ground.Floor, Shop GF 13, Building No 3, Ansal Chambers I, Bhikaji Cama Place, New Delhi- 110066.	011-26193385 / 84
116	JANAKPURI	103, 1st Floor, Facing main Road, Suneja Tower - I, Janakpuri District Centre, Janakpuri, New Delhi - 110058.	011-25507314 / 16 / 26
117	JANPATH	68/2 2nd Floor, Above Mehra Sons Jewellers, Janpath, New Delhi - 110001.	011-41616623 / 23324909
118	MILAP	8A, Milap building, Ground Floor, Bahadur Shah Zafar Marg, New Delhi -110002.	011-23359517/18, 43546864
119	NEHRU PLACE	2 nd Floor 3, Vardhman Trade Centre, DDA Complex, Nehru Place, New Delhi - 110019.	011-26425334/35/36/37
120	PITAMPURA	504, 5th Floor, B - 08 GDITL Towers, Netaji Subhash Place, Opp. Wazirpur Depot, Pitampura, Delhi-110034.	011-27357134 / 35 / 37
121	KARKARDOOMA	401, Fourth Floor, Ashish Corporate Tower Community Centre, Karkarduma, New Delhi-110092.	011-22375744 / 47
122	GHAZIABAD	301-302, 3rd Floor Hans Plaza, Ambedkar Road, Ghaziabad-201001.	0120-2976098 / 97/ 99
123	GURGAON	Shop No. 251, Central Arcade, 1st floor, Opposite Sahara Mall, DLF Phase II, Gurgaon - 122002.	0124-2387956 / 59
124	HARIDWAR	Gr floor, Royal Plaza, Chandra acharya Chowk, Ranipur More, Haridwar- 249407.	01334-265941 / 266504 / 645404
125	KARNAL	1st Floor, 16, Mahila Asharam Complex, above gift gallery, Behind Main Bus Stand, Karnal-132001.	0184-226734 / 2253875
126	NOIDA	P-5, Second Floor, Ocean Plaza, Sec -18, Noida U.P-201301.	0120-2516368 / 69 / 70
127	HALDWANI	Ground Floor, L-2 Durga Center, Bhotia Parao, Nainital road, Haldwani- 263139	05946 - 282392 / 93
	<b>NORTH (Rajasthan)</b>		
128	AJMER	2nd Floor, 711/4, K C Complex, opp Daulat Baug,Ajmer - 305001.	0145-2431290
129	ALWAR	1st Floor, 38A Lajpat Nagar, Scheme No 2, Alwar- 301001.	0144-2348459
130	BIKANER	Chugh Mansion, 1st Floor, Opp. DRM Office, Near Railway Stadium, Bikaner - 334001.	0151-2540131 / 2549506
131	JAIPUR	300A , 2nd Floor, JSEL BUILDING, Jawaharlal Nehru Marg, Malviya Nagar, Jaipur-302017.	0141-2729047 / 48 / 49 / 50 / 52
132	JAIPUR	Sangam Tower, 2nd Floor, Office No. 213, Church Road, Jaipur-302001.	0141-2387276 / 75, 2387104 / 05
133	JODHPUR	1st Floor, 54 Gulab Bhavan, Chopasni Road, Near Kankariya Building, Jodhpur-342003.	0291-2636609
134	KOTA	Mewara Plaza, 344, Shopping center, Rawat Bhata, Guman Pura Road, Kota - 324007.	0744-2360863 / 2361356
135	SHRI GANGANAGAR	21A, Bhardwaj Bhavan, 1st floor, Ravindrapath, Shri Ganganagar-335001.	0154-2440993 / 2442202 / 2444202
136	UDAIPUR	101, Anand Plaza, Nr. Ayad Bridge, University Road, Udaipur- 313001	0294-5101866
	<b>EAST WEST (West Bengal, Orissa, Andaman &amp; Nicobar Islands)</b>		
137	ANGUL	2nd Floor, M R Tower, Main Road, Angul -759122.	06764- 232456 / 57
138	BERHAMPUR	Opp of Hotel Moti, House No 12223A/16, Gandhinagar, Berhampur -760001, Dist - Ganjam.	0680-2220754 / 64
139	BHUBANESWAR	3rd Floor, Plot No.111, Varaha Complex, Station Square, Unit 3, Master Canteen, Kharvel Nagar, Bhubaneswar- 751001.	0674 -2391713 / 73
140	CUTTACK	1st Floor, Plot No 3027/3401, Opp. Kedaron, Dolamundai, Cuttack-753001.	0671 -2411837
141	HALDIA, MIDNAPORE	Akash Ganga Commercial Complex, Unit No.3/17, 3rd Floor, Durgachak, Haldia, Dist - Midnapore- 721602	03224- 272067 / 272166

## OFFICES/BRANCHES

Sr. No.	Region/Location	Address	Contact Number
142	HOWRAH	10 Burnt Salt Gola Lane, Dobson Road, Howrah -711101.	033-26662564 / 45
143	KOLKATA PARK STREET	125/1 Park Street, A G Towers, 6th Floor, Kolkata-700017.	033 -22262081/ 26662100
144	KOLKATA RNM	RNM House, 3B Lal Bazar Street, 3rd Floor, Kolkata -700001.	033-22107584 / 22420777
145	NAIHATI	212 RBC Road, Surya Kiran Apartment, Ground Floor , P.O Naihati, 24 Parganas (North) -743165.	033 -25023080 / 76
146	ROURKELA	Plot No 307/2050,Behind Pani Market Complex, Udit Nagar, Rourkela -769012.	0661 -2500056/ 51
147	BARRACKPORE	4(2) S.N.Baneerjee Road, Shopping Arcade, 2nd Floor, Kolkatta - 700120.	033 - 25452633 / 34
	<b>EAST (Bihar &amp; Jharkhand)</b>		
148	BHAGALPUR	2nd Floor, Angar Complex, Patal Babu Road, Bhagalpur -812001.	0641 -2409406 , 2300416
149	BOKARO STEEL CITY	C 1-22 C, City Centre, Sector 4, Bokaro Steel City-827004.	06542-231960 / 50
150	DHANBAD	201, Shanti Bhawan, Bank More, Dhanbad -826001.	0326 -2300185 / 84
151	HAZARIBAGH	Above Central Bank of India, Malviya Marg, Bodom Bazar, Hazaribagh -825301.	06546- 222847, 222674
152	JAMSHEDPUR	Shantiniketan Building , 2nd Floor, 1S.B Shop Area, Main Road, Bistupur, Jamshedpur -831001.	0657-2420437 / 38
153	MUZAFFARPUR	Domapokhar, Bank Road, Near Sutapatty, Shyam Mandir Marg, Muzaffarpur-842001.	0621-2246222 , 2246422
154	PATNA	301-305 Ashiana Plaza, Budh Marg, Patna- 800001.	0612 - 2231167, 2201129 , 3292768
155	RANCHI	5, Arjan Place, 3rd Floor, Main Road, Ranchi -834001	0651 -2331632
	<b>SOUTH 1 (Andhra Pradesh)</b>		
156	ANANTAPUR	DNo: 11-170 A, Ground Floor, Meda Ramaiah Mansion, Subash Road, Ananthapur -515001.	08554-275273 / 74 / 78
157	BHIMAVARAM	D No: 27-2-9, Opp water Tank, J P Road, Bhimavaram- 534202.	08816-226005 / 08
158	GUNTUR	2nd Floor, Raghu Mansions, 4th line, First Cross Road, Brodipet, Guntur - 522002.	0863-6642898
159	AMEERPET	G6-G10, Ground Floor, Swarna Jayanti Commercial Complex, Next to HUDA Maitrivanam, Ameerpet, Hyderabad-500038.	040-66664667/ 675/ 582
160	DILSUKHNAGAR	Shop No 7 & 8, 2nd Floor, Dno: 17-85/C/106 , Annapurna Shopping Complex, Main Road, Dilsukhnagar, Hyderabad- 500060.	040-24151203
161	HIMAYATNAGAR	3-6-269, G6 & G7 MYM Money Centre, opp Telugu Academy, Himayatnagar - Hyderabad-500029.	040-23261526 / 27
162	KUKATPALLY	Kalyan Sri Sai Niketan, Plot no. 138, Behind Margadarsi Chit Fund, Bhagyanagar Colony, Opp KPHB colony, Kukatpally- 500072.	040-66203220
163	KAKINADA	DNO: 5-1-61/1, 2nd floor, Ayyappa towers, Main Road, Suryarao peta, Kakinada - 533001.	0884-2347773 /74 /75
164	ONGOLE	Shop No: 11 & 12, Srinivasa Complex, Kurnool Road, Opp RTC Bus Stand, Ongole-523002.	08592-222205 / 06
165	NIZAMABAD	Block E, 1st Floor, Kavita Complex, Godown road, Nizamabad - 503001.	08462-232233 / 55
166	NELLORE	HNO:16/1102, Ground Floor, Moon Land Apartments, K V Agraharam, Pogathota, Nellore - 524001.	0861-2343480 /2302735
167	RAJAHMUNDY	7-28-32, 2nd Floor, Jupudy Complex, T Nagar, Rajahmundry-533101.	0883-2439476 / 2476761
168	SECUNDERABAD	Bhuvana Towers ,G 9 to G 10 , ground floor ,Near Manju theartre, S D Road , Secunderabad -500003	040-27803394 / 95
169	TIRUPATI	Flat No.10, 1st Floor, Sridevi Complex, TilakRoad, Tirupati- 517501.	0877-2220202
170	VIJAYAWADA	D NO 27-14-47, Opp: Buckingham Post Office, Rajagopalachari street, Governerpet, Vijayawada- 520002.	0866-6666898 / 2579004
171	VISAKHAPATNAM	30-15-58, 2nd Floor, Silver Willow, Dabha Gardens, Visakhapatnam- 530020.	0891-2752070 / 2716577





## OFFICES/BRANCHES

Sr. No.	Region/Location	Address	Contact Number
172	WARANGAL	Ist Floor, Shop No. 16, H No. 5-9-36/37, Mayuri BVSS Complex, opp Public Garden, lashkar bazar, Hanamkonda Main Road , Warangal-506001.	0870-6565113 / 2553318
173	DR A S RAO NAGAR	H.No.1 1 238/2/4, 1st Floor, Vertex Plaza, Commercial Building, E.C.I.L, Opp. Radhika Theater, Beside LIC Office, Dr A S Rao Nagar, Hyderabad-500062.	040-27133205 / 06
174	KURNOOL	Flat No.A10&11, 1st Floor, 40-383, Bhupal Residency, Park Road, Kurnool -518001.	08518-278738 / 39
175	MEHADIPATNAM	Shop No. 7, 10-43, Afia Plaza, Masab Tank, Mehadipatnam, Hyderabad - 500028.	040 - 23300160 / 63
176	ELURU	22B/6/8, Korrapati Steet, Powerpet, Eluru - 534002.	08812 - 221996 / 97
177	<b>SOUTH1 (Karnataka)</b> J C ROAD	Bangalore Stock Exchange Ltd, Stock Exchange towers 51, 1st cross, J C Road Branch, Bangalore - 560027.	080-22995236/46/49
178	MALLESHWARAM	13, Vasant Milan, 1st Cross, Malleshwaram, Bangalore - 560003.	080-23461225/23560525
179	JAYANAGAR	Shop No.7, First Floor, 44, 33rd Cross, 4th T Block, Jayanagar, Bangalore - 560011.	080 22453800 / 22453900
180	KORAMANGALA	1st floor, 103, MIGHKHB colony, 17th main, 5th block, Koramangala , Bangalore - 560095.	080- 25529149 / 50
181	BELGAUM	Basavakrupa 1, Club Road, Opp: Civil Hospital, Near Hansraj Supermarket, Belgaum - 590002	0831 -2469817/ 2432101
182	BELLARY	Door no : 342/1, A/1, Chiranjivi Nilaya, Shubha Mahal, Gandhi Nagar, Bellary - 583101	08392 -257660 / 664
183	DAVANGERE	1st Floor, above Mahalakshmi book depot, Akkanahadevi road, P.J.Extension ,DAVANGERE - 577 002	08192 - 236964 / 65 / 234442
184	DHARWAD	Sri Ranga Towers, Ground Floor, Near NTT, Ramnagar Cross, P B Road , Dharwad - 580001.	0836 - 2435635 / 36
185	GULBARGA	G1 & G2, Ground floor, Shruti Arcade, Opp: St. Mary's Church, Court Road, Off S B Temple Road, Gulbarga -585102.	08472 - 279710/ 11
186	HASSAN	1ST Floor, LakshmiComplex, Opp. BSNL Bhavan, B.M.Road, Hassan-573201	08172- 232117 / 18
187	HUBLI	1st floor, Varsha Complex, Next to Corpn Bank, Behind Bhavani Arcade, opp basava vana, Near Old Bus Stop, Hubli - 580029.	0836- 2253110/ 12/ 06
188	KUNDAPUR	Door No. 433/1/5, 1st Floor, Nr Manjunath Nursing Home, Mastikatte, Main Road, Kundapur - 576201	08254- 234557/ 58
189	KARKALA	Shop No 12 , D.No 127/23 , First Floor , Sharada Palace , Market Road , Karkala -574101	08258 - 234650/ 51
190	MANGALORE	Shop no 6& 7, 2nd Floor, Manasa tower, M G Road, Kodialbail, Mangalore - 575003	0824 - 2494986/ 2495220/ 24
191	MYSORE	No-442/3/4, 1st Floor, Chamaraja Double Road, Ramaswamy Circle, Mysore-570024.	0821-2333926/2330243/ 2333860
192	RAICHUR	11/2/59/A-1, Shreyansh Towers, 1st Floor, Above Bank of Maharashtra, M.G.Road, Raichur - 584101 .	08532 -225049 / 50
193	SHIMOGA	Ist Floor, Sangappa Complex, Garden Area, 3rd Cross, Beside State Bank Of Hyderabad, Shimoga - 577201.	08182 - 227785 / 86
194	UDIPI	Shriram Arcade, 3rd Floor, opp Head post office, Udipi - 576101.	0820 - 2535404/ 05
195	BAGALKOT	T.P.No : 159/1A/8, Ward no :10, Behind Kalburgi Hospital, Mahaveer Road, Bagalkot -587101	08354 - 220100 / 03
196	MANIPAL	1st Floor, Trade Center, Near Syndicate Circle, Manipal- 576104	0820 -2572115 / 16
197	SURATHKAL	7-115/3, Vidyadayini Institute of Agri & Rural Devp Complex,Behind Adlabs, Iddya village, Surathkal-575014	0824 -2408072 / 2408076
198	BANASHANKARI	No 1183 , 22A Cross , Banashankari 2nd Stage , Next To kims college , Bangalore - 560079	080-26716471 / 72

## OFFICES/BRANCHES

Sr. No.	Region/Location	Address	Contact Number
	<b>SOUTH 2 (Tamil Nadu)</b>		
199	ADYAR	Gokul arcade, 1st floor, No 2 Sardar Patel road, Adyar (near Adyar signal stop), Chennai - 600020.	044-24420602/45504085
200	ANNA NAGAR	W-101, 1st Floor, Second Avenue, Anna Nagar, Chennai - 600040	044-26280154/42051772
201	CHENNAI	Justice Basheer Ahmed Sayeed Bldg, 3rd Floor, 45, Moore Street, Second Line Beach, Chennai - 600001.	044-25340725/40100200
202	T.NAGAR	202, 2nd floor, challa Mall complex, 11&11A Sir Theagaraya Road, T.Nagar - Chennai - 600017	044- 24328380 / 42051774
203	COIMBATORE	A-108, 1st Floor, Raheja Centre, 1073-74, Avinashi Road, Coimbatore - 641018.	0422- 2241606
204	ERODE	R.K.Samy Building, 1st floor, 110/4, Sathy Road, Near Bus Stand, Erode - 638003.	0424- 2213823
205	KARAIKUDI	Meenakshi Towers, 1st Floor, Door No.14/22, 100 Feet Road, Near Periyar Statue, Karaikudi- 630001.	04565 -232180
206	KARUR	128-A, Vanitha Towers, 1st Floor, Kovai Road, Karur - 639002.	04324 -240528 / 240438 / 240628
207	MADURAI	C-1, 3rd Floor, A. R . Plaza, 16-17, North Veli Street, Madurai- 625001.	0452- 2350178 / 2342174
208	MYLAPORE	Shop No .1B, Ground Floor, 4/180, TNHB complex, Luz corner, Mylapore, Chennai - 600004.	044- 24986972 / 43536409
209	NAGARCOIL	30/4, Sundaram Arcade, 1st Floor, State bank main branch road, Nagarcoil - 629001	04652-228955 / 66
210	PONDICHERRY	201, Mission Street, 1st Floor, Above Bharat Overseas Bank, Pondicherry-605001.	0413 -2331751/2331752
211	SALEM	Shop no5/1, 1st Floor , Sri Lakshmi Complex , No 76 , Cherry Road , Opp to Government Arts College , Salem - 636007	0427- 2418648 /49 /50 /58
212	TRICHY	A-1, Shairshiti Court,ground floor, opp Rockfort school Salai Road, Woraiyur, Trichy- 62003	0431 -2750927
213	TUTICORIN	Anbu Medical Complex, 1st Floor, 285/8D, W.G.C.Road, Tuticorin - 628002.	0461 -2327638
214	VELLORE	Nexus Towers, 3rd Floor, No.6, Officers Line, Opp.to Voorhees School, Vellore- 632001.	0416-2221894, 95
215	KUMBAKONAM	No .104 & 105, 1st Floor, THSS Road , Opp to Kasi Theatre, Kumbakonam - 612001.	0435 -2422912 / 13
216	TAMBARAM	Shop No 8 & 9, No 68/22A, Kakkan Street, Tambaram West, Chennai-600045	044-22260569/42034948
217	PORUR	Arut jothi Towers, Plot No. 2 & 9, 1st Floor Shakthi Nagar, Mount Poonamalle High road, Porur, Chennai - 600116.	044 -22520191/ 42014260
	<b>SOUTH 3 (Kerala)</b>		
218	CALICUT	1st Floor, Metro Towers, 19/2084 -B/20, P V Swami Road, Chalappuram, P O Calicut - 673002.	0495-2300373/2304473/ 2530270
219	KOLLAM	E-2-24/25, 2nd Floor Commercial Complex, East Block Bishop jerome Nagar, Chinnakada, Kollam - 691001.	0474- 2768158 / 59
220	KANNUR	2nd Floor, KVR Towers, South Bazar, Kannur - 670002.	0497- 2712323 / 33
221	KOCHI	4th Floor, Kurian Towers, Opp.Saritha Theatre, Banerji Road, Ernakulam, Kochi - 682018.	0484-2397402 / 03
222	KOTTAYAM	2nd Floor, Korattiyil Complex, Opp. Public Library, Sashtri Road, Kottayam-686001	0481 - 2303670 / 71
223	PALAKKAD	1st Floor, Fort Centre Complex, Fort Maidan Stadium Bye-Pass Road, Palakkad -678001.	0491 -2510851/ 61
224	TRICHUR	Pooma Complex, 3rd Floor, M G Road, Trichur - 680001.	0487 -2445657 / 58
225	TRIVANDRUM	Jayalayam 1st Floor, TC-14/2072, Punnen Road, Palayam, Trivandrum- 695034.	0471 - 2338032 / 33
226	TRIPUNITHURA	2nd floor, 24/101 Market Junction, Near Syndicate Bank, Palliparambukav Road, Tripunithura - 682301.	0484 - 2779860 / 61
227	THODUPUZZHA	2nd Floor, Puthri Towers, Near KSRTC Bus station, Thodupazha - 685584.	0462 - 224128 / 29



PHOTO GALLERY



*Chairman of LIC of India, Shri D. K. Mehrotra being welcomed by MD & CEO - SHCIL at SHCIL House - Mhape.*

## PHOTO GALLERY



*Children from Helen Keller Institute for deaf & deaf blind giving a performance (National Anthem) on the occasion of SHCIL Foundation day at Mhape.*



*The winning team (SPL) in the inter group cricket tournament held at Vashi Sports Club, Navi Mumbai.*



PHOTO GALLERY



*Shri L. Viswanathan, EVP-SHCIL handing over first prize in flower decoration to Ms. Bernadine Fernandes on SHCIL Foundation day at Mhape*



*SHCILians rendering an inspirational song on the occasion of SHCIL Foundation day at Mhape*

## PHOTO GALLERY

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*Children of SHCILians performing on the occasion of SHCIL Foundation Day at Mhape*



*SHCILians along with family members on the occasion of SHCIL Foundation day at Mhape*



*SHCILians and their family members on the occasion of SHCIL Foundation Day at Mhape*



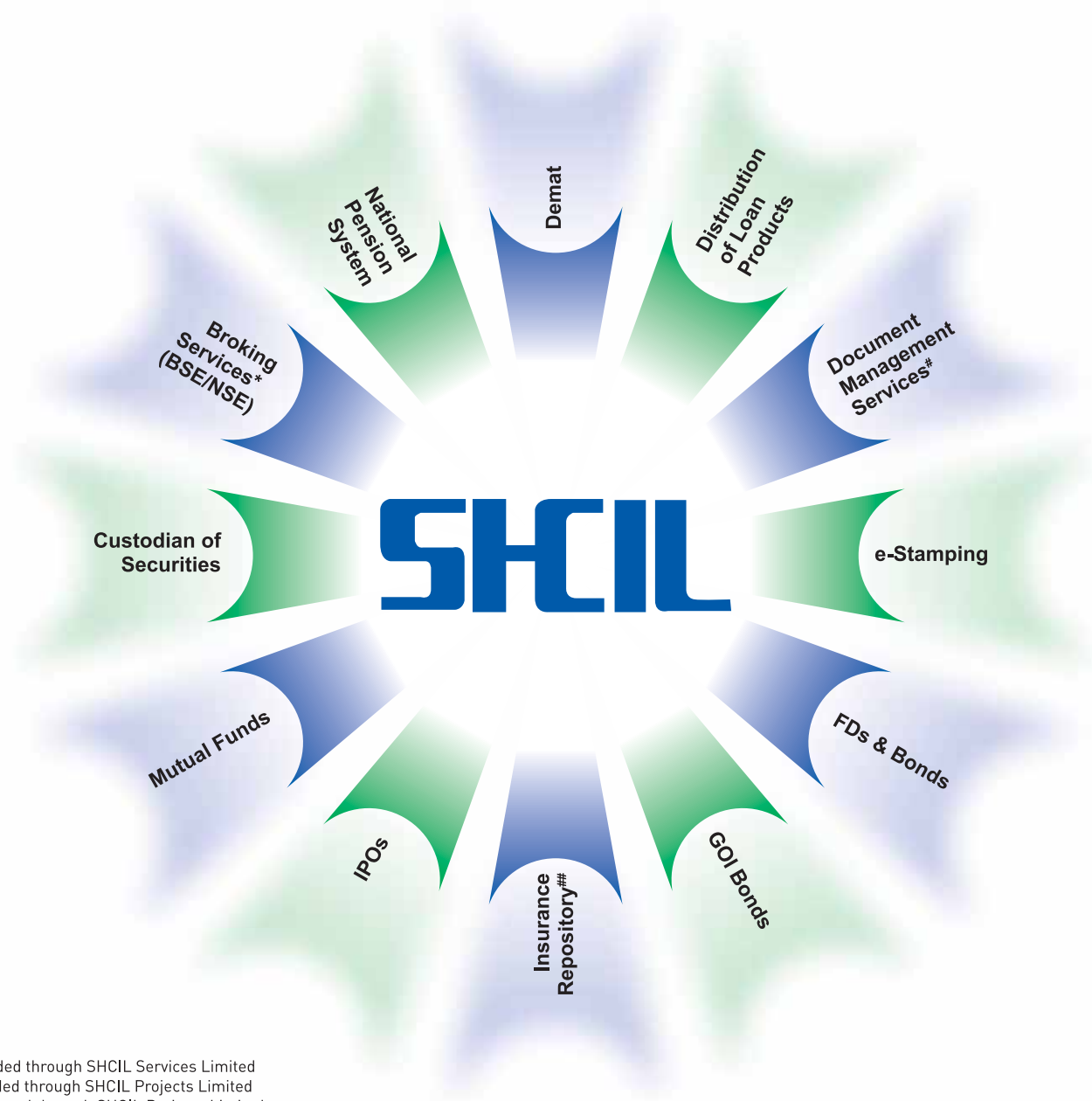
### **SHCIL Senior Management Team**

**Shri Ashok Motwani** - MD & CEO (sitting in centre) along with **Shri L. Viswanathan** - Executive Vice President, **Shri R. H. Mewawala** - Executive Vice President (sitting from left to right)

**Shri Sanjeev Vivrekar** - MD & CEO - SHCIL Projects Limited, **Shri Jaipal Menon** - Sr. Vice President, **Shri Nitin Jog** - MD & CEO - SHCIL Services Limited, **Shri Manoj Borkar** - Sr. Vice President, **Shri Umesh Punde** - Sr. Vice President (standing from left to right)



# Not just a Custodian



\*Provided through SHCIL Services Limited

#Provided through SHCIL Projects Limited

##Proposed through SHCIL Projects Limited



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