



Providing utmost
safety to your
investments...



26th Annual Report
2012-13

Stock Holding Corporation of India Limited

BOARD OF SHCIL



B. Ravindranath
*Non-Executive
Chairman*



S. B. Mainak
Director



G. Anantharaman
Director



Prakash P. Mallya
Director



A. R. Sekar
Director



Ashok Motwani
Managing Director & CEO



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MISSION STATEMENT

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

**Board of Directors (as on July 27, 2013)**

B. Ravindranath	Non-Executive Chairman
S. B. Mainak	
G. Anantharaman	
Prakash P. Mallya	
A. R. Sekar	
Ashok Motwani	Managing Director & CEO
Shashikant L. Nayak	Company Secretary

Statutory Auditors M/s. Kalyaniwalla & Mistry

Internal Auditors M/s. Devdhar Joglekar & Srinivasan

Other Auditors

System Auditors M/s. Devdhar Joglekar & Srinivasan
M/s. IDBI Intech Limited
M/s. Desai Rajendra & Co.

GoI 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

Registered Office: 301, Centre Point,
Dr. Babasaheb Ambedkar Road,
Parel, Mumbai 400 012.
Tel: 022-61779400-09,
Fax: 022-61779045
Web: www.shcil.com

Performance Highlights (on standalone basis)

(₹ in crore)

	2012-13	2011-12	2010-11
Earnings:			
Income from Operations	248	220	230
Interest & Dividend Income	38	33	25
Other Income	4	8	14
Total Income	290	261	269
Expenses:			
Operating Expenses	197	186	157
Profit before Depreciation	93	75	112
Depreciation	24	23	19
Profit before Tax	69	52	93
Provision for Tax	25	13	25
Provision for Deferred Tax	(6)	2	4
Adjustment for previous years	-	1	-
Profit after Tax	50	36	64
Assets Employed:			
Net Fixed Assets	134	150	131
Capital Work-in-Progress	3	3	9
Investments	136	91	77
Current / Non-Current Assets, Loans & Advances	572	469	421
Deferred Tax Asset/ (Liability)	8	1	3
Current / Non Current Liabilities & Provisions	363	262	212
Total Assets	490	452	429
Financed by:			
Share Capital	21	21	21
Reserves & Surplus	469	431	408
Secured loans	-	-	-
Total Funds	490	452	429
Key Indicators			
EPS (₹)	23.79	17.15	30.21
Dividend (%)	50	50	50
Networth	490	452	429
Book Value per Share (₹)	233	215	204



DIRECTORS' REPORT

Your Directors are pleased to present the twenty sixth Annual Report of your Corporation along with the Audited Statement of Accounts for the financial year ended March 31, 2013.

Economic Developments

The global economy registered growth of 3.2% in 2012, as per IMF. The global prospects are expected to improve gradually over the next year i.e. 2014 which is also reflected in the projection for the year being at 3.8% of GDP. The US economy showed signs of modest recovery driven by improvements in the housing sector and employment conditions. Japan's economy stopped contracting in Q4 CY2012 on account of increase in consumer confidence owing to monetary and fiscal stimulus. However, the euro region remained afflicted by recessionary conditions, like declining industrial production, weak exports and low domestic demand.

The developing nations are expected to show strongest growth over the next two years, according to the IMF forecast. However, high inflation, rising levels of unemployment, volatility among major currencies, etc., would remain areas of concern for emerging economies. The major threat is creation of asset bubbles which would have major negative impact on emerging economies once there is reverse flight of funds out of these countries.

The economic growth of India witnessed a slowdown from 6.5% in FY12 to 5.0% in FY13. Though agriculture and service sector posted good numbers the deceleration was on account of weak industrial activity. The index of industrial production (IIP) increased by just 2.5 % in March 2013 as compared to March 2012. During 2012-13, headline Wholesale Price Index (WPI) inflation rate moderated to an average of 7.3 % from 8.9 % in the previous year. Indian Rupee witnessed considerable volatility during the year and closed at ₹ 54.30 against USD after touching a low of ₹ 57.34 in June, 2012. Liquidity remained under pressure throughout the year. In order to alleviate the liquidity pressures, RBI reduced the CRR by 75 bps and SLR by 100 bps, apart from injecting liquidity through open market operations, liquidity adjustment facility mechanism, etc.

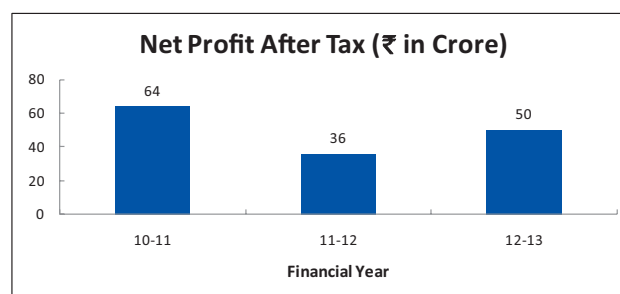
Financial Performance

During the year, your Corporation earned Profit After Tax (PAT) of ₹ 50 crore registering a growth of 39% over PAT of ₹ 36 crore in 2011-12. The Board of Directors has approved the appropriation of net profit as given below.

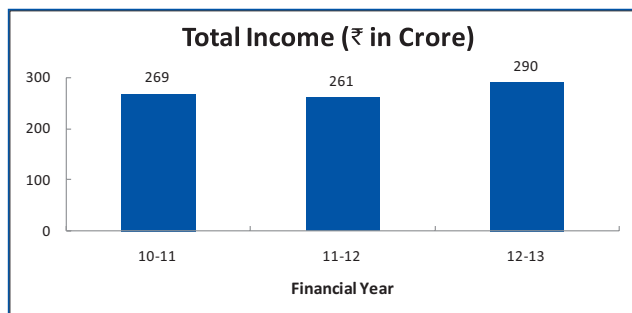
(₹ in crore)

Particulars	March 31, 2013	March 31, 2012
Profit before Depreciation	93	75
Depreciation	24	23
Profit before Tax	69	52
Provision for tax	25	13
Provision for Deferred Tax	(6)	2
Adjustment for previous years	-	1
Profit after Tax	50	36
Surplus Brought Forward	298	278
Profit available for Appropriation	348	314
Interim Dividend @ ₹ 4 per share	8	5
Proposed Final Dividend @ ₹ 1 per share	2	5
Tax on Dividend	2	2
Transfer to General Reserves	5	4
Surplus Carried Forward	331	298

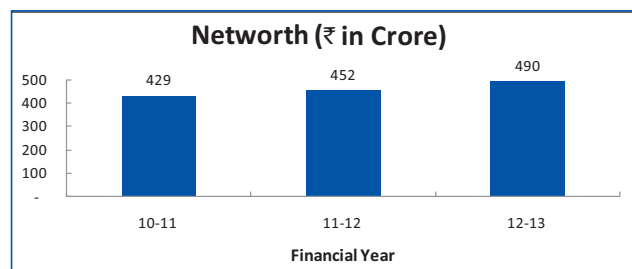
The Net profit after tax increased by 39% to ₹ 50 crore during 2012-13.



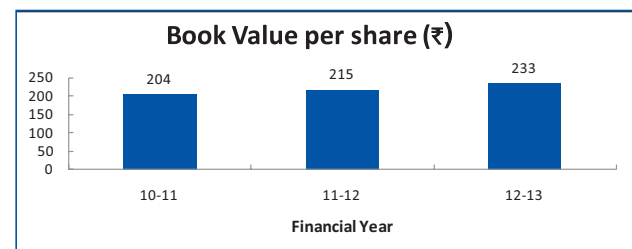
The Corporation recorded highest ever operating income of ₹ 290 Crore in 2012-13.



The Net worth increased to ₹ 490 Crore as on March 31, 2013.



The Book value per share increased to ₹ 233 as on March 31, 2013.



Consolidation of Accounts

Your Corporation has consolidated the accounts of its two wholly owned 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.

Dividend

The Board of Directors has recommended a final dividend of ₹ 1 per share (10%). Total dividend for the

year together with interim dividend of ₹ 4 per share paid earlier would be ₹ 5 per share (50%) for the year 2012-13. 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.

Capital market developments and Operations Review

The Indian capital market witnessed a modest rise of 8.07% during FY13 with BSE Sensex rising from 17430 to 18836 and NSE Nifty rising by 7.31% from 5296 to 5683, amidst considerable volatility during the year. FII's continue to dominate the market in the absence of retail participation. Net FII inflows was to the extent of ₹ 1,68,367 crore. Turnover in the cash segments in both the exchanges (i.e. BSE and NSE) declined by 6.36% during the year while the turnover in the derivative segment witnessed an increase of 20.33%.

The Capital markets' continued volatility affected the retail participation during the year under review. However, your Corporation had a modest increase in new Depository Participant (DP) accounts and Sub-Broking accounts. During the year, your Corporation successfully converted 25% of DP clients into sub-broking clients. Your Corporation received SEBI approval to act as Qualified Depository Participant (QDP) and as Professional Clearing Member (PCM) in the Currency Derivative Segment of NSE.

Your Corporation continues to market and distribute various loan products. Your Corporation has tied up with several agencies of repute for offering various third party products to its clients. During the year, your Corporation has tied up with a reputed life insurance company in private sector for collection of premium from its policy holders. Deliberations are in progress with Indian Bullion Market Association (IBMA) for marketing their e-gold, e-silver products through SHCIL's branch network. The mobilizations in Govt bonds witnessed a decline on account of availability of other secured investment opportunities in the market offering higher interest rates.



As at March 31, 2012, e-stamping services were available in nine States. During FY 2012-13, three new States / Union Territories were added thereby taking the total to 12 States / Union Territories viz., States of Gujarat, Karnataka, NCT Delhi, Maharashtra, Assam, Tamil Nadu, Rajasthan, Himachal Pradesh and Uttarakhand, Union Territories of Daman & Diu and Dadra & Nagar Haveli and Puducherry. The reach of e-stamping services is substantially enhanced in various states / union territories due to tie-up with various banks for acting as our Authorised Collection Centres (ACC), besides appointing lead generation agents / marketing agents. As on March 31, 2013 there were 27 operational ACCs and 3,797 e-Stamping counters on a pan-India basis.

Your Corporation launched e-Registration system in the State of Himachal Pradesh w.e.f. October 16, 2012 for collection of registration fees. Further, your Corporation started collecting e-court fee (Judicial) in NCT Delhi w.e.f. November 20, 2012.

Your Corporation signed an agreement on June 14, 2013 with State of Uttar Pradesh for e-stamping services which was successfully launched on July 13, 2013. Uttar Pradesh is thirteenth state where e-stamping is operational.



Shri Raja Mahendra Aridaman Singh – Hon'ble Minister – Stamp and Registration (sitting - middle), Shri Manoj Paras – Hon'ble Minister of State for Stamp and Registration, Shri B M Meena – Hon'ble Principal Secretary – Stamp and Registration (right to left front row sitting), Shri Alok Kumar – IGR (standing extreme left), Shri Ajai Kumar Yadav – additional IGR (standing in centre with agreement copy), on the occasion of signing of e-stamping agreement with Government of Uttar Pradesh. Also present, Shri R.H. Mewawala, EVP – SHCIL, Shri Amit Dassi – Regional Manager – SHCIL.

Future Outlook

Your Corporation is primarily engaged in custodial & depository participant activities, e-stamping and other activities. The outlook for FY 2014 is given below.

Intense competition from the existing players as also new entrants has put pressure on the revenue from custodial services. Marketing efforts have been intensified to rope in new clients. However, since in most of the cases, our income is linked to the value of assets under our custody, income from this activity would largely depend on the upswing in the market. The income under this activity is likely to either remain static or increase marginally.

In the absence of fresh IPOs hitting the market, inflow of application for opening of new DP accounts has slowed down. With the expected tweaking of Rajiv Gandhi Equity Savings Schemes by Gol, there could be a surge in new DP accounts. But the tariff being charged by your Corporation being nominal, the increase in number of new DP accounts is unlikely to have major impact in income from this segment.

Of late Capital Market in India is primarily driven by FIIs with negligible retail participation. However, with the inflation showing signs of abatement & likely reduction in interest rates by RBI, retail participation is expected to increase some time during second half of current year. Consequently, sub-broking income is likely to witness moderate growth provided the current positive sentiment continues in the capital market during the year.

Your Corporation generated reasonably good income under e-stamping activity last year. But for the slowdown being faced by real estate sector in most of the States, income would have registered much higher growth. With the expected addition of new States / Union Territories where e-stamping is proposed to be rolled out in the current year, the income under this segment is likely to register modest growth.

With investment in the Fixed Deposits catching the fancy of the investors income through mobilisation of FDs is likely to go up in the current year. Overall, there is expected to be some improvement in income under third party products distribution.

With southward movement in interest rates, treasury income is likely to show some dip in the current year.

Your Corporation is also exploring new activities to reduce its dependence on capital market. As and when these activities fructify they will have positive impact on income besides improving the visibility and reducing dependence on capital market.

Information Technology

Information Technology continues to be the backbone of your Corporation's operations. It has developed in-house capabilities to address all IT needs in terms of software development and maintenance, back office processing, database administration and network requirements. Your Corporation has been making substantial investment in upgradation of technology on an ongoing basis. The accent is to create state of the art technologies to facilitate the business and to eliminate / minimize the risk from manual operations.

Human Wealth Development & Training

The Corporation has always valued its employees and officers as human wealth and strived towards boosting the career path of employees. It continued with its practice of rewarding deserving employees and motivating them to improve performance. Accordingly,

16 employees were recognised as Star Performers during the year. In addition, an award to recognise the employees of the best performing branches was introduced to improve performance and encourage team work in the branches. 15 branches were awarded the Star Branch Performer award and employees of these branches were encouraged to arrange for a get-together to celebrate their success.



SHCILians participating in art of living session organized at the auditorium at SHCIL House – Mahape.

During the year, training was imparted to 1029 officers of the Corporation to upgrade their technical knowledge and also to develop their soft skills.

SHCIL has tied up with T. A. Pai Management Institute



Senior Management Team along with the other participants at the Annual Business Convention, 2013 held at SHCIL House Mahape.



(TAPMI) and 2 programmes were conducted by TAPMI at SHCIL Learning & Development Centre (SLDC) which were well received by the participants.



A training session being held for SHCILians at Training Hall - Ira SHCIL Learning and Development Centre (SLDC), Mahape.

Apart from training programmes conducted at SLDC, many officers were nominated for external programmes conducted by Institutes of repute like FIMMDA, ICSI-CCGRT, BMA, etc.

Besides SHCIL, a number of corporates of repute utilised our training centre facilities to conduct their programs and 826 officers from these corporates were trained at SLDC.

Subsidiary Companies

Your Corporation has two subsidiaries, namely, SHCIL Services Limited (SSL) and SHCIL Projects Limited (SPL). SSL, a wholly owned subsidiary is a member of BSE, NSE and MCX-SX. Your Corporation is a sub-broker of SSL. SPL, a wholly owned subsidiary 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 awaited.

SHCIL Commodities and Derivatives Trading Limited (SCDTL) was under members' voluntary winding up. Based on the report of Official Liquidator, Hon'ble High Court, Bombay had passed an order for dissolution of SCDTL on April 18, 2013. The said order has been filed with Registrar of Companies (RoC) on May 17, 2013. Consequently, SCDTL stands dissolved.

Board of Directors

Shri G. Anantharaman and Shri Prakash P. Mallya 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 5 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 2 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 Committee met 3 times during the year.

Committee for Transfer of Shares

The Committee for Transfer of Shares consists of three Directors viz., Shri A. R. Sekar, Shri S. B. Mainak and Shri G. Anantharaman. The Committee is required to ensure that the transfer of shares held by institutional shareholders are in compliance with the pre-emptive rights applicable to institutional shareholders. There was no transfer of shares by institutional shareholders during the year.

Corporate Social Responsibility

The Corporation strongly believes that business & Corporate Social Responsibility (CSR) should go hand-in-hand. All the CSR activities are being undertaken through SHCIL Foundation Trust.

During the year, gifts were distributed to cancer affected patients in Mumbai at a felicitation function for the cancer survivors organised by an NGO viz., the Vasantha Memorial Trust.

SHCIL Volunteers reached out to the masses by organising medical camps in Mumbai, Delhi and Rajahmundry. As many as 3000 residents from these poverty stricken areas turned up to avail of the facilities provided at these medical camps. Eye check-up camps

were conducted at Ghansoli & Vakola (Mumbai) and Delhi. Free spectacles were distributed and patients diagnosed with cataract / retina problems were operated upon free of cost.

Bone Density and Breast Cancer detection camps were also conducted in the slums of Andheri & Chembur, (Mumbai). Medicines were distributed free of cost to patients with calcium deficiency and patients having symptomatic abnormalities were sent to a reputed medical centre for free mammography tests financed by SHCIL Foundation.



Volunteers of SHCIL Foundation Trust rendering help at the bone density and detection of breast cancer camp held for the under privileged conducted at Model High School, Kasturba Nagar, Chembur, Mumbai.

A Camp at Delhi was organised in association with the National Society for Prevention of Blindness which received an overwhelming response.

A Medical Camp was conducted at Rajahmundry, Andhra Pradesh, for Leprosy patients. Patients were treated, counselled, diagnosed & given appropriate medicines free of cost.

In addition to the various medical camps, donations were also given to various reputed NGOs across India.



MD & CEO handing over books for distribution to needy children at Premseva Gyan Mandir - Gaondevi, Vakola, Mumbai. Also present Shri R. H. Mewawala & Shri L. Viswanathan, EVP's - SHCIL (left to right).

Your Corporation has started free bus service for the benefit of poor cancer patients and their relatives plying from Shree Sant Gadge Maharaj Dharamshala, Dadar Station (E), Mumbai to Tata Memorial Hospital, Parel & back. The initiative taken by SHCIL has been applauded by both the cancer patients & Tata Memorial Hospital.

Due to unprecedented drought conditions prevailing in Maharashtra particularly Marathwada as well as parts of Western Maharashtra & Vidarbha regions, your Corporation contributed ₹ 25 lakh to "Maharashtra Chief Minister's Relief Fund" on June 28, 2013.

In order to help relief operations in Uttarakhand state which was severely affected by floods and landslide, the employees of your Corporation contributed one day's salary towards "Mukhyamantri Rahat Kosh, Uttarakhand".

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 ₹ 5 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 2012-13, 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, the 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 – ₹ 5.9 crore (previous year – ₹ 12.76 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 are 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, MCX 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 employees of your Corporation

For and on behalf of the Board of Directors

July 27, 2013

B. Ravindranath
Non Executive Chairman

Report on Corporate Governance

(forming part of Directors' Report for the year ended March 31, 2013)

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 believes that all its operations and actions must be 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 June 13, 2013 is as follows:

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

Details of the Board Meeting and Attendance

The Board of Directors meets atleast once a quarter. Five meetings were held during the financial year 2012-13. Details of Board Meetings held are as follows:

Sr. No.	Date of the Board Meeting	Board Strength	No. of Directors present
1	June 27, 2012	6	6
2	August 22, 2012	6	6
3	October 30, 2012	6	6
4	November 27, 2012	6	5
5	March 21, 2013	6	6



Attendance of Directors during 2012-13 at each of above meetings is as follows :

Sr. No.	Name of the Director	No. of meetings attended	Date of appointment by the Board
1	Shri A. R. Sekar	4 (5)	July 25, 2007
2	Shri B. Ravindranath	5 (5)	June 1, 2008
3	Shri Prakash P. Mallya	5 (5)	September 22, 2008
4	Shri S. B. Mainak	5 (5)	November 10, 2009
5	Shri G. Anantharaman	5 (5)	May 17, 2010
6	Shri Ashok Motwani	5 (5)	April 25, 2011 as Additional Director & May 2, 2011 as MD & CEO

(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 given below.

Shri B. Ravindranath

Sr. No.	Name of the 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
4	JSW Energy Limited	Nominee Director
5	Videocon Industries	Nominee Director

Shri A. R. Sekar

Sr. No.	Name of the 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	SVC Superchem Ltd., Mumbai	Director
5	GIC Housing Finance	Director

Shri Prakash P. Mallya

Sr. No.	Name of the Company / Institution	Nature of interest
1	Lanco Solar (P) Ltd.,	Director
2	Falcon Tyres Ltd.	Independent Director

Shri S. B. Mainak

Sr. No.	Name of the 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 the 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
4	Indian Clearing Corporation Limited	Independent Director
5	Smart Value Homes Ltd.,	Director
6	Piem Hotels Limited	Director

Shri Ashok Motwani

Sr. No.	Name of the 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 5 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	5	5 (5)
2	Shri S. B. Mainak	5	4 (5)
3	Shri G. Anantharaman	5	5 (5)

(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 2 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	2	2 (2)
2	Shri A. R. Sekar	2	2 (2)
3	Shri S. B. Mainak	2	1 (2)

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

Sr. No.	Name of the Director	No. of meetings held	No. of meetings attended
1	Shri G. Anantharaman	3	3 (3)
2	Shri A. R. Sekar	3	3 (3)
3	Shri Prakash P. Mallya	3	3 (3)

(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. There was no transfer of shares by institutional shareholders during the year.

The Committee comprises three Directors, viz., Shri S. B. Mainak, Shri A. R. Sekar and Shri G. Anantharaman.

Shareholding Pattern

The share holding pattern of your Corporation is as under :

Equity Shareholders	Number of equity shares of face value ₹ 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) of your Corporation are held at Mumbai and the details of the meetings held during the past three years are as under :

General Meeting	23rd AGM	24th AGM	25th AGM
Year	2009-10	2010-11	2011-12
Venue	ITC Grand Central, Parel, Mumbai 400 012.	301, Centre Point, Dr. B. Ambedkar Road, Parel, Mumbai 400 012	301, Centre Point, Dr. B. Ambedkar Road, Parel, Mumbai 400 012
Date and Day Meeting	September 27, 2010 Monday	September 23, 2011 Friday	September 27, 2012 Thursday

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

Meeting no.	Resolution No.	Particulars of Resolution
AGM 23	5	Appointment of M/s. Kalyaniwalla & Mistry as Statutory Auditors of SHCIL
AGM 24	5	Appointment of M/s. Kalyaniwalla & Mistry as Statutory Auditors of SHCIL
	8	Amendment to Memorandum of Association to specifically cover Depository Participant (DP) Activities, being a pre-requisite for renewal of registration as DP.
AGM 25	5	Appointment of M/s. Kalyaniwalla & Mistry as Statutory Auditors of SHCIL

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

Dividend History of last five years

Sr. no.	Financial year	Rate of dividend	Date of declaration (AGM)
1	2007-08	50%	August 4, 2008
2	2008-09	165% [@]	September 25, 2009
3	2009-10	935% [@]	September 27, 2010
4	2010-11	50%	September 23, 2011
5	2011-12	50%	September 27, 2012

[@] includes interim dividend declared based on income generated by NSE stake sale.

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, 2013 at 4.00 p.m. at 301, Centre Point, Dr. Babasaheb Ambedkar Road, Parel, Mumbai 400 012.

b) Date of Book closure / record date

September 27, 2013

c) Dividend payment date

Dividend after September 27, 2013 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 nine requests for transfer of shares during the last three years.

f) Distribution of shareholding as on March 31, 2013.

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 ₹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: June 13, 2013

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

S.N.	Name of the Subsidiary Company	SHCIL Services Limited	SHCIL Projects Limited
1	Financial period ended	March 31, 2013	March 31, 2013
2	Holding company's interest as at March 31, 2013	100%	100%
3	Shares held by the holding company and its nominees in the subsidiary	35,00,000 equity shares of ₹10/- each & 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 SHCIL and is not dealt within the accounts of SHCIL for the financial year ended March 31, 2013	₹358.45 lakh	₹228.84 lakh
5	The net aggregate amount of profits / (losses) of the subsidiary so far as it concerns the members of SHCIL and is not dealt within the accounts of SHCIL for the previous financial years	₹1200.74 lakh	₹161.33 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, 2013 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, 2013 have been attached.

For Stock Holding Corporation of India Limited

Shashikant L. Nayak
Company Secretary

B. Ravindranath
Non - Executive Chairman

Ashok Motwani
Managing Director & CEO

Prakash P. Mallya

G. Anantharaman

S. B. Mainak
Directors

Place : Mumbai
Dated : June 13, 2013



INDEPENDENT AUDITOR'S REPORT

To the Members of Stock Holding Corporation of India Limited Report on the Financial Statements

We have audited the accompanying financial statements of **Stock Holding Corporation of India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in

the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
 - 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;
 - 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 those books;
 - 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;
 - in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - on the basis of written representations received from the directors as on March 31, 2013, where applicable and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, 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

Dated : June 13, 2013

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date on the accounts of **Stock Holding Corporation of India Limited** for the year ended 31st March, 2013

- 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.
- 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.
- (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.
- 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, 2013 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	0.17	AY 2008-09	ITAT
Income Tax Act, 1961	Income Tax	4.01	AY 2008-09, AY 2009-10 & AY 2010-11	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 any fraud 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

Dated : June 13, 2013

BALANCE SHEET AS AT MARCH 31, 2013

(₹ in lakhs)

	Note	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	2,105	2,105
Reserves and Surplus	4	46,848	43,065
		<u>48,953</u>	<u>45,170</u>
Non- current liabilities			
Long Term Liabilities	5	1,713	2,247
Long Term Provisions	6	3,234	1,495
		<u>4,947</u>	<u>3,742</u>
Current liabilities			
Trade Payables	7	1,368	1,020
Other Current Liabilities	8	29,588	21,794
Short Term Provisions	9	439	791
		<u>31,395</u>	<u>23,605</u>
Total		<u><u>85,295</u></u>	<u><u>72,517</u></u>
ASSETS			
Non- current assets			
Fixed Assets:			
Tangible assets	10	13,136	14,441
Intangible assets	11	266	545
Capital work-in-progress		320	327
Non-current investments	12	12,075	7,309
Deferred tax assets (net)	13	769	140
Long term loans and advances	14	6,261	3,728
Other non-current assets	15	10,411	19,255
		<u>43,238</u>	<u>45,745</u>
Current assets			
Current investments	16	1,514	1,772
Stock in trade	17	51	-
Trade receivables	18	2,572	4,904
Cash and bank balances	19	35,150	17,051
Short term loans and advances	20	2,037	1,902
Other current assets	21	733	1,143
		<u>42,057</u>	<u>26,772</u>
Total		<u><u>85,295</u></u>	<u><u>72,517</u></u>

The accompanying 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
Firm registration no : 104607W

Viraf R. Mehta
Partner
Membership no : 32083

Place : Mumbai
Dated : June 13, 2013

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
G. Anantharaman
Directors



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Note	Year ended March 31, 2013	Year ended March 31, 2012
INCOME :			
Revenue from Operations	22	24,784	22,000
Other Income	23	4,240	4,124
Total Revenue		29,024	26,124
EXPENDITURE:			
Employee benefits expense	24	8,812	7,592
Finance cost	25	54	36
Depreciation and amortisation		2,397	2,267
Other expenses	26	10,911	11,048
Total expenses		22,174	20,943
PROFIT BEFORE TAX		6,850	5,181
Tax Expense			
- Current Tax		2,470	1,300
- Deferred Tax		(628)	177
- Adjustment for previous years		-	93
		1,842	1,570
PROFIT FOR THE PERIOD		5,008	3,611
Earnings per equity share			
Nominal value per share : ₹10			
Basic and Diluted (in Rupees) (Refer note 41)		23.79	17.15

The accompanying 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
Firm registration no : 104607W

Viraf R. Mehta
Partner
Membership no : 32083

Place : Mumbai
Dated : June 13, 2013

Shashikant L. Nayak
Company Secretary
L. Viswanathan
Executive Vice President (Finance)

For and on behalf of the Board

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Chairman
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Managing Director & CEO
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S. B. Mainak
G. Anantharaman
Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Year ended March 31, 2013	Year ended March 31, 2012
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	6,850	5,181
Adjusted for :		
Depreciation	2,397	2,267
(Profit) on sale of investments	(83)	(40)
Loss on winding up of subsidiary	-	5
(Profit)/Loss on sale of fixed assets	(11)	(21)
Loss from trading in securities	5	6
Dividend Income	(1,162)	(722)
Interest Income	(2,639)	(2,552)
Interest paid	54	36
Bad debts written off	242	216
Provision for diminution in investments/(written back)	-	(8)
Provision for doubtful debts	77	376
Excess Provisions written back	-	(461)
Provision for claims	1,223	1,223
Operating Profit before working capital changes	6,953	5,506
Movements in working capital		
Increase/(decrease) in trade payables	348	962
Increase/(decrease) in provisions	615	(466)
Increase/(decrease) in other current liabilities	7,557	4,558
Increase/(decrease) in long term liabilities	60	(344)
(Increase)/decrease in trade receivables	2,013	(440)
(Increase)/decrease in stock in trade	(56)	89
(Increase)/decrease in loan and advances	(2,772)	2,066
Cash generated from operations	14,718	11,931
Direct Taxes paid	(2,066)	(1,399)
Net Cash from operating activities	12,652	10,532
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,207)	(3,715)
Proceeds from sale of fixed assets	54	61
Purchase of Investments	(6,426)	(2,431)
Proceeds from sale of investments	2,001	2,204
Investment in subsidiary company	-	(1,158)
Fixed deposits (placed with) /maturity proceeds from banks (net)	3,434	(12,146)
Intercompany deposits placed (net)	(300)	(200)
Proceeds from winding up/striking off of subsidiaries	-	55
Interest received	3,049	1,547
Dividend received	1,162	722
Net Cash from / (used in) investing activities	1,767	(15,061)



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Year ended March 31, 2013	Year ended March 31, 2012
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(54)	(36)
Dividend Paid	(1,369)	(1,578)
Tax on Distributed Profit	(307)	(171)
Net cash (used in) financing activities	(1,730)	(1,785)
Net (decrease) / increase in cash and cash equivalents	12,689	(6,314)
Cash and cash equivalents (Opening Balance)	13,151	19,465
Cash and cash equivalents (Closing Balance)	25,840	13,151
Notes :		
(1) Components Of Cash and Cash equivalents		
Balances with Banks	17,643	10,508
Cash and cheques on hand	3,800	1,048
Money lent on CBLO Transactions	2,229	310
Unclaimed redemptions/ interest and dividends	2,168	1,285
Cash & Cash Equivalents considered for Cash flow	25,840	13,151

- (2) The Company's bankers have sanctioned total fund-based limits of ₹13,071 lakhs (March 31, 2012- ₹16,938 lakhs) to finance working capital requirements. The entire limits were unutilised as on March 31, 2013

As per our report of even date
For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Firm registration no : 104607W

Viraf R. Mehta
Partner
Membership no : 32083

Place : Mumbai
Dated : June 13, 2013

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
G. Anantharaman
Directors

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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 participant, derivative clearing and other financial 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 various states of India. SHCIL is a depository participant having 211 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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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 exchanges 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 or the net asset value of holding/assets under management 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.

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

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

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 FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

m) Employee Benefits

Defined Contribution Plan:

Employee Benefits in the form of Provident Fund and Superannuation Fund are considered as defined contribution plans and the contributions are charged to the Statement of Profit and Loss of the 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 and 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. In the event of unabsorbed depreciation and carried forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets.

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.

q) Cash and cash equivalents

Cash and cash equivalents includes balance with banks, deposit accounts with less than three months maturity, cash & cheques in hand, short term highly liquid investments and money lent on collateralised lending & borrowing obligations transactions.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	As at March 31, 2013	As at March 31, 2012
3 Share Capital		
Authorised		
50,000,000 Equity shares of ₹ 10/- each	5,000	5,000
Issued, Subscribed and Fully Paid-up Shares		
21,054,400 Equity shares of ₹ 10/- each fully paid up	2,105	2,105
	2,105	2,105

a) The number of shares outstanding at the beginning and at the end of the year ended March 31, 2013 and for the previous year ended March 31, 2012 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 except in case of interim dividend.

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:	As at March 31, 2013	As at March 31, 2012
Name of shareholder : IDBI Bank Ltd		
Number of shares held	3,990,000	3,990,000
Percentage of holding	18.95	18.95
Name of shareholder : IFCI Ltd		
Number of shares held	7,140,000	7,140,000
Percentage of holding	33.91	33.91
Name of shareholder : Administrator of the Specified Undertaking of the Unit Trust of India		
Number of shares held	3,570,000	3,570,000
Percentage of holding	16.96	16.96
Name of shareholder : Life Insurance Corporation of India		
Number of shares held	3,150,000	3,150,000
Percentage of holding	14.96	14.96

d) Information regarding issue of shares in the last five years :

- The company has not issued any shares without payment being received in cash.
- The company has not issued any bonus shares.
- The company has not undertaken any buyback of shares.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	As at March 31, 2013	As at March 31, 2012
4 Reserves & Surplus		
Securities Premium Account		
Balance as per last Balance Sheet	527	527
General Reserve		
Balance as per last Balance Sheet	12,716	12,351
Transfer from Profit and Loss account	501	365
	<u>13,217</u>	<u>12,716</u>
Staff Welfare Fund		
Balance as per last Balance Sheet	-	108
Less : Welfare expenditure incurred during the year		108
	<u>-</u>	<u>-</u>
Surplus in Statement of Profit and Loss		
Balance as per last Balance Sheet	29,822	27,799
Add: Net profit for the year	5,008	3,611
Less: Appropriations:		
Interim dividend	842	526
Proposed Final Dividend	211	526
Tax on distributed profits	172	171
Transfer to General Reserve	501	365
	<u>33,104</u>	<u>29,822</u>
	<u>46,848</u>	<u>43,065</u>
5 Long Term Liabilities		
Creditors for capital expenses	-	594
Advances and deposits	1,643	1,585
Advance depository participant charges	70	68
	<u>1,713</u>	<u>2,247</u>
6 Long Term Provisions		
Provision for employee benefits		
- compensated absences	788	272
Provision for claims (refer note 35)	2,446	1,223
	<u>3,234</u>	<u>1,495</u>
7 Trade Payables		
Dues to micro, small and medium enterprises (refer note 32)	-	-
Sundry Creditors	1,368	1,020
	<u>1,368</u>	<u>1,020</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	As at March 31, 2013	As at March 31, 2012
8 Other Current Liabilities		
Advance depository participant charges	1,065	1,143
Unclaimed dividend (Unclaimed amounts are transferred to the Investor Education and Protection Fund when due)	6	10
Unclaimed redemption/interest proceeds	2,162	1,276
Advances and deposits	3,453	4,365
Amount due on settlement (net) (refer note 33)	4,876	5,575
Amounts payable to Government on account of stamp duty collection	15,376	7,490
Amounts payable to Reserve Bank of India on account of distribution of GOI bonds (net)	-	91
Due to subsidiary company		
- SHCIL Projects Ltd	314	94
Other creditors for capital expenses	813	576
Other Liabilities		
- Employee benefits payable	1,149	837
- Statutory dues including provident fund and taxes	374	337
	29,588	21,794
9 Short-Term Provisions		
Proposed dividend	211	527
Tax on distributed profits	36	171
Provision for employee benefits (Refer note 34)		
- Provision for gratuity	94	-
- Provision for compensated absences	98	93
	439	791

10 Tangible Assets :

(₹ in lakhs)

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01.04.2012	Additions	Deductions	As at 31.03.2013	Up to 31.03.2012	For the year	On Deductions	Up to 31.03.2013	As at 31.03.2013	As at 31.03.2012
Leasehold Land	168	-	-	168	34	2	-	36	132	134
Buildings *	9,352	213	-	9,565	1,435	418	-	1,853	7,712	7,917
Plant & Machinery	2,994	187	44	3,137	951	327	21	1,257	1,880	2,043
Computers	7,253	50	16	7,287	4,569	977	16	5,530	1,757	2,684
Furniture & Fixtures	1,896	231	41	2,086	847	275	23	1,099	987	1,049
Office Equipment	937	114	11	1,040	334	106	8	432	608	603
Vehicles	196	61	8	249	185	13	9	189	60	11
As at 31.03.2013	22,796	856	120	23,532	8,355	2,118	77	10,396	13,136	-
As at 31.03.2012	20,053	3,634	891	22,796	7,307	1,899	851	8,355	-	14,441

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

There are no adjustments to Gross block on account of foreign exchange fluctuations on borrowing costs

11 Intangible Assets :

Computer Software	2,682	-	-	2,682	2,137	279	-	2,416	266	545
As at 31.03.2013	2,682	-	-	2,682	2,137	279	-	2,416	266	-
As at 31.03.2012	2,079	603	-	2,682	1,769	368	-	2,137	-	545

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**12. Non- Current Investments**

(₹ in lakhs)

	Face Value (₹)	As at March 31, 2013	As at March 31, 2012
Trade - Fully Paid - at Cost			
Equity Shares			
Subsidiary Companies - Unquoted			
27,000,000 (March 31, 2012 - 270,00,000) SHCIL Projects Ltd.	10	2,700	2,700
3,499,998 (March 31, 2012 - 34,99,998) SHCIL Services Ltd.****	10	350	350
		<u>3,050</u>	<u>3,050</u>
Other Companies - Unquoted			
2,250,000 (March 31, 2012 - 22,50,000) National Stock Exchange of India Ltd.	10	394	394
87,000 (March 31, 2012 - 87,000) Bombay Stock Exchange Ltd.	1	300	300
750,101 (March 31, 2012 - 7,50,101) Investor Services of India Ltd.	10	75	75
		<u>769</u>	<u>769</u>
Preference Shares			
Subsidiary Companies - Unquoted			
1,886,250 (March 31, 2012 - 18,86,250) SHCIL Services Ltd. (7% Non Cumulative Convertible Pref. Shares)	10	189	189
Non Trade - Fully Paid - at Cost			
Equity Shares			
Quoted			
76,800 (March 31, 2012 - 76,800) Ashok Leyland Ltd	1	25	25
6,875 (March 31, 2012 - 6,875) BHEL Ltd	2	28	28
5,341 (March 31, 2012 - Nil) HDFC Bank Ltd.	2	35	-
32,015 (March 31, 2012 - Nil) Indian Overseas Bank Ltd	10	30	-
35,975 (March 31, 2012 - 35,975) NTPC Ltd.	10	75	75
2,965 (March 31, 2012 - 2,965) Reliance Capital Ltd.	10	25	25
8,000 (March 31, 2012 - 8,000) Reliance Industries Ltd.	10	79	79
32,800 (March 31, 2012 - 32,800) Reliance Power Ltd.	10	49	49
9,519 (March 31, 2012 - 9,519) Shipping Corporation of India Ltd.	10	9	9
14,075 (March 31, 2012 - 14,075) Steel Authority of India Ltd	10	25	25
8,555 (March 31, 2012 - 8,555) Tata Steel Ltd.	10	45	45
12,200 (March 31, 2012 - 12,200) UCO Bank Ltd	10	15	15
5,280 (March 31, 2012 - 5,280) Wipro Ltd.	2	22	25
		<u>462</u>	<u>400</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Face Value (₹)	As at March 31, 2013	As at March 31, 2012
Government Securities			
Quoted			
6.20% Maharashtra SDL 2015	10,000	*	*
6.35% Govt. of India 2020**	200,000,000	1,822	1,822
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
8.13% GOI 2022**	100,000,000	989	-
		3,181	2,192
PSU/Corporate Bonds			
Quoted			
- (March 31, 2012 - 1) 7.35% HUDCO Bonds 2013	1,000,000	-	10
2 (March 31, 2012 - 2) 7.30% FCI 2015	1,000,000	19	19
5 (March 31, 2012 - 5) 7.50% Bank of India 2015	1,000,000	48	48
4 (March 31, 2012 - 4) 7.45% State Bank of India 2015	1,000,000	38	38
3 (March 31, 2012 - 3) 7.60% Power Finance Corporation 2015	1,000,000	29	29
1 (March 31, 2012 - 1) 8.00% HDFC NCD 2016	1,000,000	10	10
2 (March 31, 2012 - 2) 8.78% Power Finance Corpn 2016	1,000,000	20	20
		164	174

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Face Value (₹)	As at March 31, 2013	As at March 31, 2012
PSU/Corporate Bonds			
Unquoted			
3 (March 31, 2012 - 3) 9.25% Power Grid Corporation 2017	1,250,000	39	39
Tax Free Secured Redeemable Non Convertible Bonds			
Quoted			
24,724 (March 31, 2012 - 24,724) 8.20% National Highway Authority of India 2022	1,000	247	247
10,875 (March 31, 2012 - 10,875) 8.00% Indian Railway Finance Corpn Ltd.2022	1,000	109	109
100 (March 31, 2012 - Nil) 7.21% Indian Railway Finance Corpn Ltd.2022	1,000,000	1,000	-
		1,356	356
Mutual Funds			
Quoted			
1,090 (March 31, 2012 - 1,090) Goldman Sachs Nifty Junior Exchange Traded Scheme	1.25	1	1
2,350 (March 31, 2012 - Nil) Goldman Sachs Nifty Exchange Traded Scheme(NIFTYBEES)	10	15	-
- (March 31, 2012 - 516) IDBI Gold Exchange Traded Fund	100	-	15
		16	16
Unquoted			
1,287,416 (March 31, 2012 - 12,87,416) IDBI Nifty Junior Index Fund Growth	10	124	124
250,000 (March 31, 2012 - Nil) IDBI MF Gold Fund	10	25	-
790,264 (March 31, 2012 - Nil) IDFC Arbitrage Fund - Plan B - Dividend	10	100	-
2,036,859 (March 31, 2012 - Nil) HDFC Short Term Opportunities Fund Growth	10	250	-
2,037,656 (March 31, 2012 - Nil) HDFC Medium Term Opportunities Fund Growth	10	250	-
4,004,293 (March 31, 2012 - Nil) Tata Mutual Fund Dynamic Bond Fund	10	500	-
5,000,000 (March 31, 2012 - Nil) IDBI MF Gilt Fund	10	500	-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Face Value (₹)	As at March 31, 2013	As at March 31, 2012
1,000,000 (March 31, 2012 - Nil) HDFC Mutual Fund FMP 373 days Growth	10	100	-
5,000,000 (March 31, 2012 - Nil) IDBI FMP 385 Days Series- III Growth	10	500	-
2,500,000 (March 31, 2012 - Nil) DWS Fixed Maturity Plan - Series 28 - Direct Plan - Growth	10	250	-
2,500,000 (March 31, 2012 - Nil) Religare Fixed Maturity Plan - Series XVIII - Plan E	10	250	-
		2,849	124
		12,075	7,309
Aggregate amount of quoted investments		5,179	3,138
Market value of quoted investments		5,046	2,951
Aggregate amount of unquoted investments		6,896	4,171
Aggregate provision for diminution in value of investments		-	-

* denotes amounts less than ₹ 1 lakh.

** security deposited as margin with CCIL.

*** Includes securities of face value aggregating to ₹ 108 Lakhs deposited as margin with CCIL.

**** pursuant to the Mumbai High Court Order dated October 3, 2011 and the Memorandum of Understanding executed between the parties, 3,30,000 equity shares of SHCIL Services Ltd are transferred in favour of SHCIL and the certificates for the same are handed over to CBI.

SHCIL Commodities and Derivatives Ltd, a subsidiary of SHCIL has been voluntarily wound up in 2008 by the Company and the dissolution order from the High Court is awaited.

Unitec Value Solutions Pte Ltd (UVS), a subsidiary of SHCIL has been struck off from ACRA in accordance with section 344 of the Companies Act, Singapore on August 08, 2012. The investment in UVS and the surplus was repatriated during the year ended March 31, 2012.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	As at March 31, 2013	As at March 31, 2012
13 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	397	371
Provision for claims	794	397
Employee benefits	318	118
	<u>1,509</u>	<u>886</u>
Deferred Tax Liabilities		
Depreciation	740	746
Net Deferred Tax Assets	<u>769</u>	<u>140</u>
14 Long term loan and advances		
(Unsecured and considered good, unless otherwise stated)		
Capital advances	2	3
Staff loans (refer note 31)	308	364
Security and other deposits	3,786	777
(net of provision for doubtful deposits ₹ 26 lakhs, 31.03.12- ₹ 26 lakhs)		
Advance payment of tax and taxes deducted at source		
(net of provision for taxation ₹ 21,577 lakhs, 31.03.12 ₹ 19,106 lakhs)	2,151	2,555
Others	14	29
	<u>6,261</u>	<u>3,728</u>
15 Other non current assets		
Long Term deposits with banks with original maturity period more than 12 months (Refer note below)	10,411	19,255
	<u>10,411</u>	<u>19,255</u>
Balances with banks in deposit accounts includes fixed deposits with banks aggregating to ₹ 6,176 lakhs (As at March 31, 2012 - ₹ 9,123 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 ₹ 4,150 lakhs (As at March 31, 2012 - ₹ 6,132 lakhs) deposited with the Stock Exchanges as margin deposit.		



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Face Value (₹)	As at March 31, 2013	As at March 31, 2012
16 Current Investments			
Current portion of long-term investments (valued at cost)			
PSU / Corporate Bonds (Quoted)			
1 (March 31, 2012 - Nil) 7.35% HUDCO Bonds 2013	1,000,000	10	-
- (March 31, 2012 - 3) 7.90% HUDCO Bonds 2013	1,000,000	-	30
		10	30
PSU / Corporate Bonds (Unquoted)			
- (March 31, 2012 - 400) IDBI Regular Income Bond - Flexi Bond-17 2013	5,000	-	20
Non Trade - Fully Paid			
(At cost or fair value, whichever is lower)			
Government Securities			
Quoted			
6.85% Govt. of India 2012	6,000	-	*
19/10/2012 Maturing 364 DTB**	100,000,000	-	922
		-	922
Mutual Funds			
Unquoted			
150,291 (March 31, 2012 - Nil) IDBI Ultra Short Term Fund Daily Dividend	1,000	1,504	-
- (March 31, 2012 - 80,00,000) HDFC Mutual Fund FMP 370 days Growth	10	-	800
		1,504	800
		1,514	1,772
Aggregate amount of quoted investments		10	952
Market value of quoted investments		10	985
Aggregate amount of unquoted investments		1,504	820
Aggregate provision for diminution in value of investments		-	-

* denotes amounts less than ₹ 1 lakh

** security deposited as margin with CCIL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Face Value	As at March 31, 2013	As at March 31, 2012
17 Stock- in- trade			
(at lower of cost or net realisable value)			
Equity shares			
13,124 (March 31, 2012 : Nil) Dabur India	1	17	-
3,200 (March 31, 2012 : Nil) ICICI Bank	10	34	-
		<u>51</u>	<u>-</u>
18 Trade receivables			
(Unsecured)			
Outstanding for a period exceeding six months			
Considered good		147	659
Considered doubtful		1,016	951
		<u>1,163</u>	<u>1,610</u>
Less : Provision for doubtful receivables		1,016	951
		<u>147</u>	<u>659</u>
Other receivables			
Considered good		2,425	4,245
Considered doubtful		176	164
		<u>2,601</u>	<u>4,409</u>
Less : Provision for doubtful receivables		176	164
		<u>2,425</u>	<u>4,245</u>
		<u>2,572</u>	<u>4,904</u>
Trade receivables includes ₹ 118 lakhs (March 31, 2012 - ₹ 471 lakhs) due from SHCIL Services Ltd, a subsidiary company.			
19 Cash and Bank Balances			
Cash and Cash equivalents			
Balances with banks			
- In current accounts		16,643	10,508
- in unpaid dividend account		6	11
- in unclaimed redemption/interest proceeds account		2,162	1,274



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

19 Cash and Bank Balances (contd.)

- In deposit accounts with original maturity less than 3 months	1,000	-
Cheques in hand	1,768	637
Cash and stamps in hand	2,032	411
Money lent on CBLO transactions	2,229	310
	<u>25,840</u>	<u>13,151</u>

Other Bank Balances

- In deposit accounts (more than 3 months but less than 12 months maturity) (Refer note below)	9,310	3,900
	<u>35,150</u>	<u>17,051</u>

Other Bank Balances in deposit accounts includes fixed deposits with banks aggregating to ₹10 lakhs (As at March 31, 2012 - ₹ 100 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 ₹ 7,300 lakhs (As at March 31, 2012 - ₹ 1,800 lakhs) deposited with the Stock Exchanges as margin deposits.

20 Short term loans and advances

(Unsecured and considered good, unless otherwise stated)

Advances to subsidiary companies		
- SHCIL Services Ltd	233	183
Advances recoverable in cash or in kind	1,040	1,230
(net of provision for doubtful advances ₹ 5 lakh 31.03.12 - ₹ 5 lakhs)		
Staff loans (refer note 31)	124	105
Inter corporate deposits	500	200
Prepayments	140	184
	<u>2,037</u>	<u>1,902</u>

21 Other current assets

Accrued interest on bank and other deposits	638	1,101
Accrued income on investments	95	42
	<u>733</u>	<u>1,143</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Year ended March 31, 2013	Year ended March 31, 2012
22 Revenue from Operations		
Custodial Services	123	163
Depository Participant Services	15,388	14,547
Commission and brokerage (net)	8,547	7,019
Derivatives clearing services	204	228
Document management income	459	-
Others	63	43
	<u>24,784</u>	<u>22,000</u>
23 Other Income		
Interest (Gross)		
- Govt. securities & bonds	240	258
- Deposits with banks	2,180	1,954
- Others	219	197
- Interest on income tax refund	-	143
Dividend on long term investments	911	486
Dividend on current investments	251	236
Profit on sale of non current investments (net),	84	71
Profit from trading in securities (net)	2	-
Profit on sale of fixed assets (net)	11	21
Provisions for diminution in investments written back (net)	-	8
Excess provisions written back - an exceptional item	-	461
Gain on exchange rate fluctuations(net)	-	6
Miscellaneous income *	342	283
	<u>4,240</u>	<u>4,124</u>
* Miscellaneous income of previous year includes ₹ 0.23 lakhs towards profit on closure of foreign subsidiary		
24 Employee Benefits Expense		
Salaries, allowances & bonus	7,662	6,674
Contribution to provident fund and other funds	655	541
Staff welfare expenses	495	377
	<u>8,812</u>	<u>7,592</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Year ended March 31, 2013	Year ended March 31, 2012
25 Finance Cost		
Interest on bank overdraft	33	8
Interest on CBLO borrowings	21	28
	<u>54</u>	<u>36</u>
26 Other expenses		
Outsourcing expenses	954	1,070
Depository participant/custodian fees	402	382
Software expenses	635	313
Rent	762	744
Rates and taxes	388	369
Electricity	752	626
Insurance	151	132
Repairs and maintenance		
- Buildings	209	331
- Plant & machinery	486	611
- Others	62	31
Travelling & conveyance	264	262
Postage & courier	320	337
Telephone & communication	670	726
Printing & stationery	362	365
Legal & professional	290	154
Audit fees (refer note 38)	36	29
Technical know-how fees	549	444
Donation	45	-
Claims paid	41	530
Bad debts written off	242	216

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Year ended March 31, 2013	Year ended March 31, 2012
26 Other expenses (contd.)		
Provision for doubtful debts/ advances	77	376
Provision for claims (refer note 35)	1,223	1,223
Loss from trading in securities (net)	-	6
Loss on sale of current investments (net)	1	31
Loss due to exchange rate fluctuation	19	-
Loss on winding up of subsidiary	-	5
Advertisement & publicity	22	316
Commission and brokerage to selling agents	942	788
Document management expenses	624	223
Miscellaneous expenses	383	408
	10,911	11,048

27 Contingent Liabilities

(₹ in lakhs)

	As at March 31, 2013	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	4	17
ii) Claims by a bank not acknowledged by the Company (refer note 30 below)	amount unascertained	2,445 (plus interest thereon)
iii) Other claims not acknowledged as debt	155	173
B) Bank Guarantees		
i) provided to stock exchanges (backed by counter guarantees, cash collateral and securities)	4,625	4,650
ii) other Bank Guarantees	1,031	551

28 Capital and other commitments :

Estimated amount of contracts to be executed on capital account, not provided for – ₹ 115 lakhs.
(As at March 31, 2012 - ₹ 458 lakhs).

- 29** The Board of Directors of SHCIL at their meeting dated October 30, 2012 have accorded in-principle approval for merger of Stock Holding Corporation of India Ltd with IDBI Bank Ltd subject to statutory/regulatory and shareholders' approval. The regulatory and shareholders' approval are still pending as on the Balance Sheet date.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

- 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 had 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 DRAT. The Supreme Court vide its order dated April 23, 2012 has requested the High Court to dispose off the revision application within a period of four months. In the meanwhile the Corporation has deposited ₹ 3,000 lakh with the Registry of High Court as per the directions of the Supreme Court.
- 31** Staff loans includes housing loan to the Company Secretary - ₹ 4 lakhs as on March 31, 2013 (As at March 31, 2012 - ₹ 4 lakhs). Maximum balance outstanding during the period is ₹ 4 lakhs.
- 32** No amount is payable to suppliers under the Micro, Small and Medium Enterprises Development Act 2006. No interest has been paid/payable by the Company to the suppliers under the Micro, Small and Medium Enterprises Development Act, 2006. The above information takes into account only those suppliers who have responded to inquiries made by the Company for this purpose. This has been relied upon by the auditors.
- 33** Amount due on settlement (net) represents amounts payable to Clearing house, Clients and Brokers, as under:

(₹ in lakhs)

	As at March 31, 2013		As at March 31, 2012	
	Due to	Due from	Due to	Due from
Clearing House	5,644	1,786	1,317	5,109
Clients	6,489	5,642	11,017	1,861
Brokers	171	-	211	*
	<u>12,304</u>	<u>7,428</u>	<u>12,545</u>	<u>6,970</u>
Net Payable	<u>4,876</u>		<u>5,575</u>	

* denotes amounts of less than ₹ 1 lakh

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Year ended March 31, 2013	Year ended March 31, 2012
34 Employee Benefits:		
A) Defined Contribution Plan		
The company has recognised the following amounts in the Statement of Profit and Loss for the year		
Contribution to Employees' Provident Fund	325	293
Contribution to Employees' Superannuation Fund	64	64
B) Defined Benefit Plans		
i) General description		
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		
ii) Change in Benefit Obligation		
Liability at the beginning of the year	1318	1202
Interest Cost	115	99
Current Service Cost	116	80
Past Service Cost- Vested Benefit	-	-
Benefit Paid	(68)	(85)
Actuarial (gain)/loss on obligations	133	22
Liability at the end of the year	1614	1318
iii) Fair value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	1375	861
Expected Return on Plan Assets	110	69
Contributions	87	488
Benefit Paid	(68)	(85)
Actuarial gain/(loss) on Plan Assets	16	42
Fair Value of Plan Assets at the end of the year	1520	1375
iv) Actual Return on Plan Assets		
Expected Return on Plan Assets	110	69



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Year ended March 31, 2013	Year ended March 31, 2012
Actuarial gain/(loss) on Plan Assets	16	42
Actual Return on Plan Assets	126	111
v) Amount Recognised in the Balance Sheet :		
Fair Value of Plan Assets at the end of the year	1520	1375
Liability at the end of the year	(1614)	(1318)
Funded Status	(94)	57
Unrecognised Past Service Cost	-	-
Unrecognised Transition Liability	-	-
Amount Recognised in the Balance Sheet	(94)	57
vi) Amount Recognised in the Income Statement :		
Current Service Cost	116	80
Interest Cost	115	99
Expected Return on Plan Assets	(110)	(69)
Recognition of Transition Liability	-	-
Actuarial Gain or Loss	117	(20)
Past Service Cost-Vested Benefit Recognized during the Period	-	-
Expense Recognised in P& L	238	90
vii) Actuarial Assumptions:		
a) Discount Rate	8.25%	8.75%
b) Rate of Return on Plan Assets	8.60%	8.00%
c) Salary Escalation	5.00%	5.00%

viii) Net asset /liability recognised in the balance sheet (including experience adjustment)

	2013	2012	2011	2010	2009
Defined benefit obligation at the end of the period	1614	1318	1202	569	521
Funded Status	(94)	57	(341)	(442)	(396)
Experience Adjustment on plan liability Gain/(Loss)	(71)	(48)	(554)	(19)	126
Actuarial Gain/(Loss) due to change of assumptions	(62)	26	-	45	(296)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

ix) 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 compensated absences have been determined using the projected unit credit method as at the Balance Sheet date on the basis of an actuarial valuation.

(₹ in lakhs)

	As at March 31, 2013	As at March 31, 2012
35 The movement in provision for claims is as under :		
Opening Balance	1,223	151
Additions during the year	1,223	1,223
Reversed during the year	-	(151)
Closing Balance	2,446	1223

36 Particulars of stock in trade purchased and sold during the period

(₹ in lakhs)

	Year ended March 31, 2013		Year ended March 31, 2012	
	Units	Amount	Units	Amount
Lupin Ltd	330	2	-	-
Indian Overseas Bank	10000	9	-	-
DLF Ltd	11600	28	-	-
Central bank of India	30484	25	-	-
Axis Bank Ltd	667	8	-	-
Reliance Industries	-	-	4,200	35
IDFC Ltd	-	-	13,300	16
	53,081	72	17,500	51

(₹ in lakhs)

	Year ended March 31, 2013	Year ended March 31, 2012
37 Managerial Remuneration		
Salary and allowances *	27	20
Contribution to provident fund and other funds	2	2
Perquisites (estimated monetary value)	23	32
	52	54

* Incentive to Managing Director & CEO recognised only after approval of the Board of Directors



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Year ended March 31, 2013	Year ended March 31, 2012
38 Auditor's Remuneration (excluding service tax)		
As Auditor :		
Audit fees	23	21
Tax Audit fees	2	2
In other capacity :		
Taxation matters	3	3
Certification and other charges	6	3
Out of Pocket Expenses	2	*
	<u>36</u>	<u>29</u>

* 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, 2013	Year ended March 31, 2012
i) Total of minimum lease payments for a period not later than 1 year	453	621
later than 1 year and not later than 5 years	488	695
later than 5 years	26	52
ii) Lease payments recognised in profit and loss for the period	762	744
B) Operating Leases granted by the Company		
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	46	34
later than 1 year and not later than 5 years	100	69
ii) Lease payments recognised in profit and loss for the period	44	35
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 FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Year ended March 31, 2013	Year ended March 31, 2012
40 Expenditure in foreign currency		
Travelling expenses	3	3
Technical know-how fees	549	444
Others	37	2
Capital expenditure	-	873
Total	<u>589</u>	<u>1322</u>
41 Earnings Per Share		
No. of Shares as at April 1, 2012	21,054,400	21,054,400
No. of Shares as at March 31, 2013	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)	5,008	3,611
Basic and diluted earnings per share of ₹ 10/- each (₹)	23.79	17.15

	As at March 31, 2013	As at March 31, 2012
42 Foreign Currency Exposure		
Particulars of unhedged foreign currency exposures as at the balance sheet date		
Trade payables		
	SGD 767,317	SGD 416,,667
	USD 27,487	USD 3,264

The Company has not entered into any forward contract agreements for purchase/sale of foreign currency.

43 Segment Reporting

	Primary Business Segments							(₹ in lakhs)
	Depository/ Custodial Services		Estamping		Others		Total	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
A. SEGMENT REVENUE								
External sales/ Income from operations	15,463	14,659	6,392	4,713	4,643	4,337	26,498	23,709
Inter-segment Revenues	-	-	-	-	-	-	-	-
TOTAL REVENUE	15,463	14,659	6,392	4,713	4,643	4,337	26,498	23,709
B. RESULT								
Segment result	6,579	5,443	1,364	391	319	681	8,262	6,515



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Primary Business Segments						(₹ in lakhs)	
	Depository/ Custodial Services		Estamping		Others		Total	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Unallocated (Expenses) net of unallocated income							(3,884)	(3,109)
Operating Profit							4,378	3,406
Interest expense							(54)	(36)
Interest/ dividend and surplus on disposal of investments							2,526	1,811
Taxes							(1,842)	(1,570)
Net Profit							5,008	3,611
Reconciliation of Revenue								
Segment Revenue							26,498	23,709
Add :								
Interest Income							2,526	1,811
Unallocated income							-	604
Total revenue							29,024	26,124
OTHER INFORMATION	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Segment assets	8,511	11,611	21,990	13,108	19,520	22,173	50,021	46,892
Unallocated assets							35,274	25,625
Total assets							85,295	72,517
Segment liabilities	6,051	5,314	17,558	8,772	9,265	10,727	32,874	24,813
Unallocated liabilities							3,468	2,534
Total liabilities							36,342	27,347
Cost incurred during the year to acquire segment fixed assets	352	1,399	108	1,777	331	829	791	4,005
Depreciation	950	958	680	587	580	551	2,210	2,096
Non-cash expenses other than depreciation								
- doubtful advances written off	241	214	-		1	2	242	216
- provision for bad & doubtful debts	60	372	-		17	4	77	376

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment assets include all operating assets used by the business segments. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Incomes/expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate incomes/expenses. Further, as all its clients are located in India, the Company does not have any secondary reportable segment.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

44 Related Parties

a. List of Related Parties

Subsidiary Companies

SHCIL Services Limited

SHCIL Projects Limited

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, 2013			Year ended March 31, 2012		
	Subsidiaries	Associate	Key management personnel	Subsidiaries	Associates	Key management personnel
Service charges received	5	22	-	23	25	-
Commission received	37	-	-	18	-	-
Reimbursement of office expenses	159	-	-	132	-	-
Purchase of software licence	94	-	-	-	-	-
Reimbursement of salary of deputed employees	125	-	-	96	-	-
Dividends paid	-	464	-	-	536	-
Managerial Remuneration	-	-	52	-	-	54
Brokerage received	1,525	-	-	1499	-	-
License fees paid for sub-broking terminals	25	-	-	19	-	-
Investments made	-	-	-	1158	-	-
Proceeds on winding up / striking off of subsidiaries	-	-	-	63	-	-
Deposit placed	-	-	-	100	-	-
Rent received	44	-	-	35	-	-
Document management fees paid	624	-	-	223	-	-
Outstanding balances						
Trade and other Receivables	151	-	-	454	-	-
Trade and other Payables	314	1	-	94	23	-
**						
Deposits placed	200	-	-	200	-	-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

c The significant Related Party Transaction are as under :

(₹ in lakhs)

Nature of Transaction	Year ended March 31, 2013	Year ended March 31, 2012
Service Charges received		
Subsidiaries		
SHCIL Services Ltd.	5	23
Associate		
IFCI Ltd	22	25
Commission received		
Subsidiaries		
SHCIL Projects Ltd.	37	18
Reimbursement of office expenses		
Subsidiaries		
SHCIL Services Ltd.	61	60
SHCIL Projects Ltd.	98	72
	<u>159</u>	<u>132</u>
Purchase of software licences		
SHCIL Projects Ltd.	94	-
Reimbursement of salary of deputed employees		
Subsidiaries		
SHCIL Services Ltd.	59	55
SHCIL Projects Ltd.	66	41
	<u>125</u>	<u>96</u>
Dividends Paid		
Associate		
IFCI Ltd.	464	536
Managerial Remuneration		
Key Management Personnel		
Shri R.C.Razdan	-	9
Shri A.Motwani	52	45
	<u>52</u>	<u>54</u>
Brokerage received		
Subsidiaries		
SHCIL Services Ltd.	1,525	1,499
License fees paid for sub-broking terminals		
Subsidiaries		
SHCIL Services Ltd.	25	19
Investments made		
Subsidiaries		
SHCIL Projects Ltd.	-	1,125
SHCIL Services Ltd.	-	33
	<u>-</u>	<u>1,158</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**c The significant Related Party Transaction are as under :**

(₹ in lakhs)

Nature of Transaction	Year ended March 31, 2013	Year ended March 31, 2012
Proceeds on winding up / striking off of subsidiaries		
Subsidiaries		
Unitec Value Solutions Pte Ltd	-	63
Shcil Commodities and Derivatives Trading Ltd	-	*
	-	63
Deposits placed		
Subsidiaries		
SHCIL Services Ltd.	-	100
Rent received		
Subsidiaries		
SHCIL Services Ltd.	23	24
SHCIL Projects Ltd.	21	11
	44	35
Document management fees paid		
Subsidiaries		
SHCIL Projects Ltd.	624	223
	As at	As at
Outstanding Balances	March 31, 2013	March 31, 2012
Trade & other Receivable		
Subsidiaries		
SHCIL Services Ltd.	151	454
	151	454
Trade & Other Payables **		
Subsidiaries		
SHCIL Projects Ltd.	314	94
	314	94
Associate		
IFCI Ltd	1	23
Deposit Placed		
Subsidiaries		
SHCIL Services Ltd.	200	200

* denotes amounts of less than ₹ 1 lakh

** trade and other payables also includes ₹ 2 lakhs (previous year ₹ 23 lakhs), due to associate on account of settlement of trade transactions done on stock exchanges and paid on April 2, 2013, the settlement date (previous year settlement date was April 3, 2012).

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



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of

Stock Holding Corporation of India Limited

We have audited the accompanying consolidated financial statements of **Stock Holding Corporation of India Limited** ("the Company"), and its subsidiaries (collectively referred to as 'the Group'), which comprise the consolidated Balance Sheet as at March 31, 2013, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on the financial statements of the subsidiary as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- in the case of the consolidated Statement of Profit and Loss, of the profits for the year ended on that date; and
- in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of one subsidiary, whose financial statements reflect the Group's share of total assets of ₹ 2,849 lakhs as at March 31, 2013 and the Group's share of total revenues of ₹ 1,318 lakhs for the year then ended. These financial statements have been audited by another auditor whose report has been furnished to us and our opinion, in so far as it relates to the amounts included in respect of this subsidiary, is based solely on the report of the other auditor. Our opinion is not qualified in respect of this matter.

**For and on behalf of
Kalyaniwalla & Mistry**

Chartered Accountants

Firm Registration No. : 104607W

Viraf R. Mehta

Partner

Membership No.: 32083

Place : Mumbai

Dated : June 13, 2013

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

(₹ in lakhs)

	Note	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	2,105	2,105
Reserves and Surplus	4	48,118	43,785
		<u>50,223</u>	<u>45,890</u>
Non- current liabilities			
Long Term Liabilities	5	1,713	2,247
Deferred tax liabilities(net)	6	67	27
Long Term Provisions	7	3,244	1,504
		<u>5,024</u>	<u>3,778</u>
Current liabilities			
Trade Payables	8	1,666	1,260
Other Current Liabilities	9	31,063	23,666
Short Term Provisions	10	507	817
		<u>33,236</u>	<u>25,743</u>
Total		<u>88,483</u>	<u>75,411</u>
ASSETS			
Non- current assets			
Fixed Assets:			
Tangible assets	11	14,661	15,004
Intangible assets	12	405	670
Capital work-in-progress		385	391
Non-current investments	13	8,836	4,070
Deferred tax assets (net)	14	836	188
Long term loans and advances	15	7,136	4,520
Other non-current assets	16	12,086	19,711
		<u>44,345</u>	<u>44,554</u>
Current assets			
Current investments	17	1,514	1,772
Stock in trade	18	51	-
Trade receivables	19	3,512	5,454
Cash and bank balances	20	36,283	20,673
Short term loans and advances	21	1,884	1,753
Other current assets	22	894	1,205
		<u>44,138</u>	<u>30,857</u>
Total		<u>88,483</u>	<u>75,411</u>

The accompanying 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
Firm registration no : 104607W

Viraf R. Mehta
Partner
Membership no : 32083

Place : Mumbai
Dated : June 13, 2013

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
G. Anantharaman
Directors



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Note	Year ended March 31, 2013	Year ended March 31, 2012
INCOME :			
Revenue from Operations	23	26,631	23,285
Other Income	24	4,317	4,197
Total Revenue		30,948	27,482
EXPENDITURE:			
Employee benefits expense	25	9,412	8,039
Finance cost	26	54	36
Depreciation and amortisation		2,705	2,548
Other expenses	27	11,127	11,282
Total expenses		23,298	21,905
PROFIT BEFORE TAX		7,650	5,577
Tax Expense			
- Current Tax		2,700	1,450
- Deferred Tax		(608)	177
- Adjustment for previous years		-	91
		2,092	1,718
PROFIT FOR THE PERIOD		5,558	3,859
Earnings per equity share			
Nominal value per share : ₹ 10			
Basic and Diluted (in Rupees) (Refer note 39)		26.40	18.33

The accompanying 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
Firm registration no : 104607W

Viraf R. Mehta
Partner
Membership no : 32083

Place : Mumbai
Dated : June 13, 2013

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
G. Anantharaman
Directors

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Year ended March 31, 2013	Year ended March 31, 2012
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	7,650	5,577
Adjusted for :		
Depreciation	2,705	2,548
(Profit) on sale of investments	(83)	(40)
Loss on winding up of subsidiary	-	5
(Profit)/Loss on sale of fixed assets	(12)	(29)
Loss from trading in securities	40	8
Dividend Income	(1,163)	(732)
Interest Income	(2,896)	(2,782)
Interest paid	54	36
Bad debts written off	252	227
Provision for diminution in investments/(written back)	-	(8)
Provision for doubtful debts	81	373
Excess Provisions written back	-	(461)
Provision for claims	1,223	1,223
Operating Profit before working capital changes	7,851	5,945
Movements in working capital		
Increase/(decrease) in trade payables	406	964
Increase/(decrease) in provisions	618	145
Increase/(decrease) in other current liabilities	7,075	3,728
Increase/(decrease) in long term liabilities	60	(954)
(Increase)/decrease in trade receivables	1,609	(203)
(Increase)/decrease in stock in trade	(91)	238
(Increase)/decrease in loan and advances	(2,702)	2,387
Cash generated from operations	14,826	12,250
Direct Taxes paid	(2,406)	(1,517)
Net Cash from operating activities	12,420	10,733
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2,430)	(4,233)
Proceeds from sale of fixed assets	79	69
Purchase of Investments	(6,426)	(2,431)
Proceeds from sale of investments	2,002	2,890
Investment in subsidiary company	-	(33)
Fixed deposits (placed with)/maturity proceeds from banks (net)	4,117	(13,944)
Intercompany deposits placed (net)	(300)	(200)
Proceeds from winding up/striking off of subsidiaries	-	55
Interest received	3,207	1,741
Dividend received	1,163	722
Net Cash from / (used in) investing activities	1,412	(15,364)



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	Year ended March 31, 2013	Year ended March 31, 2012
(₹ in lakhs)		
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(54)	(36)
Dividend Paid	(1,369)	(1,578)
Tax on Distributed Profit	(307)	(171)
Net cash (used in) financing activities	(1,730)	(1,785)
Net (decrease) / increase in cash and cash equivalents	12,102	(6,416)
Cash and cash equivalents (Opening Balance)	14,871	21,287
Cash and cash equivalents (Closing Balance)	26,973	14,871
Notes :		
(1) Components Of Cash and Cash equivalents		
Balances with Banks	18,731	12,206
Cash and cheques on hand	3,845	1,070
Money lent on CBLO Transactions	2,229	310
Unclaimed redemptions/ interest and dividends	2,168	1,285
Cash & Cash Equivalents considered for Cash flow	26,973	14,871

(2) The Company's bankers have sanctioned total fund-based limits of ₹ 13,162 lakhs (March 31, 2012- ₹ 17,127 lakhs) to finance working capital requirements. The entire limits were unutilised as on March 31, 2013

As per our report of even date
For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Firm registration no : 104607W

Viraf R. Mehta
Partner
Membership no : 32083

Place : Mumbai
Dated : June 13, 2013

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
G. Anantharaman
Directors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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 participant, derivative clearing and other financial 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 various states of India. SHCIL is a depository participant having 211 offices/ facilitation centers across the country.

2 (I) 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.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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 exchanges 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 or the net asset value of holding/assets under management 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.

Annual maintenance charges received from beneficiary account holders / clearing members for depository services are amortised on time proportion 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 time proportion basis taking into account the amount outstanding and the applicable rates of interest.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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.

Leasehold improvements are amortised on a straight line basis over the lease period ie 3 years.

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.

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 and 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. In the event of unabsorbed depreciation and carried forward losses, deferred tax assets are recognised only to the extent that there is a virtual certainty that sufficient future taxable income will be available to realise such assets.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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.

q) Cash and cash equivalents

Cash and cash equivalents includes balance with banks, deposit accounts with less than three months maturity, cash & cheques in hand, short term highly liquid investments and money lent on collateralised lending & borrowing obligations transactions.

2 (II) 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 have been prepared in accordance with the Accounting Standard (AS) 21 " Consolidated Financial Statements". The financial statements of the parent and the 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 upto the same reporting date as of the company ie year ending March 31, 2013.

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%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	As at March 31, 2013	As at March 31, 2012
3 Share Capital		
Authorised		
50,000,000 Equity shares of ₹ 10/- each	5,000	5,000
Issued, Subscribed and Fully Paid-up Shares		
21,054,400 Equity shares of ₹ 10/- each fully paid up	2,105	2,105
	2,105	2,105

a) The number of shares outstanding at the beginning and at the end of the year ended March 31, 2013 and for the previous year ended March 31, 2012 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 except in case of interim dividend.

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:	As at March 31, 2013	As at March 31, 2012
Name of shareholder : IDBI Bank Ltd		
Number of shares held	3,990,000	3,990,000
Percentage of holding	18.95	18.95
Name of shareholder : IFCI Ltd		
Number of shares held	7,140,000	7,140,000
Percentage of holding	33.91	33.91
Name of shareholder : Administrator of the Specified Undertaking of the Unit Trust of India		
Number of shares held	3,570,000	3,570,000
Percentage of holding	16.96	16.96
Name of shareholder : Life Insurance Corporation Of India		
Number of shares held	3,150,000	3,150,000
Percentage of holding	14.96	14.96

d) Information regarding issue of shares in the last five years :

- The company has not issued any shares without payment being received in cash.
- The company has not issued any bonus shares.
- The company has not undertaken any buyback of shares.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	As at March 31, 2013	As at March 31, 2012
4 Reserves & Surplus		
Securities Premium Account		
Balance as per last Balance Sheet	527	527
General Reserve		
Balance as per last Balance Sheet	12,716	12,351
Transfer from Profit and Loss account	501	365
	<u>13,217</u>	<u>12,716</u>
Staff Welfare Fund		
Balance as per last Balance Sheet	-	108
Less : Welfare expenditure incurred during the year	-	108
	<u>-</u>	<u>-</u>
Surplus in Statement of Profit and Loss		
Balance as per last Balance Sheet	30,542	28,271
Add : Net profit for the year	5,558	3,859
Less : Appropriations:		
Interim dividend	842	526
Proposed Final Dividend	211	526
Tax on distributed profits	172	171
Transfer to General Reserve	501	365
	<u>34,374</u>	<u>30,542</u>
	<u>48,118</u>	<u>43,785</u>
5 Long Term Liabilities		
Creditors for capital expenses	-	594
Advances and deposits	1,643	1,585
Advance depository participant charges	70	68
	<u>1,713</u>	<u>2,247</u>
6 Deferred tax liabilities (net)		
The major components of deferred tax liabilities and assets arising on account of timing differences are as under :		
Deferred Tax Liabilities		
Depreciation	72	31
Deferred Tax Assets		
Provision for doubtful debts/advances	2	1
Employee benefits	2	1
Stamp duty and ROC Form Fees	1	-
Municipal taxes	-	2
	<u>5</u>	<u>4</u>
Net Deferred Tax Liabilities	<u>67</u>	<u>27</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	As at March 31, 2013	As at March 31, 2012
7 Long Term Provisions		
Provision for employee benefits		
- compensated absences	798	281
Provision for claims (refer note 36)	2,446	1,223
	3,244	1,504
8 Trade Payables		
Dues to micro, small and medium enterprises (refer note 33)	-	-
Sundry Creditors	1,666	1,260
	1,666	1,260
9 Other Current Liabilities		
Advance depository participant charges	1,065	1,143
Unclaimed dividend	6	10
(Unclaimed amounts are transferred to the Investor Education and Protection Fund when due)		
Unclaimed redemption/interest proceeds	2,162	1,276
Advances and deposits	3,454	4,366
Amount due on settlement (net) (refer note 34)	6,479	7,466
Amounts due to subbrokers	18	18
Amounts payable to Government on account of stamp duty collection	15,376	7,490
Amounts payable to Reserve Bank of India on account of distribution of GOI bonds (net)	-	91
Other creditors for capital expenses	941	619
Other Liabilities		
- Employee benefits payable	1,149	837
- Statutory dues including provident fund and taxes	413	350
	31,063	23,666
10 Short-Term Provisions		
Provision for tax (net of advance tax ₹ 780 lakhs, 31.03.12 - ₹ 605 lakhs)	62	22
Proposed dividend	211	527
Tax on distributed profits	36	171
Provision for employee benefits (Refer note 35)		
- Provision for gratuity	96	3
- Provision for compensated absences	102	94
	507	817



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2013

11 Tangible Assets :

(₹ in lakhs)

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Additions	Deductions	As at 31.03.2013	Up to 31.03.2012	For the year	On Deductions	Up to 31.03.2013	As at 31.03.2013
Leasehold Land	168	-	-	168	34	2	-	36	132
Buildings *	9,352	213	-	9,565	1,435	418	-	1,853	7,712
Plant & Machinery	3,361	1,087	44	4,404	1,030	390	21	1,399	3,005
Computers	7,753	343	31	8,065	4,981	1,050	31	6,000	2,065
Furniture & Fixtures	2,017	244	41	2,220	872	300	23	1,149	1,071
Office Equipment	945	119	11	1,053	337	109	8	438	615
Vehicles	215	61	8	268	203	14	9	208	60
Leasehold Improvements	227	-	24	203	142	60	-	202	1
As at 31.03.2013	24,038	2,067	159	25,946	9,034	2,343	92	11,285	14,661
As at 31.03.2012	21,180	3,751	893	24,038	7,782	2,105	853	9,034	-

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

There are no adjustments to Gross block on account of foreign exchange fluctuations on borrowing costs

12 Intangible Assets :

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Additions	Deductions	As at 31.03.2013	Up to 31.03.2012	For the year	On Deductions	Up to 31.03.2013	As at 31.03.2013
Computer Software	3,066	97	-	3,163	2,396	362	-	2,758	405
As at 31.03.2013	3,066	97	-	3,163	2,396	362	-	2,758	405
As at 31.03.2012	2,393	673	-	3,066	1,953	443	-	2,396	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**13. Non- Current Investments**

(₹ in lakhs)

	Face Value (₹)	As at March 31, 2013	As at March 31, 2012
Trade - Fully Paid - at Cost			
Equity Shares - Unquoted			
2,250,000 (March 31, 2012 - 2250000) National Stock Exchange of India Ltd.	10	394	394
87,000 (March 31, 2012 - 87,000) Bombay Stock Exchange Ltd.	1	300	300
750,101 (March 31, 2012 - 7,50,101) Investor Services of India Ltd.	10	75	75
		769	769
Non Trade - Fully Paid - at Cost			
Equity Shares			
Quoted			
76,800 (March 31, 2012 - 76,800) Ashok Leyland Ltd	1	25	25
6,875 (March 31, 2012 - 6,875) BHEL Ltd	2	28	28
5,341 (March 31, 2012 - Nil) HDFC Bank Ltd.	2	35	-
32,015 (March 31, 2012 - Nil) Indian Overseas Bank Ltd	10	30	-
35,975 (March 31, 2012 - 35,975) NTPC Ltd.	10	75	75
2,965 (March 31, 2012 - 2,965) Reliance Capital Ltd.	10	25	25
8,000 (March 31, 2012 - 8,000) Reliance Industries Ltd.	10	79	79
32,800 (March 31, 2012 - 32,800) Reliance Power Ltd.	10	49	49
9,519 (March 31, 2012 - 9,519) Shipping Corporation of India Ltd.	10	9	9
14,075 (March 31, 2012 - 14,075) Steel Authority of India Ltd	10	25	25
8,555 (March 31, 2012 - 8,555) Tata Steel Ltd.	10	45	45
12,200 (March 31, 2012 - 12,200) UCO Bank Ltd	10	15	15
5,280 (March 31, 2012 - 5,280) Wipro Ltd.	2	22	25
		462	400
Government Securities			
Quoted			
6.20% Maharashtra SDL 2015	10,000	*	*
6.35% Govt. of India 2020**	200,000,000	1,822	1,822
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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Face Value (₹)	As at March 31, 2013	As at March 31, 2012
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
8.13% GOI 2022**	100,000,000	989	-
		3,181	2,192
PSU/Corporate Bonds			
Quoted			
- (March 31, 2012 - 1) 7.35% HUDCO Bonds 2013	1,000,000	-	10
2 (March 31, 2012 - 2) 7.30% FCI 2015	1,000,000	19	19
5 (March 31, 2012 - 5) 7.50% Bank of India 2015	1,000,000	48	48
4 (March 31, 2012 - 4) 7.45% State Bank of India 2015	1,000,000	38	38
3 (March 31, 2012 - 3) 7.60% Power Finance Corporation 2015	1,000,000	29	29
1 (March 31, 2012 - 1) 8.00% HDFC NCD 2016	1,000,000	10	10
2 (March 31, 2012 - 2) 8.78% Power Finance Corpn 2016	1,000,000	20	20
		164	174
PSU/Corporate Bonds			
Unquoted			
3 (March 31, 2012 - 3) 9.25% Power Grid Corporation 2017	1,250,000	39	39

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Face Value (₹)	As at March 31, 2013	As at March 31, 2012
Tax Free Secured Redeemable Non Convertible Bonds			
Quoted			
24,724 (March 31, 2012 - 24,724) 8.20% National Highway Authority of India 2022	1,000	247	247
10,875 (March 31, 2012 - 10,875) 8.00% Indian Railway Finance Corpn Ltd.2022	1,000	109	109
100 (March 31, 2012 - Nil) 7.21% Indian Railway Finance Corpn Ltd.2022	1,000,000	1,000	-
		1,356	356
Mutual Funds			
Quoted			
1,090 (March 31, 2012 - 1,090) Goldman Sachs Nifty Junior Exchange Traded Scheme	1.25	1	1
2,350 (March 31, 2012 - Nil) Goldman Sachs Nifty Exchange Traded Scheme(NIFTYBEES)	10	15	-
- (March 31, 2012 - 516) IDBI Gold Exchange Traded Fund	100	-	15
		16	16
Unquoted			
1,287,416 (March 31, 2012 - 12,87,416) IDBI Nifty Junior Index Fund Growth	10	124	124
250,000 (March 31, 2012 - Nil) IDBI MF Gold Fund	10	25	-
790,264 (March 31, 2012 - Nil) IDFC Arbitrage Fund - Plan B - Dividend	10	100	-
2,036,859 (March 31, 2012 - Nil) HDFC Short Term Opportunities Fund Growth	10	250	-
2,037,656 (March 31, 2012 - Nil) HDFC Medium Term Opportunities Fund Growth	10	250	-
4,004,293 (March 31, 2012 - Nil) Tata Mutual Fund Dynamic Bond Fund	10	500	-
5,000,000 (March 31, 2012 - Nil) IDBI MF Gilt Fund	10	500	-
1,000,000 (March 31, 2012 - Nil) HDFC Mutual Fund FMP 373 days Growth	10	100	-
5,000,000 (March 31, 2012 - Nil) IDBI FMP 385 Days Series- III Growth	10	500	-



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Face Value (₹)	As at March 31, 2013	As at March 31, 2012
2,500,000 (March 31, 2012 - Nil) DWS Fixed Maturity Plan - Series 28 - Direct Plan - Growth	10	250	-
2,500,000 (March 31, 2012 - Nil) Religare Fixed Maturity Plan - Series XVIII - Plan E	10	250	-
		2,849	124
		8,836	4,070
Aggregate amount of quoted investments		5,179	3,138
Market value of quoted investments		5,046	2,951
Aggregate amount of unquoted investments		3,657	932
Aggregate provision for diminution in value of investments		-	-

* denotes amounts less than ₹ 1 lakh.

** security deposited as margin with CCIL.

*** includes securities of face value aggregating to ₹ 108 Lakhs deposited as margin with CCIL.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	As at March 31, 2013	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	412	385
Provision for claims	794	397
Employee benefits	321	121
	1,527	903
Deferred Tax Liabilities		
Depreciation	691	715
Net Deferred Tax Assets	836	188
15 Long term loan and advances (Unsecured and considered good, unless otherwise stated)		
Capital advances	268	397
Staff loans (refer note 32)	308	364
Security and other deposits	4,193	1,122
(net of provision for doubtful deposits ₹ 26 lakhs, 31.03.12- ₹ 26 lakhs)		
Advance payment of tax and taxes deducted at source (net of provision for taxation ₹ 21,592 lakhs, 31.03.12 ₹ 19,106 lakhs)	2,307	2,605
MAT credit entitlement	46	3
Others	14	29
	7,136	4,520
16 Other non current assets		
Long Term deposits with banks with original maturity period more than 12 months (Refer note below)	12,086	19,711
	12,086	19,711
Balances with banks in deposit accounts includes fixed deposits with banks aggregating to ₹ 6,292 lakhs (As at March 31, 2012 - ₹ 9,123 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 ₹ 4,593 lakhs (As at March 31, 2012 - ₹ 6,350 lakhs) deposited with the Stock Exchanges as margin deposits.		



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Face Value (₹)	As at March 31, 2013	As at March 31, 2012
17 Current Investments			
Current portion of long-term investments (valued at cost)			
PSU / Corporate Bonds (Quoted)			
1 (March 31, 2012 - Nil) 7.35% HUDCO Bonds 2013	1,000,000	10	-
- (March 31, 2012 - 3) 7.90% HUDCO Bonds 2013	1,000,000	-	30
		10	30
PSU / Corporate Bonds (Unquoted)			
- (March 31, 2012 - 400) IDBI Regular Income Bond - Flexi Bond-17 2013	5,000	-	20
Non Trade - Fully Paid (At cost or fair value, whichever is lower)			
Government Securities			
Quoted			
6.85% Govt. of India 2012	6,000	-	*
19/10/2012 Maturing 364 DTB**	100,000,000	-	922
		-	922
Mutual Funds			
Unquoted			
150,291 (March 31, 2012 - Nil) IDBI Ultra Short Term Fund Daily Dividend	1,000	1,504	-
- (March 31, 2012 - 80,00,000) HDFC Mutual Fund FMP 370 days Growth	10	-	800
		1,504	800
		1,514	1,772
Aggregate amount of quoted investments		10	952
Market value of quoted investments		10	985
Aggregate amount of unquoted investments		1,504	820
Aggregate provision for diminution in value of investments		-	-

* denotes amounts less than ₹ 1 lakh

** security deposited as margin with CCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Face Value	As at March 31, 2013	As at March 31, 2012
18 Stock- in- trade			
(at lower of cost or net realisable value)			
Equity shares			
13,124 (March 31, 2012 : Nil) Dabur India	1	17	-
3,200 (March 31, 2012 : Nil) ICICI Bank	10	34	-
		<u>51</u>	<u>-</u>

(₹ in lakhs)

	As at March 31, 2013	As at March 31, 2012
19 Trade receivables		
(Unsecured)		
Outstanding for a period exceeding six months		
Considered good	180	673
Considered doubtful	1,062	986
	<u>1,242</u>	<u>1,659</u>
Less : Provision for doubtful receivables	1,062	986
	<u>180</u>	<u>673</u>
Other receivables		
Considered good	3,332	4,781
Considered doubtful	181	176
	<u>3,513</u>	<u>4,957</u>
Less : Provision for doubtful receivables	181	176
	<u>3,332</u>	<u>4,781</u>
	<u>3,512</u>	<u>5,454</u>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	As at March 31, 2013	As at March 31, 2012
20 Cash and Bank Balances		
Cash and Cash equivalents		
Balances with banks		
- In current accounts	17,705	11,563
- in unpaid dividend account	6	11
- in unclaimed redemption/interest proceeds account	2,162	1,274
- In deposit accounts with original maturity less than 3 months	1,026	643
Cheques in hand	1,813	659
Cash and stamps in hand	2,032	411
Money lent on CBLO transactions	2,229	310
	26,973	14,871
Other Bank Balances		
- In deposit accounts (more than 3 months but less than 12 months maturity (Refer note below)	9,310	5,802
	36,283	20,673
Other Bank Balances in deposit accounts includes fixed deposits with banks aggregating to ₹ 10 lakhs (As at March 31, 2012 - ₹ 309 lakhs) against which lien has been marked by the banks as security for overdraft facility and guarantees issued on behalf of the Company. It also includes fixed deposits with banks aggregating to ₹ 7,300 lakhs (As at March 31, 2012 - ₹ 2,097 lakhs) deposited with the Stock Exchanges as margin deposits.		
21 Short term loans and advances		
(Unsecured and considered good, unless otherwise stated)		
Advances recoverable in cash or in kind	1,057	1,239
(net of provision for doubtful advances ₹ 5 lakh 31.03.12 - ₹ 5 lakhs)		
Security and other deposits	3	6
Staff loans (refer note 32)	124	105
Inter corporate deposits	500	200
Prepayments	200	203
	1,884	1,753

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	As at March 31, 2013	As at March 31, 2012
22 Other current assets		
Accrued interest on bank and other deposits	722	1,151
Accrued income on investments	95	42
Other accrued income	77	12
	894	1205

(₹ in lakhs)

	Year ended March 31, 2013	Year ended March 31, 2012
23 Revenue from Operations		
Custodial Services	795	405
Depository Participant Services	15,387	14,545
Commission and brokerage (net)	9,579	8,040
Derivatives clearing services	204	228
Document management income	465	-
Others	201	67
	26,631	23,285
24 Other Income		
Interest (Gross)		
- Govt. securities & bonds	240	258
- Deposits with banks	2,435	2,172
- Others	219	197
- Interest on income tax refund	2	155
Dividend on long term investments	911	486
Dividend on current investments	252	246
Profit on sale of non current investments (net),	84	71
Profit on sale of fixed assets (net)	12	29
Provisions for diminution in investments written back (net)	-	8
Excess provisions written back - an exceptional item	-	461
Gain on exchange rate fluctuations(net)	-	6
Miscellaneous income	162	108



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Year ended March 31, 2013	Year ended March 31, 2012
	<u>4,317</u>	<u>4,197</u>
25 Employee Benefits Expense		
Salaries, allowances & bonus	8,182	7,064
Contribution to provident fund and other funds	676	561
Staff welfare expenses	554	414
	<u>9,412</u>	<u>8,039</u>
26 Finance Cost		
Interest on bank overdraft	33	8
Interest on CBLO borrowings	21	28
	<u>54</u>	<u>36</u>
27 Other expenses		
Outsourcing expenses	1,230	1,184
Depository participant/custodian fees	402	382
Software expenses	554	320
Rent	813	758
Rates and taxes	393	377
Electricity	754	626
Insurance	169	145
Repairs and maintenance		
- Buildings	209	331
- Plant & machinery	486	611
- Others	167	115
Travelling & conveyance	314	288
Postage & courier	343	354
Telephone & communication	679	732
Printing & stationery	400	394
Legal & professional	315	177
Audit fees	46	29
Technical know-how fees	549	444
Donation	45	-
Claims paid	41	530

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lakhs)

	Year ended March 31, 2013	Year ended March 31, 2012
Bad debts written off	252	227
Provision for doubtful debts/ advances	81	373
Provision for claims (refer note 36)	1,223	1,223
Loss from trading in securities (net)	33	8
Loss on sale of current investments (net)	1	31
Loss due to exchange rate fluctuation	19	-
Loss on winding up of subsidiary	-	5
Advertisement & publicity	31	322
Commission and brokerage to selling agents	943	788
Document management expenses	-	6
Cost of software licences sold	101	-
Miscellaneous expenses	534	502
	11,127	11,282

28 Contingent Liabilities

(₹ in lakhs)

	As at March 31, 2013	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	16	17
ii) Claims by a bank not acknowledged by the Company (refer note 31 below)	amount unascertained	2,445 (plus interest thereon)
iii) Other claims not acknowledged as debt	155	173
B) Bank Guarantees		
i) provided to stock exchanges (backed by counter guarantees, cash collateral and securities)	4,625	4,650
ii) other Bank Guarantees	1,031	551

29 Capital and other commitments :

Estimated amount of contracts to be executed on capital account, not provided for – ₹ 757 lakhs. (As at March 31, 2012 - ₹ 751 lakhs).

- 30** The Board of Directors of SHCIL at their meeting dated October 30, 2012 have accorded in-principle approval for merger of Stock Holding Corporation of India Ltd with IDBI Bank Ltd subject to statutory/regulatory and shareholders' approval. The regulatory and shareholders' approval are still pending as on the Balance Sheet date.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

- 31** 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 had 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 off the revision application within a period of four months. In the meanwhile the Corporation has deposited ₹ 3,000 lakh with the Registry of High Court as per the directions of the Supreme Court.
- 32** Staff loans includes housing loan to the Company Secretary - ₹ 4 lakhs as on March 31, 2013 (As at March 31, 2012 - ₹ 4 lakhs). Maximum balance outstanding during the period is ₹ 4 lakhs.
- 33** No amount is payable to suppliers under the Micro, Small and Medium Enterprises Development Act 2006. No interest has been paid/payable by the Company to the suppliers under the Micro, Small and Medium Enterprises Development Act 2006. The above information takes into account only those suppliers who have responded to inquiries made by the Company for this purpose. This has been relied upon by the auditors.
- 34** Amount due on settlement (net) represents amounts payable to Clearing house, Clients and Brokers, as under:

(₹ in lakhs)

	As at March 31, 2013		As at March 31, 2012	
	Due to	Due from	Due to	Due from
Clearing House	5,644	1,786	1,317	5,109
Clients	8,092	5,642	12,908	1,861
Brokers	171	-	211	*
	<u>13,907</u>	<u>7,428</u>	<u>14,436</u>	<u>6,970</u>
Net Payable	<u>6,479</u>		<u>7,466</u>	

* denotes amounts of less than ₹ 1 lakh

(₹ in lakhs)

	Year ended March 31, 2013	Year ended March 31, 2012
35 Employee Benefits:		
The company has recognised the following amounts in the Statement of Profit and Loss for the period:		
A) Defined Contribution Plan		
The company has recognised the following amounts in the Statement of Profit and Loss for the year		
Contribution to Employees' Provident Fund	339	305
Contribution to Employees' Superannuation Fund	65	65
Contribution to Employees' Pension Fund	3	3
B) Defined Benefit Plans		
i) General description		
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		
ii) Change in Benefit Obligation		
Liability at the beginning of the year	1328	1209
Interest Cost	116	100
Current Service Cost	119	83
Past Service Cost- Vested Benefit	-	-
Benefit Paid	(71)	(86)
Actuarial (gain)/loss on obligations	134	22
Liability at the end of the year	1626	1328
iii) Fair value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	1386	872
Expected Return on Plan Assets	111	70
Contributions	90	488
Benefit Paid	(71)	(86)
Actuarial gain/(loss) on Plan Assets	16	42
Fair Value of Plan Assets at the end of the year	1532	1386
Total Actuarial gain/(loss) to be recognised	16	42



(₹ in lakhs)

	Year ended March 31, 2013	Year ended March 31, 2012
iv) Actual Return on Plan Assets		
Expected Return on Plan Assets	111	70
Actuarial gain/(loss) on Plan Assets	16	42
Actual Return on Plan Assets	127	112
v) Amount Recognised in the Balance Sheet :		
Fair Value of Plan Assets at the end of the year	1532	1386
Liability at the end of the year	(1626)	(1328)
Funded Status	(94)	58
Unrecognised Past Service Cost	-	-
Unrecognised Transition Liability	-	-
Amount Recognised in the Balance Sheet	(94)	58
vi) Amount Recognised in the Income Statement :		
Current Service Cost	119	83
Interest Cost	116	100
Expected Return on Plan Assets	(111)	(70)
Recognition of Transition Liability	-	-
Actuarial Gain or Loss	118	(20)
Past Service Cost-Vested Benefit Recognized during the Period	-	-
Expense Recognised in P& L	242	93
vii) Actuarial Assumptions:		
a) Discount Rate	8.25%	8.75%
b) Rate of Return on Plan Assets	8.60%	8.00%
c) Salary Escalation	5.00%	5.00%
viii) Net asset /liability recognised in the balance sheet (including experience adjustment)		
	2013	2012
Defined benefit obligation at the end of the period	1626	1328
Funded Status	(94)	58
Experience Adjustment on plan liability Gain/(Loss)	(71)	(49)
Actuarial Gain/(Loss) due to change of assumptions	(63)	27

ix) **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 compensated absences have been determined using the projected unit credit method as at the Balance Sheet date on the basis of an actuarial valuation.

(₹ in lakhs)

	As at March 31, 2013	As at March 31, 2012
36 The movement in provision for claims is as under :		
Opening Balance	1,223	151
Additions during the year	1,223	1,223
Reversed during the year	-	(151)
	<u>2,446</u>	<u>1223</u>

37 Particulars of stock in trade purchased and sold during the period

(₹ in lakhs)

	Year ended March 31, 2013		Year ended March 31, 2012	
	Units	Amount	Units	Amount
Lupin Ltd	330	2	-	-
Indian Overseas Bank	10,000	9	-	-
DLF Ltd	11,600	28	-	-
Central bank of India	30,484	25	-	-
Axis Bank Ltd	667	8	-	-
Reliance Industries	-	-	4,200	35
IDFC Ltd	-	-	13,300	16
	<u>53,081</u>	<u>72</u>	<u>17,500</u>	<u>51</u>



(₹ in lakhs)

	Year ended March 31, 2013	Year ended March 31, 2012
38 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:		
i) Total of minimum lease payments for a period		
not later than 1 year	453	621
later than 1 year and not later than 5 years	488	695
later than 5 years	26	52
ii) Lease payments recognised in profit and loss for the period	762	744
39 Earnings Per Share		
No. of Shares as at April 1, 2012	21,054,400	21,054,400
No. of Shares as at March 31, 2013	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)	5,558	3,859
Basic and diluted earnings per share of ₹ 10/- each (₹)	26.40	18.33

40 Segment Reporting

	Primary Business Segments							(₹ in lakhs)
	Depository/ Custodial Services		Estamping		Others		Total	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
A. SEGMENT REVENUE								
External sales/ Income from operations	15,463	14,659	6,392	4,713	6,567	5,695	28,422	25,067
Inter-segment Revenues	-	-	-	-	-	-	-	-
TOTAL REVENUE	15,463	14,659	6,392	4,713	6,567	5,695	28,422	25,067
B. RESULT								
Segment result	6,579	5,443	1,364	391	1,119	1,077	9,062	6,911
Unallocated (Expenses) net of unallocated income							(3,884)	(3,109)
Operating Profit							5,178	3,802
Interest expense							(54)	(36)
Interest/ dividend and surplus on disposal of investments							2,526	1,811
Taxes							(2,092)	(1,718)
Net Profit							5,558	3,859
Reconciliation of Revenue								
Segment Revenue							28,422	25,067
Add :								
Interest Income							2,526	1,811
Unallocated income							-	604
Total revenue							30,948	27,482
OTHER INFORMATION	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Segment assets	8,511	11,611	21,990	13,108	25,690	24,966	56,191	49,685
Unallocated assets							32,292	25,726
Total assets							88,483	75,411
Segment liabilities	6,051	5,314	17,558	8,772	11,015	12,778	34,624	26,864
Unallocated liabilities							3,636	2,657
Total liabilities							38,260	29,521
Cost incurred during the year to acquire segment fixed assets	352	1,399	108	1,777	1,639	1,016	2,099	4,192
Depreciation	950	958	680	587	888	832	2,518	2,377
Non-cash expenses other than depreciation								
- doubtful advances written off	241	214	-		11	13	252	227
- provision for bad & doubtful debts	60	372	-		21	1	81	373

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment assets include all operating assets used by the business segments. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Incomes/expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate incomes/expenses. Further, as all its clients are located in India, the Company does not have any secondary reportable segment.



41 Related Parties

Associate

IFCI Limited

b. Transactions with Related Parties during the year

(₹ in lakhs)

Particulars	Year ended March 31, 2013 Associate	Year ended March 31, 2012 Associates
Service charges received	22	25
Dividends paid	464	536
Trade and other Payables **	1	23

c The significant Related Party Transaction are as under :

(₹ in lakhs)

Nature of Transaction	Year ended March 31, 2013	Year ended March 31, 2012
Service Charges received		
Associate		
IFCI Ltd	22	25
Dividends Paid		
Associate		
IFCI Ltd.	464	536
Outstanding Balances	As at March 31, 2013	As at March 31, 2012
Trade & Other Payables **		
Associate		
IFCI Ltd	1	23

** trade and other payables also includes ₹ 2 lakhs (previous year ₹ 23 lakhs), due to associate on account of settlement of trade transactions done on stock exchanges and paid on April 2, 2013, the settlement date (previous year settlement date was April 3, 2012).

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

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SUBSIDIARY COMPANIES
SHCIL SERVICES LIMITED
SHCIL PROJECTS LIMITED

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

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

PERFORMANCE HIGHLIGHTS

(₹ In Lakhs)

PARTICULARS	2012-13	2011-12	2010-11	2009-10	2008-09
EARNINGS :					
Income From Operations	2,598	2,533	3,278	3,554	1,790
Other Income	236	159	77	119	67
Total Income	2,834	2,692	3,355	3,673	1,857
EXPENSES & PROFITABILITY :					
Operating Expenses	2,164	2,120	2,786	3,272	1,377
Interest And Financial Charges	7	8	12	2	4
Profit before Depreciation	663	564	557	399	476
Depreciation	109	135	92	117	189
Profit/(Loss) Before Taxation	554	429	465	282	287
Provision for Taxation	215	148	175	160	123
Deferred Tax	(19)	(1)	(8)	(23)	41
Profit/(Loss) After Taxation	358	282	298	145	123
ASSETS EMPLOYED :					
Net Fixed Assets	80	174	289	73	214
Capital Work-In-Progress	-	20	3	3	5
Investments	-	-	2	4	7
Current / Non Current Assets, Loans & Advances	3,766	3,998	3,642	7,388	5,994
Deferred Tax Assets	67	48	46	38	14
Current / Non Current Liabilities & Provisions	(2,174)	(2,859)	(2,883)	(6,705)	(5,578)
Total Assets	1,739	1,381	1,099	801	656
FINANCED BY :					
Share Capital	539	539	539	539	539
Reserves and Surplus	1,200	842	560	262	117
Total Funds	1,739	1,381	1,099	801	656
KEY INDICATORS :					
Networth	1,739	1,381	1,099	801	656
Earning Per Share (₹)	10.24	8.05	8.51	4.13	3.55
Book Value Per Equity Share (₹)	44.31	34.07	26.01	17.50	13.37

DIRECTORS' REPORT

Your Directors are pleased to present their Eighteenth Report on the business and operations of the Company during the year ended March 31, 2013.

BUSINESS:

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

OPERATIONS:

During the year ended March 31, 2013, your company earned gross income of ₹ 2834 lakhs. The profit after tax was ₹ 358 lakhs registering a growth of 27%. The financial results are summarized below:

(₹ in lakh)

Particulars	2012-13	2011-12
Total Income	2834	2692
Profit/(Loss) Before Tax	554	428
Profit/(Loss) After Tax	358	282
Net worth	1739	1381
Earning per share (₹)	10.24	8.05
Book value per equity share (₹)	44.31	34.07

FUTURE OUTLOOK:

With the recent surge in inflow of FII funds, the capital market is showing signs of improvement. However, the retail participation in the capital market continues to be sluggish. The inflation in the country is abating thereby generating hope of further rate cut by RBI. Government, on its part is also doing a bit to contain budget deficit and push the reform process. All these events are likely to have positive impact on the capital market albeit with a lag. Hence barring unforeseen developments, the market is expected to improve in the second half of the current fiscal. Renewed assumption of strong India growth story is likely to have positive impact on the turnover and profit of your company.

NEW INITIATIVE:

To cater to the requirement of our discerning customers, your company has started the margin trading activities and has already received regulatory approvals in this regard. The facility would provide margin funding option to the clients at attractive interest rate and that too with a roll-over option. The product is receiving excellent initial response. To start with, this facility is proposed to be extended for BSE 200 stocks only. Other eligible scrips would be added progressively.

To be present in all the segments of the capital market, your company has also obtained MCX-SX membership. Your company also proposes to enter shortly currency derivatives segment as also the wholesale debt market segment of NSE.

DIVIDEND:

With a view to conserving resources for business expansion, your Directors do not recommend any dividend for financial year 2012-13.

DIRECTORS:

Shri P H Kutumbe, 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 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 its Chairman, other members being, Shri V S Nair and Shri Vineet Potnis. The Audit Committee met four times during the financial year 2012-13.

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 2012-13.

BUY BACK OF SHARES:

During the financial year 2012-13, 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 SSL 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 had 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 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 annual accounts have been prepared on a going concern basis

ACKNOWLEDGEMENTS:

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

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

Place: Mumbai
Date: June 4, 2013

**Ashok Motwani
Non - Executive Chairman**

REPORT ON CORPORATE GOVERNANCE

(forming part of Directors' Report for financial year ended March 31, 2013)

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 Company 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 2012-13. Details of Board Meetings held are as follows:

Sr.No	Date of the Board Meeting	Board Strength	No. of Directors present
1	May 4, 2012	5	4
2	September 21, 2012	5	4
3	December 13, 2012	5	5
4	March 21, 2013	5	4

Attendance of Directors during 2012-13 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 Ashok Motwani	4	4(4)	08.07.2011	NA
2	*Shri Nitin Jog	4	4(4)	24.11.06/1.12.09	NA
3	Shri Vineet Potnis	4	4(4)	19.11.09	NA
4	Shri P.H.Kutumbe	4	4(4)	21.06.07	NA
5	Shri V.S.Nair	4	1(4)	09.01.08	NA

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

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

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

Shri Ashok Motwani

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

Shri V.S.Nair

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

Shri P.H.Kutumbe

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

Shri Vineet Potnis

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

Details of Audit Committee and Attendance

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 Vineet Potnis	4	4 (4)
2	Shri P. H. Kutumbe	4	4 (4)
3	Shri.V. S. Nair	4	- (4)

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

Details of Risk Committee and Attendance

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

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

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

General Meetings

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

General Meeting	15th AGM	16th AGM	17th AGM	11th EGM
Year	2010-11	2011-12	2012-13	2012-13
Venue	SHCIL House, P-51, T.T.C Industrial Area, MIDC Mahape, Navi Mumbai - 400710	SHCIL House, P-51, T.T.C Industrial Area, MIDC Mahape, Navi Mumbai - 400710	SHCIL House, P-51, T.T.C Industrial Area, MIDC Mahape, Navi Mumbai - 400710	SHCIL House, P-51, T.T.C Industrial Area, MIDC Mahape, Navi Mumbai - 400710
Date of Meeting	September 6, 2010	August 17, 2011	August 24, 2012	March 28, 2013

Out of the four General Meetings held during last three years, special resolutions were passed in three General Meetings which are as under:

Meeting no.	Resolution No.	Particulars of Resolution
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	3	1) Appointment of M/s Kalyaniwalla & Mistry as Statutory Auditors of the Company
	4	2) Appointment and terms of appointment of Shri Nitin Jog as Managing Director and CEO
	6	3) Preferential Issue of Shares to SHCIL under section 81(A) and other applicable provisions, if any, of the Companies Act 1956.
17th AGM	3	1) Appointment of M/s Kalyaniwalla & Mistry as Statutory Auditors 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 23rd, 2013 at 2.30 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 31,2013
 The Company is wholly owned subsidiary of Stock Holding Corporation of India Limited (SHCIL). However, seven individuals are holding one share each in SSL as a nominee of SHCIL.
- f) Address of correspondence
 The Company Secretary
 SHCIL Services Limited
 SHCIL House, P-51,
 T.T.C. Industrial Area,
 MIDC, Mahape,
 Navi Mumbai - 400 710

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHCIL SERVICES LIMITED

Report on Financial Statements

We have audited the attached financial statements of **SHCIL Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation, maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditors' Report) Order (Amendment) Order 2004, 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.

2. As required by section 227(3) of the Act, 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 those 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 comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956, to the extent applicable;

- e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2013, 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

VINAYAK M. PADWAL

Partner

Membership No. F49639

Place : Mumbai

Dated : April 26, 2013

ANNEXURE TO THE AUDITORS' REPORT

- 1) (a) The Company is 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 discrepancies were reported on such verification.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets have not been disposed of by the Company during the year which could affect the going concern assumption.
- 2) In our opinion and according to the information and explanation provided to us, the company is a service industry. Hence, clause ii(b) and clause ii(c) of paragraph 4 of the Order are not applicable.
- 3) (a) The Company has not granted any loans, secured or unsecured to a company 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.
- 4) 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.
- 5) (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 recorded in register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 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 thereunder.
- 7) The Company has an internal audit system, which is commensurate with the size and nature of its business.
- 8) 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.
- 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, Customs Duty, Excise Duty, cess and other statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax or cess outstanding on account of any dispute.
- 10) The Company does not have accumulated losses, as at the end of the financial year, and it has not incurred cash losses in the current financial year. Also, it has not incurred any cash losses in immediately preceding financial year.

- 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 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.
- 15) 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.
- 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 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.
- 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 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 & MISTRY

Chartered Accountants

Firm Registration No. 104607W

VINAYAK M. PADWAL

Partner

Membership No. F49639

Place : Mumbai

Dated : April 26, 2013

Balance Sheet As at March 31, 2013

	Note	As at March 31, 2013 (₹)	As at March 31, 2012 (₹)
EQUITY & LIABILITIES :			
SHAREHOLDERS' FUNDS			
Share Capital	3	53,862,500	53,862,500
Reserves and Surplus	4	120,074,172	84,228,438
		<u>173,936,672</u>	<u>138,090,938</u>
NON-CURRENT LIABILITIES			
Long term Provisions	5	765,099	861,604
		<u>765,099</u>	<u>861,604</u>
CURRENT LIABILITIES			
Trade Payables	6	12,194,397	17,247,822
Other Current Liabilities	7	197,092,503	264,757,175
Short Term Provisions	8	7,301,861	2,997,652
		<u>216,588,761</u>	<u>285,002,649</u>
		<u>391,290,532</u>	<u>423,955,191</u>
ASSETS :			
NON-CURRENT ASSETS			
Fixed Assets	9		
Tangible Assets		2,805,470	10,557,945
Intangible Assets		5,175,770	6,854,404
Capital Work-In-Progress		-	1,997,060
		<u>7,981,240</u>	<u>19,409,409</u>
Deferred Tax Assets (Net)	10	6,729,537	4,771,318
Long Term Loans & Advances	11	36,439,703	30,749,619
		<u>51,150,480</u>	<u>54,930,346</u>
CURRENT ASSETS			
Stock in Trade	12	-	-
Trade Receivables	13	56,595,471	90,888,240
Cash & Cash Equivalents	14	271,982,665	271,202,264
Short Term Loans & Advances	15	11,561,916	6,934,341
		<u>340,140,052</u>	<u>369,024,845</u>
		<u>391,290,532</u>	<u>423,955,191</u>

SIGNIFICANT ACCOUNTING POLICIES &
NOTES ON ACCOUNTS

1 to 20

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 : April 26, 2013

Mitul Palankar
Company Secretary

Madhu Ladha
Finance

For and on behalf of the Board
Ashok Motwani
Non - Executive Chairman

Nitin Jog
Managing Director & CEO

P. H. Kutumbe
Director

Vineet Potnis
Director

Statement of Profit And Loss For the Year ended March 31, 2013

	Note	Year ended March 31, 2013 (₹)	Year ended March 31, 2012 (₹)
INCOME :			
Revenue From Operations	16	259,821,664	253,352,185
Other Income	17	23,620,560	15,865,675
TOTAL REVENUE		283,442,224	269,217,860
EXPENDITURE :			
Employee Benefit Expense	18	25,741,660	28,107,480
Sub - Brokerage Expenses		155,622,796	149,899,612
Financial Costs	19	720,164	835,119
Depreciation and Amortization Expenses		10,918,170	13,568,710
Other Expenses	20	35,051,919	33,959,401
TOTAL EXPENSES		228,054,709	226,370,322
PROFIT/(LOSS) BEFORE TAXATION		55,387,515	42,847,538
Tax expense:			
Current tax		21,500,000	15,000,000
Deferred tax		(1,958,219)	(149,741)
Adjustments for previous years		-	(187,374)
PROFIT/(LOSS) FOR THE YEAR		35,845,734	28,184,653
Earning Per Share Before & After Extraordinary Items (Basic & Diluted)		10.24	8.05

SIGNIFICANT ACCOUNTING POLICIES &

NOTES ON ACCOUNTS

1 to 20

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

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 : April 26, 2013

Mitul Palankar
Company Secretary

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Finance

For and on behalf of the Board
Ashok Motwani
Non - Executive Chairman

Nitin Jog
Managing Director & CEO

P. H. Kutumbe
Director

Vineet Potnis
Director

Cash Flow Statement for the Year ended March 31, 2013

Particulars	Year ended March 31, 2013 (₹)	Year Ended March 31, 2012 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	55,387,515	42,847,538
Adjustments for :		
Depreciation	10,918,170	13,568,710
(Profit) / Loss on Sale/Discard of Fixed Assets	(80,764)	(793,483)
Income from Dividend	-	(21,066)
Interest Earned	(18,745,697)	(12,505,273)
Provision for Doubtful Debts	251,369	(833,267)
Writeback of excess Provision for Stock in Trade	-	(177,643)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	47,730,593	42,085,516
Adjustments for :		
Trade & Other Receivables	27,145,721	(26,757,082)
Trade Payables	(69,969,064)	(5,464,113)
Cash Generated / (Used) from Operations	4,907,250	9,864,321
Direct Taxes (Paid)/Refund	(17,555,385)	(11,508,142)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES (A)	(12,648,135)	(1,643,821)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,020,181)	(4,095,045)
Proceeds on Sale of Fixed Assets	125,000	793,500
Capital Advance	-	-
Purchase of Investments	-	-
Proceeds from Sale of Investments	-	200,000
Dividend Received	-	21,066
Interest Earned	15,323,717	8,664,694
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES (B)	13,428,536	5,584,215
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	-	-
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES (C)	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	780,401	33,940,394
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	271,202,264	237,261,870
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	271,982,665	271,202,264

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 : April 26, 2013

Mitul Palankar
Company Secretary

Madhu Ladha
Finance

For and on behalf of the Board

Ashok Motwani
Non - Executive Chairman

Nitin Jog
Managing Director & 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 14th March, 2006. The Company has no branches / offices other than Mumbai office.

2. SIGNIFICANT ACCOUNTING POLICIES :

1) 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 the 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. 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 – non-current classification of assets and liabilities.

b) 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.

c) 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:

- Brokerage/Sub-Brokerage is accounted on accrual basis.
- 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.

d) 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.

e) 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
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 off during the year is provided on pro rata basis from / up to the date of acquisition/ disposal.

f) 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.

g) 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.

h) 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.

i) 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.

j) 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.

k) 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.

l) Securities on Deposit:

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

m) 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.

2) Share Capital:

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

Equity Shares:

Particulars	March 31, 2013 (₹)	March 31, 2012 (₹)
At the beginning of the year	35,000,000	35,000,000
Issued during the year	-	-
Outstanding at the end of the year	35,000,000	35,000,000

Preference Shares:

Particulars	March 31, 2013 (₹)	March 31, 2012 (₹)
At the beginning of the year	18,862,500	18,862,500
Issued during the year	-	-
Outstanding at the end of the year	18,862,500	18,862,500

- 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 2013.

- 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 were due for conversion on February 01, 2011 has been deferred for the further period of five years commencing from February 01, 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	March 31, 2013		March 31, 2012	
	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.	35,000,000	100	35,000,000	100
Total	35,000,000	100	35,000,000	100

Preference Shares

Particulars	March 31, 2013		March 31, 2012	
	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
Total	1,886,250	100	1,886,250	100

- 3) Fixed Deposits amounting to ₹ 43,300,003/- (Previous Year - ₹ 53,300,003/-) have been placed with NSCCL, ₹ 10,150,000/- (Previous Year - ₹ 20,945,717/-) placed against O/D facility, ₹ 1,000,000/- (Previous Year - ₹ 1,500,000/-) placed as trade guarantee fund and ₹ 111,500,000/- (Previous Year - ₹ 90,100,000/-) as free deposits.

4) Earnings per share (EPS)

Particulars	March 31, 2013	March 31, 2012
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 (₹)	35,845,734	28,184,653
Less : Preference dividend on non-cumulative shares provided for (₹)	-	-
Net Profit / (Loss) available for Equity Shareholders (₹)	35,845,734	28,184,653
Basic & Diluted Earning Per Share (₹)	10.24	8.05

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	March 31, 2013	March 31, 2012
Contribution to Employees' Provident Fund	615,562	691,234
Contribution to Employees' Superannuation Fund	67,397	52,358
Contribution to Employees' Pension Scheme	258,091	308,669

- 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, 2013 (%)	As at March 31, 2012 (%)
a	Discount Rate	8.25	8.50
b	Rate of Return on Plan Assets	8.70	8.00
c	Salary Escalation	5.00	5.00

i) Change in Benefit Obligation

Particulars	As at March 31, 2013 (₹)	As at March 31, 2012 (₹)
Liability at the beginning of the year	792,766	663,672
Interest Cost	67,385	54,753
Current Service Cost	199,786	208,166
Benefit paid from the Fund	(264,403)	(77,677)
Actuarial (Gain)/Loss on obligations	55,815	(56,148)
Liability at the end of the year	851,349	792,766

ii) Fair value of Plan Assets

Particulars	As at March 31, 2013 (₹)	As at March 31, 2012 (₹)
Fair Value of Plan Assets at the beginning of the year	911,702	908,336
Expected Return on Plan Assets	72,936	72,667
Contributions		-
Benefit Paid in the Normal Course	(264,403)	(77,677)
Actuarial Gain/(Loss) on Plan Assets	2,206	8,376
Fair Value of Plan Assets at the end of the year	722,441	911,702
Total Actuarial Gain/(Loss) to be recognised	2,206	8,376

iii) Actual Return on Plan Assets

Particulars	As at March 31, 2013 (₹)	As at March 31, 2012 (₹)
Expected Return on Plan Assets	72,936	72,667
Actuarial Gain/(Loss) on Plan Assets	2,206	8,376
Actual Return on Plan Assets	75,142	81,043

iv) Amount Recognized in the Balance Sheet

Particulars	As at March 31, 2013 (₹)	As at March 31, 2012 (₹)
Fair Value of Plan Assets at the end of the year	722,441	792,766
Liability at the end of the year	(851,349)	(911,702)
Funded Status	(128,908)	(118,936)
Unrecognised Past Service Cost	-	-
Unrecognised Transition Liability	-	-
Amount Recognised in the Balance Sheet	(128,908)	(118,936)

v) Expenses Recognized in the Income Statement

Particulars	As at March 31, 2013 (₹)	As at March 31, 2012 (₹)
Current Service Cost	199,786	196,526
Interest Cost	67,385	38,902
Expected Return on Plan Assets	(72,936)	(51,926)
Acturial Gain or Loss	53,609	(109,076)
Expense Recognised in P & L	247,844	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

- i) 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 from April 1, 2010 purely as a License-cum-Allottee of office space, without having any right, title or interest upon the demised premises.
- ii) UTI Building, Fort, Mumbai whereby SHCIL 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	March 31, 2013 (₹)		March 31, 2012 (₹)	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within 1 year	330,000	-	2,328,000	-
After one year but not more than five years	-	-	330,000	-
More than five years	-	-	-	-
Total minimum lease payments	330,000	-	2,658,000	-
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 & CEO

Transactions with related party during the Year ended March 31, 2013

Particulars	Holding Company		Fellow Subsidiary		Key Managerial Personnel	
	Year ended March 31, 2013 (₹)	Year ended March 31, 2012 (₹)	Year ended March 31, 2013 (₹)	Year ended March 31, 2012 (₹)	Year ended March 31, 2013 (₹)	Year ended March 31, 2012 (₹)
Service charges received	(2,977,863)	(2,226,001)	-	-	-	-
Sub - brokerage paid	155,232,574	156,097,651	-	-	-	-
Reimbursement of Expenses (Net)	9,864,593	9,657,433	3,959,771	5,352,798	-	-
Deputation Cost of Employees	7,001,601	6,098,339	-	-	19,320	17,830
Outstanding balances						
Trade and other receivable/ (payable)	(11,514,335)	(43,942,861)	(313,281)	(829,287)	-	-
Deposits receivable/(payable)	(20,000,000)	(20,000,000)	-	-	-	-

8) Managerial Remuneration

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

Particulars	Year ended March 31, 2013 (₹)	Year ended March 31, 2012 (₹)
Salary, Allowances & Incentive (Including Service Tax : (CY - ₹ 237,252/- , PY - ₹ 2,12,644/-)	2,400,002	2,198,351
Contribution to Provident Fund	85,105	78,803
Contribution to Retirement Benefit	127,354	108,426
Total	2,612,461	2,385,580

9) Auditor's Remuneration (Excluding Service Tax)

Particulars	Year ended March 31, 2013 (₹)	Year ended March 31, 2012 (₹)
As auditor		
Audit Fees	400,000	400,000
Tax Audit Fees	100,000	100,000
In other capacity		
Taxation matters	132,080	270,259
Out of pocket expenses	-	-
Total	632,080	770,259

10) Capital Commitment

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

11) Contingent Liability

Income tax authorities have raised a demand for payment of tax of ₹ 12.17 Crores for the financial year 2009-10.

12) 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, 2013 on account of principal amount together with interest is NIL.

13) Previous year figures

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, 2013 (₹)	As at March 31, 2012 (₹)
3. SHARE CAPITAL		
<u>Authorised</u>		
18,000,000 (previous year ended March 31, 2012 - 18,000,000) Equity Shares of ₹ 10/- each	180,000,000	180,000,000
2,000,000 (previous year ended March 31, 2012 - 2,000,000) 7% Non-Cumulative Convertible Preference Shares of ₹ 10/- each	20,000,000	20,000,000
	200,000,000	200,000,000
<u>Issued, Subscribed and Paid-up</u>		
3,500,000 (previous year ended March 31, 2012 - 3,500,000) Equity Shares of ₹ 10/- each fully paid up are held by SHCIL, the Holding Company.	35,000,000	35,000,000
1,886,250 (previous year ended March 31, 2012 - 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
	53,862,500	53,862,500
4. RESERVES AND SURPLUS		
<u>Profit and Loss Account</u>		
Balance as per last Balance Sheet	84,228,438	56,043,785
Add: Net profit for the year	35,845,734	28,184,653
Amount available for appropriation	120,074,172	84,228,438
5. LONG TERM PROVISIONS		
Provision for employee benefits	765,099	861,604
	765,099	861,604
6. TRADE PAYABLES		
Dues of Micro, Small and Medium Enterprises	-	-
Due to other creditors	12,194,397	17,247,822
	12,194,397	17,247,822

NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2013 (₹)	As at March 31, 2012 (₹)
7. OTHER CURRENT LIABILITIES		
Deposits from holding company as sub broker	20,000,000	20,000,000
Dues to holding company including sub brokerage	9,176,221	43,942,860
Dues to other Sub Brokers	1,774,424	1,767,212
Dues of other clients	163,920,359	189,134,101
Provision for expenses	1,718,125	5,911,087
Retention Money	730,284	1,580,631
Taxes payable	(226,910)	2,421,284
	<u>197,092,503</u>	<u>264,757,175</u>
8. SHORT TERM PROVISIONS		
Provision for Income Taxes (net of Advance Taxes & TDS ₹ 78,025,075/- ; previous year ₹ 60,469,690/-)	6,169,925	2,225,310
Provision for employee benefits	1,131,936	772,342
	<u>7,301,861</u>	<u>2,997,652</u>

NOTES TO FINANCIAL STATEMENTS

9. FIXED ASSETS

(Amount in ₹)

Particulars	Gross Block			Depreciation				Net Block	
	As at April 1, 2012	Additions	Deductions	As at March 31, 2013	As at April 01, 2012	Depreciation for the Year ended March 31, 2013	Depreciation on deduction for the Year ended March 31, 2013	As at March 31, 2013	As at March 31, 2012
<u>Tangible Assets</u>									
Leasehold Improvements	22,759,374		2,485,942	20,273,432	14,236,284	6,037,128	-	20,273,412	8,523,091
Furniture & Fixtures	603,710	-		603,710	169,687	37,082		206,769	434,023
Office Equipments	652,601	47,000	60,000	639,601	229,762	24,291	15,804	238,249	422,839
Plant & Machinery	1	-	-	1	1	-	-	1	1
Motor Car	887,546	-	-	887,546	391,035	84,317	-	475,352	496,511
Computer Hardware	32,477,100	1,603,518	1,275,163	32,805,455	31,795,621	689,995	1,275,123	31,210,493	681,481
<u>Intangible Assets</u>									
Computer Software	28,295,616	2,366,723	-	30,662,339	21,441,213	4,045,357	-	25,486,570	6,854,404
Grand Total	85,675,948	4,017,241	3,821,105	85,872,084	68,263,602	10,918,170	1,290,927	77,890,846	17,412,350
Previous Year	83,763,979	2,097,985	186,015	85,675,949	54,880,888	13,568,710	185,998	68,263,600	28,883,091

Note : Leasehold Improvements amounting to ₹ 2,485,942/- have been written back as final bills from vendor (Voltas Ltd.) were lower than the initial bills provided by them and accordingly booked in FY 10-11.

NOTES TO FINANCIAL STATEMENTS

10. DEFERRED TAX ASSETS (NET)

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

	As at March 31, 2013 (₹)	As at March 31, 2012 (₹)
Provision for doubtful debts / advances	1,529,348	1,378,275
Provision for gratuity	-	40,798
Provision for leave encashment	293,537	317,485
Difference in net block	4,906,652	3,034,760
	6,729,537	4,771,318

11. LONG TERM LOANS AND ADVANCES

(Unsecured and considered good unless otherwise stated)

Base capital deposit - BSE	12,000,000	17,000,000
Base capital deposit - NSE Cash & F&O	22,700,000	12,800,000
Base capital deposit - MCX Stock Exchange Ltd.	1,000,000	-
Security deposit - Others	739,703	949,619
	36,439,703	30,749,619

12. STOCK IN TRADE

Scrip Name	Face Value	Number				Amount (₹)	
		As at April 1, 2012	Acquired during the period	Sold during the period	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Bank Nifty 10500 PE	-	-	25	25	-	-	-
Nifty 4800 PE	-	-	100	100	-	-	-
Nifty 4900 PE	-	-	50	50	-	-	-
Nifty 5400 PE	-	-	50	50	-	-	-
Nifty 5400 CE	-	-	50	50	-	-	-
Nifty 5600 CE	-	-	100	100	-	-	-
Nifty 5700 CE	-	-	100	100	-	-	-
Nifty 5800 CE	-	-	100	100	-	-	-
Nifty 5900 CE	-	-	50	50	-	-	-
Bank Nifty Fut XP	-	-	450	450	-	-	-
Mini Nifty Fut XP	-	-	720	720	-	-	-
Less : Provision For Diminution						-	-
Total						-	-

NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2013 (₹)	As at March 31, 2012 (₹)
13. TRADE RECEIVABLES		
(Unsecured)		
<u>Outstanding for a period over six months</u>		
Considered good	-	-
Considered doubtful	4,045,728	3,011,314
	<u>4,045,728</u>	<u>3,011,314</u>
<u>Other debts</u>		
Considered good	56,595,471	90,888,240
Considered doubtful	453,677	1,236,722
	<u>61,094,876</u>	<u>95,136,276</u>
Less : Provision for doubtful debts	4,499,405	4,248,036
	<u>56,595,471</u>	<u>90,888,240</u>
14. CASH AND CASH EQUIVALENTS		
Cash in hand	7,349	9,428
<u>Balances with Scheduled Banks</u>		
- In current accounts	106,025,311	105,347,118
- In deposit accounts	165,950,005	165,845,718
	<u>271,982,665</u>	<u>271,202,264</u>
(Fixed Deposits amounting to ₹ 10,150,000/- (previous year - ₹ 20,945,717/-) have been placed as collateral with Corporation Bank towards Overdraft facility availed from the Bank.)		
15. SHORT TERM LOANS AND ADVANCES		
(Unsecured and considered good unless otherwise stated)		
Advances recoverable in cash or in kind	2,808,912	1,686,906
Accrued interest on fixed deposit	8,427,165	5,005,185
Other advances	325,839	242,250
	<u>11,561,916</u>	<u>6,934,341</u>

NOTES TO FINANCIAL STATEMENTS

	Year ended March 31, 2013 (₹)	Year ended March 31, 2012 (₹)
16. INCOME FROM OPERATIONS		
Brokerage	258,830,263	252,032,785
Others operating income	991,401	1,319,400
	<u>259,821,664</u>	<u>253,352,185</u>
(Brokerage includes commission from distribution of Mutual Funds / IPOs.)		
17. OTHER INCOME		
Dividend from mutual funds & others	-	21,066
Interest on fixed deposits	18,745,697	12,505,273
Provision for doubtful debts written back	-	833,267
Interest on income tax refund	-	1,221,131
Profit / (Loss) on sale/write off of assets	80,764	793,483
Provision for diminution in value of stock in trade	-	177,643
Miscellaneous income	214,360	313,812
Write back of Provisions	4,579,739	-
	<u>23,620,560</u>	<u>15,865,675</u>
18. EMPLOYEE BENEFIT EXPENSES		
Salaries, allowances & bonus	23,501,892	25,662,583
Contribution to provident fund and other funds	1,037,418	1,163,034
Staff welfare expenses	1,202,350	1,281,863
	<u>25,741,660</u>	<u>28,107,480</u>
19. FINANCIAL COSTS		
Bank charges	720,164	835,119
	<u>720,164</u>	<u>835,119</u>

NOTES TO FINANCIAL STATEMENTS

	Year ended March 31, 2013 (₹)	Year ended March 31, 2012 (₹)
20. OTHER EXPENSES		
BSE expenses	202,336	212,368
Connectivity charges	519,752	708,764
Depository charges	108,165	245,750
NSE expenses	65,174	242,168
Electricity charges	1,876,259	1,458,206
Office expenses	1,318,094	1,827,195
Outsourcing expenses	5,689,029	7,829,736
Postage & courier	1,749,601	1,474,961
Printing & stationery	2,591,601	2,183,534
Rent & taxes	2,328,000	2,358,000
Repairs & maintenance	9,456,405	9,670,309
Telephone & communication	446,193	521,467
Travelling & conveyance	891,125	1,236,452
Bad debts written off	-	3,237,000
Less: provision for difference in bank reconciliation	-	(3,237,000)
Advertisement	62,422	36,000
Business promotion expenses	6,947	20,050
Directors sitting fees	110,000	100,000
Insurance	1,446,088	1,053,617
Legal fees	226,500	234,000
Professional fees	1,789,252	1,828,647
Miscellaneous expenses	389,328	349,094
Loss / (profit) on sale of shares	3,508,161	34,731
Loss / (profit) on pro-trading	20,118	334,352
Provision for doubtful debts	251,369	-
	35,051,919	33,959,401

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Board of Directors

as on June 26, 2013

Ashok Motwani	Non - Executive Chairman
G.S.P. Sinha	Director
L. Viswanathan	Director
Umesh Punde	Director
R. H. Mewawala	Director
Jagdish Thakur	Director
Sanjeev Vivrekar	Managing Director & CEO

Mandar Vasmatkar	Company Secretary
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Statutory Auditors	M/S PKF Sridhar & Santhanam
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Internal Auditors	M/s N D Kapur & Company
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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 8777 Fax: 91-22-6177 8727

Web: www.shcilprojects.com

PERFORMANCE HIGHLIGHTS (AUDITED)

(₹ in lakh)

Particulars	F.Y 2012-13	F.Y 2011-12	F.Y 2010-11
Income			
Operating Income	1564.02	519.01	460.96
Non Operating Income	71.19	104.27	21.30
Total Income	1635.21	623.28	482.26
Total Expenses	1350.82	601.92	434.15
Profit/(Loss) Before Tax	284.39	21.36	48.11
Profit/(Loss) After Tax	228.84	19.70	33.34
Share Capital	2700.00	2700.00	1575
Net Worth	2861.33	2632.49	1487.79

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 7th Annual Report on the business and operations of the Company together with the Statements of Audited Accounts for the year ended 31st March, 2013.

OPERATIONS

The financial results are summarized below

(₹ in Lakhs)

Particulars	March 31, 2013	March 31, 2012
Total Income	1635	623
Total Expenditure	1351	602
Profit Before Tax	284	21
Provision for Tax	55	1
Profit After Tax	229	20

PERFORMANCE REVIEW

During the year under review, total income increased from ₹ 623 lakhs to ₹ 1635 lakhs thus registering a growth of 162%. Similarly, the profit after tax also reflected an impressive growth of 1045% from ₹ 20 lakhs to ₹ 229 lakhs during the year ended March 31, 2013.

During the year, your Company continued to focus on all three segments. i.e. document storage services, digitization and software sales. Large number of new clients were added to the already impressive list of clients. To enlarge its footprint to have pan-India presence, your Company has also set up storage facilities at Puducherry taking the total presence in 15 cities.

FUTURE OUTLOOK

With the successful installation of robotics based storage facilities at Mahape, your Company has intensified its marketing efforts which is paying rich dividends as is evident from flow of large orders. Going forward, the focus would continue to be to provide integrated services viz digitization, electronic storage and physical storage facilities to large clients. Your Company is also exploring the possibility of tapping the lucrative overseas market particularly African continent where the demand for digitization is growing.

Your Company has already received in-principle approval from IRDA to start Insurance Repository activities. Infrastructure facilities have been created to start activities as soon as final approval from IRDA is received.

DIVIDEND

To conserve resources for business expansion, the Directors do not recommend any dividend for financial year 2012-13.

BOARD OF DIRECTORS

Present composition of the Board of Directors is as under:

Shri Ashok Motwani	Non - Executive Chairman
Shri G.S.P. Sinha	Director
Shri R. H. Mewawala	Director
Shri L. Viswanathan	Director
Shri Umesh Punde	Director
Shri Jagdish Thakur	Director
Shri Sanjeev Vivrekar	MD & CEO

Shri Pankaj Inamdar submitted his resignation as a Director w.e.f. September 11, 2012. The Board places on record its appreciation for valuable contribution made by Shri Inamdar.

Shri R. H. Mewawala was appointed as Additional Director w.e.f. September 28, 2012.

Shri L. Viswanathan, Director will retire at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

AUDIT COMMITTEE

The Audit Committee comprises three Directors viz:

Shri G.S.P. Sinha	Chairman
Shri Umesh Punde	Member
Shri Jagdish Thakur	Member

The Audit Committee met 4 (four) times during the financial year.

REMUNERATION COMMITTEE

The Remuneration Committee comprises three Directors viz:

Shri G.S.P. Sinha	Chairman
Shri Umesh Punde	Member
Shri Jagdish Thakur	Member

STATUTORY AUDITORS

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

TRANSFER TO RESERVES

The Company proposes to retain the entire surplus in Profit and Loss Account and does not intend to transfer the same to General Reserve.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from public.

BUY BACK OF SHARES

During the financial year 2012-2013, the Company 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 77A of the Companies Act, 1956 does not arise.

SUBSIDIARIES

The Company has no subsidiary company.

PARTICULARS OF 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.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) - RULES 1988

- a) As the Company does not carry out any 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 ₹ 3.08 lakhs

DIRECTOR'S RESPONSIBILITY STATEMENT

As required under the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm:

- that in the preparation of the Annual Accounts the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors had selected such accounting policies and applied consistently and made judgments and estimates that were 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 the profit of the Company for the year under review;
- that proper and sufficient care has been taken 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;
- that the Annual Accounts have been prepared on a 'going concern' basis.

ACKNOWLEDGEMENTS

The Board places on record its deep appreciation towards Customers, Bankers, Insurance Regulatory and Development Authority and Stock Holding Corporation of India Limited for their co-operation and support in various spheres of the Company's activities. The Board also acknowledge with gratitude the valuable contribution made by the employees at all levels without whose support it would not have been possible to achieve the remarkable all round growth in the operation of the Company.

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

Place: Mumbai
Date: June 26, 2013

**Ashok Motwani
Non - Executive Chairman**

INDEPENDENT AUDITOR'S REPORT

To the Members of SHCIL Projects Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **SHCIL Projects Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the

assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, 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 those 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 comply with the Accounting Standards referred to in sub – section(3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- For PKF Sridhar & Santhanam**
Chartered Accountants
Firm's Regn. No.: 003990S
- Ramanarayanan. J**
Partner
Mem. No.: 220369
- Place: Bongaigaon
Date: April 17, 2013

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) These fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
 - (c) The Company has not sold or disposed off any major asset during the year. Hence, going concern status of the Company is not affected.
 - (ii) The Company is in the business of providing physical custody services, digitization services and software products & services and does not maintain any inventory. Therefore the provisions of clause 4(ii) of the Order on inventory are not applicable.
 - (iii) The Company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act. Therefore, the provisions of clause 4 (iii) (a) to (g) of the Order are not applicable.
 - (iv) There is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and rendering of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
 - (v) 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.
- Therefore, the provisions of clause 4 (v) (a) to (b) of the Order are not applicable to the Company.
- (vi) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
 - (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
 - (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act for this product of the Company.
 - (ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, customs duty, excise duty, cess and other material statutory dues as applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues (as applicable to it) were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
 - (x) The Company has a positive net worth as at the end of the financial year and it has not incurred

cash losses in current financial year as well as in immediately preceding financial year.

- (xi) The Company has not taken any loan from financial institution or bank, or raised any money through debentures. Accordingly, the provisions of clause 4(xi) of the Order are not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company has not taken any term loan till date. Accordingly, the provision of clause 4(xvi) of the Order is not applicable.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, there is no usage of the funds raised on short-term basis for long term investment.

(xviii) The Company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Act during the financial year. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.

(xix) The Company has not issued any debentures during the year. Accordingly, the provision of clause 4(xix) of the Order is not applicable.

(xx) The Company has not raised any money by public issues during the financial year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.

(xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For PKF Sridhar & Santhanam

Chartered Accountants

Firm's Regn. No.: 003990S

Ramanarayanan. J

Partner

Mem. No.: 220369

Place: Bongaigaon

Date: April 17, 2013

BALANCE SHEET AS AT MARCH 31, 2013

Particulars		Note	As at March 31, 2013	(₹ in lakhs) As at March 31, 2012
EQUITY & LIABILITIES				
Shareholders' Funds				
Share Capital	3		2,700.00	2,700.00
Reserves and Surplus	4		161.33	(67.51)
			<u>2,861.33</u>	<u>2,632.49</u>
Non- current liabilities				
Deferred tax liabilities	12		67.20	26.87
Other long term liabilities	5		-	-
Long- term provisions	6		1.70	2.16
			<u>68.90</u>	<u>29.03</u>
Current liabilities				
Trade payables	7		-	-
Other current liabilities	8		343.69	59.49
Short-term provisions	9		3.44	0.08
			<u>347.13</u>	<u>59.57</u>
Total			<u><u>3,277.36</u></u>	<u><u>2,721.09</u></u>
Assets				
Non- current assets				
Fixed Assets:				
Tangible assets	10		1,576.10	500.77
Intangible assets	10		108.95	67.07
Intangible assets under development			65.31	28.69
Capital Work in Progress			-	14.75
			<u>1,750.36</u>	<u>611.28</u>
Non-current investments	11		-	-
Long term loans and advances	13		436.60	451.85
Other non current assets	16		15.00	-
			<u>451.60</u>	<u>451.85</u>
Current assets				
Trade receivables	14		861.69	222.87
Current investments	15		-	-
Cash and Bank Balances	17		73.22	1,399.54
Short term loans and advances	18		63.01	23.01
Other current assets	19		77.48	12.54
			<u>1,075.40</u>	<u>1,657.96</u>
Total			<u><u>3,277.36</u></u>	<u><u>2,721.09</u></u>

See accompanying notes to the financial statements numbered 1-19, 25, 28-32.

As per our report of even date
For PKF Sridhar & Santhanam
Chartered Accountants
Firm Registration no: 003990S

Ramanarayanan. J
Partner
Membership No: 220369

Place : Bongaigaon
Date : April 17, 2013

Mandar Vasmatkar
Company Secretary
Jyoti Katira
Head Finance

Place : Navi Mumbai
Date : April 17, 2013

For and on behalf of the Board

Sanjeev Vivrekar
M D & CEO
G.S.P. Sinha
Umesh Punde
Directors

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

		(₹ in lakhs)	
Particulars	Note	Year ended March 31, 2013	Year ended March 31, 2012
INCOME :			
I Revenue From Operations	20	1,564.02	519.01
II Other Income	21	71.19	104.27
III Prior Period Income		-	-
IV Total Revenue		1,635.21	623.28
V EXPENDITURE :			
Cost of software licenses sold		100.72	-
Employee benefits expense	22	343.29	166.08
Depreciation	10	151.79	90.88
Other expenses	23	755.02	338.36
Prior Period Expense	24	-	6.60
Total Expenses		1,350.82	601.92
VI PROFIT/(LOSS) BEFORE TAX (IV- V)		284.39	21.36
VII Tax Expense			
- Current Tax/MAT		58.05	3.23
- Less: MAT Credit Entitlement		(42.83)	(3.23)
- Deferred Tax		40.33	1.66
		55.55	1.66
PROFIT/(LOSS) FOR THE PERIOD		228.84	19.70
Earnings per equity share (Face value ₹ 10 per share)		0.85	0.09

Basic and Diluted (in Rupees - not annualised)

See accompanying notes to the financial statements numbered 1,2,10,20-24, 26-32.

As per our report of even date
For PKF Sridhar & Santhanam
Chartered Accountants
Firm Registration no: 003990S

Ramanarayanan. J
Partner
Membership No: 220369

Place : Bongaigaon
Date : April 17, 2013

Mandar Vasmatkar
Company Secretary
Jyoti Katira
Head Finance

Place : Navi Mumbai
Date : April 17, 2013

For and on behalf of the Board

Sanjeev Vivrekar
M D & CEO
G.S.P. Sinha
Umesh Punde
Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	Year ended March 31, 2013	(₹ in lakhs) Year ended March 31, 2012
Cash flow from operating activities :		
Profit / (Loss) Before Tax	284.39	21.36
Adjusted for :		
Depreciation/amortisation	151.79	90.88
Provision for doubtful debts	0.88	5.45
Bad debts written off	10.22	11.07
Interest/Dividend income	(70.73)	(103.56)
	92.16	3.84
Operating Profit / (loss) before working capital changes	376.55	25.20
Changes in working capital		
(Increase) / Decrease in Trade Receivables, Long term & Short term Loans & Advances and Other Current Assets	(875.98)	(67.21)
Increase / (Decrease) in Trade Payables, Other Liabilities & Provisions	287.10	0.74
	(588.88)	(66.47)
Cash generated from operations	(212.33)	(41.27)
Taxes paid	(15.22)	(3.23)
Net cash generated from / (used in) operating activities	(227.55)	(44.50)
Cash flows from investing activities :		
Purchase of fixed assets including capital work in progress & capital advances	(1,162.98)	(477.60)
(Purchase)/Sale of Current Investments (Net)	-	684.19
Redemption of Fixed Deposits	2,641.07	6.00
Purchase of Fixed Deposits	(1,279.30)	(1,376.79)
Interest/Dividend received	79.23	95.11
Net cash generated from / (used in) investing activities	278.02	(1,069.09)
Cash Flow From Financing Activities:		
Proceeds from issue of capital	-	1,125.00
Net cash from financing activities	-	1,125.00
Net (decrease) / increase in cash and cash equivalents	50.47	11.40
Cash and cash equivalents, beginning of the period	22.75	11.35
Cash and cash equivalents, end of the period	73.22	22.75
Note: Cash and cash equivalents include the following :		
Cash balance	-	0.01
Balance with banks:		
- in current accounts	1.97	1.05
- in deposit accounts	26.25	-
- cheques on hand	45.00	21.69
	73.22	22.75

Note: Cash Flow Statement is prepared under "Indirect Method" as set out in Accounting Standard (AS-3) on "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 : Bongaigaon

Date : April 17, 2013

Mandar Vasmatkar

Company Secretary

Jyoti Katira

Head Finance

Place : Navi Mumbai

Date : April 17, 2013

For and on behalf of the Board

Sanjeev Vivrekar

M D & CEO

G.S.P. Sinha

Umesh Punde

Directors

Notes to Financial Statements For the year ended March 31, 2013

These notes form an integral part of and should be read in conjunction with 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 sale of 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) 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.

c) 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.

d) 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.

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.

Notes to Financial Statements For the year ended March 31, 2013

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.

e) Investments

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

f) 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.

g) 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 statement of profit and loss. 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.

h) 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 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.

i) 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.

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 statement of profit and loss.

Notes to Financial Statements For the year ended March 31, 2013

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 statement of profit and loss. Short term compensated absences are provided on estimated availment pattern.

j) 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.

k) Provision and Contingent Liabilities

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which 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, 2013

		(₹ in lakhs)	
		As at March 31, 2013	As at March 31, 2012
3)	Share Capital		
	Authorised		
	300,00,000 (2012: 300,00,000) equity shares of ₹ 10 each	<u>3,000.00</u>	<u>3,000.00</u>
		<u>3,000.00</u>	<u>3,000.00</u>
	Issued		
	270,00,000 (2012: 270,00,000) equity shares of ₹ 10 each	<u>2,700.00</u>	<u>2,700.00</u>
		<u>2,700.00</u>	<u>2,700.00</u>
	Subscribed & Paid up		
	270,00,000 (2012: 270,00,000) equity shares of ₹ 10 each, fully paid-up	<u>2,700.00</u>	<u>2,700.00</u>
		<u>2,700.00</u>	<u>2,700.00</u>
	Terms/Rights attached to equity shares:		
	The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.		
	Reconciliation of shares outstanding		
	Particulars	No. of Shares	No. of Shares
	Shares outstanding at the beginning of the period	27,000,000	15,750,000
	Add : Shares Issued during the period	-	11,250,000
	Less : Shares bought back during the period	-	-
	Shares outstanding at the end of the period	27,000,000	27,000,000
	Percentage of holding:		
	The entire paid up share capital is held by Stock Holding Corporation of India Ltd. and its Nominees		
4)	Reserves & Surplus		
	Profit and Loss		
	Balance as per last Balance Sheet	<u>(67.51)</u>	<u>(87.21)</u>
	Add: Net profit/(loss) for the period	<u>228.84</u>	<u>19.70</u>
		<u>161.33</u>	<u>(67.51)</u>
5)	Other Long Term Liabilities		
	Trade payables	-	-
	Advances and deposits	-	-
	Advance depository participant charges	-	-
		-	-
6)	Long Term Provisions		
	Provision for employee benefits		
	Gratuity	-	-
	Leave Encashment	<u>1.70</u>	<u>2.16</u>
		<u>1.70</u>	<u>2.16</u>

Notes to Financial Statements For the year ended March 31, 2013

		(₹ in lakhs)	
		As at March 31, 2013	As at March 31, 2012
7) Trade Payables			
Dues to Holding Company		-	-
Dues to Other Creditors		-	-
		-	-
8) Other current liabilities			
Statutory liabilities		41.07	12.23
Provision for expenses		199.67	19.41
Security Deposits payable		0.73	0.73
Retention money payable		26.07	21.06
Other liabilities		76.15	6.06
		343.69	59.49
9) Short-term provisions			
Provision for employee benefits			
Leave Encashment		3.44	0.08
		3.44	0.08

10) Fixed Assets

(₹ in lakhs)

Particulars	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at April 1, 2012	Additions	Deductions	As at March 31, 2013	As at April 1, 2012	For the year	Deductions	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Tangible assets										
Computers/printers	56.90	108.84	-	165.74	31.23	29.65	-	60.88	104.86	25.67
Scanners	118.52	168.02	2.55	283.99	81.02	37.16	2.20	115.98	168.01	37.50
Motor vehicles	10.04	-	-	10.04	5.44	1.19	-	6.63	3.41	4.60
Office equipments	2.15	4.64	0.16	6.63	0.46	1.78	0.05	2.19	4.44	1.69
Plant and Machinery	367.19	900.20	-	1,267.39	28.78	25.19	-	53.97	1213.42	338.41
Furniture & Fixtures	114.50	13.63	-	128.13	21.60	24.57	-	46.17	81.96	92.90
Total	669.30	1195.33	2.71	1861.92	168.53	119.54	2.25	285.82	1576.10	500.77
Intangible assets										
Bought out softwares	27.45	63.22	-	90.67	14.93	25.10	-	40.03	50.64	12.52
Internally developed software	73.25	10.90	-	84.15	18.69	7.15	-	25.84	58.31	54.56
Total	100.70	74.12	-	174.82	33.62	32.25	-	65.87	108.95	67.08
As at 31.03.13	770.00	1269.45	2.71	2036.74	202.15	151.79	2.25	351.69	1685.05	567.85
As at 31.03.12	604.80	165.20	-	770.00	111.27	90.88	-	202.15	567.85	493.53

Notes to Financial Statements For the year ended March 31, 2013

		(₹ in lakhs)	
		As at March 31, 2013	As at March 31, 2012
11) Non Current Investments			
Trade Investments		-	-
Other Investments		-	-
		<u>-</u>	<u>-</u>
12) Deferred Tax Liabilities (net)			
The major components of deferred tax assets and liabilities arising on account of timing differences are as under :			
Deferred Tax Assets (A)			
Provision for doubtful debts/advances		2.05	1.68
Employee benefits		1.67	0.92
Stamp duty & ROC form fees		1.36	1.73
Deferred Tax Liabilities (B)			
Depreciation		72.28	31.20
Net Deferred Tax Liabilities (B-A)		<u>67.20</u>	<u>26.87</u>
13) Long term loans and advances			
(Unsecured and considered good unless otherwise stated)			
Capital Advances		265.47	393.35
Security and other deposits		42.11	5.40
Advance payment of tax and taxes deducted at source (net of provisions)		82.96	49.87
MAT Credit Entitlement		46.06	3.23
Others		-	-
		<u>436.60</u>	<u>451.85</u>
14) Trade receivables			
(Unsecured)			
Outstanding for a period over six months			
Considered good		36.78	18.60
Considered doubtful		6.32	5.45
Less : Provision for doubtful debts		(6.32)	(5.45)
		<u>36.78</u>	<u>18.60</u>
Others			
Considered good		824.91	204.27
Considered doubtful		-	-
		<u>824.91</u>	<u>204.27</u>
	*	<u>861.69</u>	<u>222.87</u>

* (Includes ₹ 390.49 Lakhs (2012: ₹ 114.94 Lakhs) due from Holding Company)

Notes to Financial Statements For the year ended March 31, 2013

15 Current Investments

	Face Value	Number					Amount (₹ in lakhs)	
	(₹)	As at April 1, 2012	Purchased during the year ended March 31, 2013	Dividend Reinvested during the year ended March 31, 2013	Sold during the year ended March 31, 2013	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Mutual Funds								
Unquoted								
ICICI Prudential MF's Liquid Fund-SuperInstitutional Plan, Daily Dividend Scheme	100.0226	-	91,979.2120	555.8100	92,535.0220	-	-	-
Aggregate Book Value of Investments							-	-

		(₹ in lakhs)	
		As at March 31, 2013	As at March 31, 2012
16) Other Non Current Assets			
Margin money deposits with Banks		15.00	-
		<u>15.00</u>	<u>-</u>
17) Cash and Bank Balances			
Cash and Cash equivalents			
- Cash Balance		-	0.01
- Bank Balance			1.05
- in current accounts		1.97	
- in deposit accounts		26.25	
- Cheques in Hand		45.00	21.69
		<u>73.22</u>	<u>22.75</u>
Other Balances with Banks			
- In deposit accounts		-	1375.79
- In margin money deposits		15.00	1.00
		<u>15.00</u>	<u>1,376.79</u>
Total Cash and Bank Balances		<u>88.22</u>	<u>1,399.54</u>
Less: Margin money deposits classified as non-current		15.00	-
		<u>73.22</u>	<u>1,399.54</u>
18) Short term loans and advances			
(Unsecured and considered good unless otherwise stated)			
Loans and advances to related parties		-	-
Others			
Advances recoverable in cash or in kind		58.15	17.27
Surplus in Gratuity Fund		1.46	0.28
Security and other deposits		3.40	5.46
		<u>63.01</u>	<u>23.01</u>
19) Other current assets			
Accrued income		77.48	12.54
		<u>77.48</u>	<u>12.54</u>

Notes to Financial Statements For the year ended March 31, 2013

	Year ended March 31, 2013	(₹ in Lakhs) Year ended March 31, 2012
20) Revenue from Operations		
Income from physical custody	683.28	360.57
Income from digitization services	721.29	108.81
Income from software products/services	159.45	49.63
	<u>1,564.02</u>	<u>519.01</u>
21) Other Income		
Interest (Gross)		
- Deposits with banks	68.33	93.23
- Interest on Income Tax Refund	1.84	0.22
Dividend on current investments	0.56	10.11
Miscellaneous Income	0.46	0.71
	<u>71.19</u>	<u>104.27</u>
22) Employee benefits expense		
Salaries, allowances & bonus	284.95	134.84
Contribution to provident fund and other funds	10.85	7.07
Staff welfare expenses	47.49	24.17
	<u>343.29</u>	<u>166.08</u>
23) Other expenses		
Outsourcing Expenses	251.63	69.57
Project Resources & Trainee Expenses	-	4.89
Traveling & Conveyance	43.32	14.16
Repairs & Maintenance	28.64	17.69
Electricity Charges	38.71	12.73
Postage, Printing & Stationery	17.73	8.49
Marketing Expenses	9.34	4.90
Directors' Sitting Fees	1.95	2.00
Telephone & Telecommunication	10.11	5.45
Commission	37.95	17.35
Rent	113.91	60.07
Rates & Taxes	5.15	8.24
Legal & Professional Charges	10.98	6.37
Recruitment & Training Expenses	0.39	1.48
Payment made to Statutory Auditors		
- As Statutory Auditors	2.80	2.25
- As Tax Auditors	0.70	0.50
- For Gratuity Trust Audit & Other Services	0.40	0.10
Insurance	3.57	3.44
Bank Charges	0.34	0.18

Notes to Financial Statements For the year ended March 31, 2013

	Year ended March 31, 2013	(₹ in Lakhs) Year ended March 31, 2012
23) Other expenses (contd.)		
Software Expenses	38.46	25.80
Transportation Expenses	39.65	11.58
Packing Expenses	49.03	25.12
Security Expenses	21.53	16.06
Computer Hire Charges	3.47	-
Bad Debts Written off	10.22	11.07
Provision for Doubtful Debts	0.88	5.45
Other Expenses	14.16	3.42
	755.02	338.36
24) Prior Period Expense		
Rent paid to SHCIL - Data Centre (For rack hosting & ancillary services)	-	6.60
	-	6.60
	As at March 31, 2013	As at March 31, 2012
25) Capital and other commitments		
Estimated amount of contract to be executed on capital account (net of advances)	641.70	260.82
	641.70	260.82
Note: Excludes taxes/freight which may be payable		
	Year ended March 31, 2013	Year ended March 31, 2012
26) Payment of managerial remuneration		
Salary and Allowances	20.83	17.59
Contribution to PF and other Funds	1.94	1.71
Perquisites (As per Income Tax Rules)	0.32	0.32
	23.10	19.62
Note: Excludes leave accrued determined actuarially, by Holding Company SHCIL, the amount whereof is not currently determinable.		
27) Earning per Share		
Number of shares at the beginning of the period	270.00	157.50
Number of shares at the end of the period	270.00	270.00
Weighted average number of shares outstanding during the year	270.00	219.59
Net Profit/(Loss) for the period	228.84	19.70
Net Profit/(Loss) available for equity shareholders	228.84	19.70
Basic & Diluted Earning per share (in ₹)	0.85	0.09

Notes to Financial Statements For the year ended March 31, 2013

28) Related Parties

a. List of Related Parties

Holding Company

Stock Holding Corporation of India Ltd

Fellow Subsidiary

SHCIL Services Ltd

Key Management Personnel

Sanjeev Vivrekar - MD & CEO

b. Transactions with related parties for the year ended March 31, 2013.

(₹ in lakhs)

Particulars	Year ended March 31, 2013				Year ended March 31, 2012			
	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Total	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Total
Reimbursement of Expenses	112.08	-	-	112.08	68.75	-	-	68.75
Rent	64.69	-	-	64.69	51.46	-	-	51.46
Managerial Remuneration	-	-	23.10	23.10	-	-	19.62	19.62
Subscription to Share Capital	-	-	-	-	1125.00	-	-	1125.00
Commission	37.95	-	-	37.95	17.35	-	-	17.35
Services Rendered (Physical Custody/ Digitisation/Software) **	820.19	42.91	-	863.10	251.88	55.50	-	307.38
Sitting Fees Paid	1.45	-	-	1.45	1.50	-	-	1.50
Balances - Receivables	390.49	3.20	-	-	114.94	8.74	-	-

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

		(₹ in lakhs)	
		As at March 31, 2013	As at March 31, 2012
29) Operating Leases			
Minimum Lease Payments for a period			
(a) Not later than one year		19.85	-
(b) Later than one year but not later than 5 years		59.07	-
Lease payments charged to Profit and Loss Account		113.91	60.07

Notes to Financial Statements For the year ended March 31, 2013

30) Disclosure pursuant to Accounting standard – 15

'Employee Benefits'

a) Defined Contribution plans

Contribution to provident fund ₹8.47 Lakhs (Previous year: ₹ 5.22 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.

I	Actuarial assumptions :	2012-13	2011-12
	Discount Rate	8.00%	8.50%
	Rate of Return on Plan Assets *	8.70%	8.60%
	Future Salary Rise**	5.00%	5.00%
	Attrition Rate Current Year	2.00%	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.

	Year ended March 31, 2013	(₹ in lakhs) Year ended March 31, 2012
II. Change in Benefit Obligation:		
Liability at the beginning of the year	1.79	0.77
Interest cost	0.15	0.06
Current service cost	1.05	0.63
Acturial (gains)/losses on obligations	0.60	0.33
Liability at the end of the year	3.59	1.79
III. Fair Value of Plan Assets:		
Fair value of plan assets at the beginning of the year	2.07	1.90
Expected Return on plan assets	0.18	0.14
Contributions	2.38	0.13
Acturial gains/(losses) on plan assets	0.42	(0.10)
Fair value of plan assets at the end of the year	5.05	2.07
IV. Total Actuarial (Gain) / Loss to be recognized	0.18	0.43
V. Actual Return on Plan Assets	0.60	0.04

Notes to Financial Statements For the year ended March 31, 2013

	Year ended March 31, 2013	(₹ in Lakhs) Year ended March 31, 2012
VI. Amount Recognised in the Balance Sheet :		
Fair value of plan assets at the end of the year	5.05	2.07
Liability at the end of the year	(3.59)	(1.79)
Funded Status	1.46	0.28
Unrecognized past service cost	-	-
Unrecognized Transition Liability	-	-
Net (liability)/Asset recognized in the Balance Sheet	1.46	0.28
VII. 100% of the Plan assets has been invested in Insured Managed Funds		
VIII. Expenses Recognised in the Income Statement:		
Current service cost	1.05	0.63
Interest cost	0.15	0.06
(Expected return on plan assets)	(0.18)	(0.14)
Acturial (gains)/losses	0.18	0.43
Expense recognised in P & L	1.20	0.98
IX. Balance Sheet Reconciliation		
Opening net liability	(0.28)	(1.13)
Expense as above	1.20	0.98
Employers contribution	(2.38)	(0.13)
Amount recognised in balance sheet	(1.46)	(0.28)
IX. Expected Employer's Contribution in next year is ₹1.01 Lakhs (Actual Contribution in Current Year: ₹ 2.38 Lakh).		
X. Experience Adjustment		
On Plan liability (gains)/losses	0.24	0.59
On Plan assets (losses)/Gains	0.42	(0.10)

Notes to Financial Statements For the year ended March 31, 2013

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, 2013	Year ended March 31, 2012
Discount Rate	8.00% p.a	8.50% p.a.
Salary Escalation Rate	5.00% p.a	5.00% p.a.
Attrition Rate	2.00% p.a	2.00% p.a.
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	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)	2.25	1.53
Present value of Compensated Absences (As per actuarial valuation) (Y)	1.76	2.25
Unfunded / (Excess) liability of Compensated Absences recognised in the Profit and Loss account for the year (Y – X)	(0.49)	0.72

31) Previous Period figures have been regrouped/reclassified wherever necessary to make them comparable with the current period classification.

Notes to Financial Statements For the year ended March 31, 2013

32) Segment Reporting

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

	Year ended March 31, 2013	(₹ in lakhs) Year ended March 31, 2012
b) Segment Revenue		
Physical Custody Services	683.28	360.57
Digitisation Services	721.29	108.81
Software Services	159.45	49.63
Total Revenue	1564.02	519.01
c) Segment Results		
Physical Custody Services	438.20	268.99
Digitisation of Documents	497.70	76.77
Software Services	58.73	-
Total Net Revenue	994.63	395.39
Unallocated Expenses		
Operating Expenses	629.64	380.82
Depreciation & Amortisation	151.79	90.88
Operating Profit	213.20	(76.31)
Other income	71.19	104.27
Prior Period (Expenses) / Income (net)	-	(6.60)
Profit before Taxation	284.39	21.36
Less: Tax	(55.55)	(1.66)
Profit After Taxation	228.84	19.70

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, 2013

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

	(₹ in lakhs)	
	As at March 31, 2013	As at March 31, 2012
d) Segment Assets		
Physical Custody Services	1708.89	802.60
Digitisation of Documents	737.07	39.24
Software Services	198.14	125.19
Unallocable Assets	633.26	1754.06
Total Assets	3277.36	2721.09
e) Segment Liabilities		
Physical Custody Services	-	-
Digitisation of Documents	-	-
Software Services	-	-
Unallocable Liabilities	416.03	88.60
Total Liabilities	416.03	88.60
f) Capital Employed		
Physical Custody Services	-	-
Digitisation of Documents	-	-
Software Services	-	-
Unallocable	2861.33	2632.49
Total Capital Employed (d-e)	2861.33	2632.49

Note: There are no reportable geographical segments.

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**OFFICES / BRANCHES**

Sr. No.	Name	Address	Contact details
	MUMBAI		
1	Parel (Head Office)	Centre Point, Unit No 301, 3rd Floor, Dr . B Ambedkar Road, Parel Mumbai - 400012	022-61779400 - 09
2	Mahape (Main Operations Office)	SHCIL House - Plot No.P-51, TTC Industrial Area, MIDC, Mahape, Navi Mumbai - 400710	022-61778100-09
3	Andheri	No. 4 Parsian Apartments, V.P. Road, Next to Zoroastrian Co-Op. Bank, Off S.V. Road, Andheri W - 400058	022-26230910 / 26230912
4	Bandra	M1 Keshava Building, Bandra Kurla Complex, Bandra (E), Mumbai - 400051	022 – 26591252 / 26591254
5	Borivali	Shop. No.10, Ground Floor, Madhumilan Co-Op Hsg Soc., Mangal Kunj, S.V. Road, Borivali (West) - 400092	022 -28332104 / 28332085
6	Chembur	Basaveshwar Bhavan, 1st Floor, Basaveshwar Chowk, D K Sandu Marg, Chembur - 400071	022-25288358 / 25290542
7	Dadar	169 / C Neelkanth Niwas, Purandare Park Society, Dr. Ambedkar Road, Dadar TT, Mumbai - 400014	022-24151706
8	Dombivili	C/O Dombivili Nagri Shaka Ri Bank, 1st Floor, Guruprasad Blg., Manpada Road, Dombivile (E), Thane - 421201	0251- 2861199 / 2860751
9	Fort	12 / 14, UTI Bldg, Bank Street Cross Lane, Near Old Custom House, Fort - 400023	022-22622677 / 22675960 / 61
10	Ghatkopar	Vishwanagar Co-Op. Hsg. Soc., Gr. Floor, Junction of R B Mehta Road & Hingwala Lane, Ghatkopar E, Mumbai - 400077	022 -21021795 / 21022653
11	Goregaon	Unique Towers, G-2, Gr. Floor, Behind Patel Auto, Off S V Road, Goregaon West, Mumbai - 400062	022-28787336 / 287873341
12	Kalyan	Shcil, Gala No.110, Vasant Vihar Complex, Chandulal Joshi Compound, Opp. Railway Stn., Kalyan (W) - 421301	0251-2315421 / 22,2315423 / 24
13	Mahalaxmi	Rewa Apts. 'B' Ground Floor, Behind BOI, Opp Cadbury House, Bhulabhai Desai Road, Mahalaxmi, Mumbai - 400026	022-23538225 / 23526220
14	Nariman Point	Raheja Chamber, Office No.15, Gr Floor, Nariman Point, Mumbai - 400021	022 -22884685 / 87,22844247 / 22852977
15	Mulund	Shop No. 2, Koteshwar Apts., R.H.B. Road, Opp ICICI Bank, Mulund West, Mumbai - 400080	022-25907618 / 17,25620703
16	Panjim	2nd Floor, Tamba Building, Dr. Atmaram Borkar Road, Panaji-Goa, Goa - 403001	0832-2421497 / 2421496
17	Panvel	Shop No 1, Yashogandh Chs, Middle Class Chs, Near Rupali Theatre, Old Panvel - 410206	022-27462056 / 57,27462057
18	Parel	Shop No. 8, Bayside Arcade, Dr B A Road, Parel, Mumbai - 400012	022-24115313 / 24125313
19	Thane	No.1 Crystal Court,1st Floor, Near Thane, Janata Bank, B Cabin Road, Shivaji Nagar, Naupada, Thane(W) - 400602	022-25451752 / 25453790
20	Vashi	11 / 12 Thakker Towers, Ground Floor, Sector 17, Vashi, Navi Mumbai - 400703	022- 27897167 / 70

OFFICES / BRANCHES

Sr. No.	Name	Address	Contact details
21	Vikhroli	25, Gr. Floor, Hazari Baug, Station Road, Vikhroli West, Mumbai - 400083	022-25779282 / 25778466
22	Vile Parle	104 Shyam Kamal. A Wing, 1st Floor, Opp. Vileparle Rly. Stn., Vileparle East, Mumbai - 400057	022- 26161101 / 26105363 / 26184143
MAHARASHTRA			
23	Amravati	Blok No. 82, Glushan Tower, Mofussil Plots, Near Panchasheel Talkies, Jaistambh Chowk, Amravati - 444601	0721- 2560470 / 2568986 / 6522774
24	Aurangabad	Ragbhir Chambers, 1st Floor, Above IDBI Bank Vidya Nagar, Jalna Road, Aurangabad, Maharashtra - 431005	0240 – 2453631 / 32
25	Chandrapur	2nd Floor, Raghuwanshi Complex, Near Azad Garden, Main Road, Chandrapur Nagpur - 442402	07172 - 270302 / 274202
26	Chinchwad	217-218, Kohinoor Arcade Sec., No. 24 B'Bay-Pune Road, Nigdi Chinchwad, Pune - Maharashtra - 411044	020-27654837 / 64103427
27	Ichalkaranji	545 / 1 Murgunde Building, Shahu Corner Road, Near Sakharape Hospital, Ichalkaranji - 416115	0230-2421595 / 94
28	Jalgaon	C / O Shree Mahvir, Sahakari Bank Ltd., 87, Polan Peth Dana Bazar, Jalgaon-425001	0257-2222690 / 2220102
29	Kolhapur	Ayodhya Towers 4th Floor, 511 Kh'E'Ward, Near Dabolkar Corner, Stn. Road, Kolhapur - 416001	0231-2663123 / 80 / / 24
30	Nagpur	3rd Floor, Saraf Court, Opp. Yeshwant Stadium Dhantoli, Nagpur - 440012	0712 -6611595 / 2443561 / 6612258
31	Nagpur	1st Floor, Vishnu Complex, Opp Rahate Hospital, C A Road, Nagpur - 440008	0712 -6643469 / 70 / 99
32	Nanded	1st Floor, Ramashish Bldg., Above ICICI Bank, VIP Road, Nanded - 431602	02462-252962 / 640474
33	Nasik	F8, 1st Floor, Suyojit Sanku Adjacent To Rajiv Gandhi Bhavan, (NMC) Sharapur Road, Nasik - 422002	0253 -2232859
34	Pune	Sneh Leela Apt, 1st Floor, Apte Road, Deccan Gymkhana Pune - 411004	020-25520418 / 25521842 / 43
35	Pune	5 / 33 Agarkar Nagar, Boat Club Road, Near Alankar Theatre, Pune - 411001	020-26050115 / 16
36	Sangli	Gomtesh Padmavati, 111 / 112 Mahaveer Nagar, Sangli - 416416	0233- 2623251 / 52 / 53
37	Solapur	148 Railway Lines, Near Nav Bharat Gas Agency, Dufferin Chowk, Solapur - 413001	0271-2310093 / 94
38	Wardha	Shop No 3 & 4 Sun Complex Rajkala Road Opp Maharashtra Bank Wardha Maharashtra - 442001	07152-251925 / 27
39	Yavatmal	Shcil, Shop No-18, 19,20,21 1st Floor, Super Bazar SBI Square, Yavatmal - 445001	07232-244884 / 250276
GUJARAT			
40	Adajan	H-207, Manthan, Nr. Gujarat Gas Circle, Above Central Bank Of India, Adajan, Surat - 395009	0261-2788995 / 96



OFFICES / BRANCHES

Sr. No.	Name	Address	Contact details
41	Ahmedabad	304 / 306, Sears Towers, 3rd Floor, Patel Society, Gulbai Tekra, Panchawati, Ahmedabad - 380006	079-26467032 / 26464760
42	Motera	209, Shukan Mall, Near Visat Petrol Pump, Motera, Sabarmati, Ahmedabad - 380005	079-27502790 / 27571390
43	Amreli	Shop No.12 and 13, First Floor, Mona Arcade, Opp. Hirak Baug Bus Station Road, Amreli - 365601	02792-225241 / 42
44	Anand	204, Nathwani Chambers, Near Patel Market, Sardargunj, Anand - 388001	0269-2266611
45	Ashram Road	106, Sukhsagar Complex, Nr. Fortune Landmark, Hotel Ashram Road, Usamanpura, Ahmedabad - 380013	079-27556730 / 31
46	Baroda	305-308, Paradise Complex, 3rd Floor, Sayajigunj Baroda - 390005	0265-2363419 / 2363516
47	Bharuch	119 / A, First Floor, Bluechip Complex, Sevashram Road, Bharuch - 392001	02642 - 268633 / 34
48	Bhavnagar	G-2 Vasundhara Complx, 1st Floor, Opp. Dakshinamurty School, Waghawadi Road, Bhavnagar - 364002	0278-2471113 / 14
49	Ellora Park	G3 Siddhivinayak Comp, Near Bank Of India, Ellora Park, Baroda - 390023	0265-2393384 / 85
50	Gandhidham	Office No. 206, Sindhu - II, Plot No. 302, Ward 12-B, Gandhidham (Kutch) - 370201	02836-226585 / 86
51	Gandhinagar	Plot No. 447, 2nd Floor, Sector 16, GH 5, Nr. Pragna Petrol Pump, Gandhinagar - 382016	079-23248579
52	Jamnagar	Off. No. 6 To 8, Madhav Darshan Complex, Opp. Cricket Bungalow, Gurudwara Road, Jamnagar - 361001	0288 – 2770125 / 2661159
53	Junagadh	34,35, Platinum Complex, Jayshree Talkies Road, Kalwa Chowk, Junagadh - 362001	0285-2652748 / 2629748
54	Khambhat	No 4, Raj Darshan Complex, Station Road, Khambhat - 388620	02698-222283
55	Maninagar	4th Floor, Vrajprabha Complex, Opp Rly. Crossing, Maninagar (West), Ahmedabad - 380008	079-25462717 / 25450677
56	Mehsana	Om Complex 2nd Floor, Radhanpur Road, Cross Road, Nr. Petrol Pump, Mehsana - 384002	02762-232622 / 23
57	Navsari	2288 / 101 1st Floor, Nanuvishnudham Swami Vivekanand Road, Kansarawad Navsari - 396445	02637-249403 / 01 / 25
58	Porbandar	Purusharth, Ground Floor, Behind Aroon Photo Studio M.G. Road, Porbandar - 360575	0286 -2203144 / 2215884
59	Rajkot	Shree Sadguru Complex, 1st Floor, Opp.Tirupati Petrol Pump, Kalawad Road, Rajkot - 360007	0281-2478004 / 06
60	Sadar Bazar	Orbit Complex, Ground Floor, Nr. Sadar Police Chowky, Sadar Bazar, Rajkot - 360001	0281 244959
61	Patan	55,56,57, 2nd Floor, Shreedev Complex, Station Road, Patan - 384265	02766-222920 / 21
62	Surat	311, Shyam Chambers, Opp. Sub Jail, Ring Road, Surat - 395002	0261-2321281 / 82 / 83

OFFICES / BRANCHES

Sr. No.	Name	Address	Contact details
63	Surendra Nagar	First Floor, Above Himanshu Textorium, Jawahar Road, Derasar Chownk, Surendra Nagar - 363001	02752- 220075 / 228237
64	Veraval	First Floor, Swastik Complex, Bus Station Road, Veraval - 362265	02876 -244202 / 03
65	Visnagar	48,Sukhnivas Complex, 1st Floor, Station Road, Visnagar - 384315	02765-227610 / 20
66	Warasiya Ring Road	FF2, Ananya Avenue, Near Motinagar, Char Rasta, Warasiya Ring Road, Baroda - 390006	0265 – 2531029 / 2531039
	CENTRAL (Chattisgarh & Madhya Pradesh)		
67	Bhilai	Room No. 8, Second Floor, Chauhan Estate, G E Road, Supela, Bhilai (CG) - 490020	0788 – 2295355,2290454
68	Bhopal	First Floor, Alankar Comp., Plot No.11, Zone II, M P Nagar, Bhopal, M.P - 462011	0755-4221321,4220338
69	Bilaspur	Shop No 1 First Floor, Navin Plaza, Telipara, Bus Stand Road, Bilaspur - 495001, Chattisgarh	07752- 412039
70	Gwalior	First Floor, Sharma Mansion, Nr. Archies Gallery, Old High Court Road, Jayendra Ganj Lashkar, Gwalior - 474009	0751-4077783, 4065111
71	Indore	220-221, DM Tower, Race Course Road, Indore - 452003	0731-4026910 -15,2432061 / 71
72	Jabalpur	7, Ankita Complex, 2nd Floor, Opp. Prabhu Vandana Talkies, Civic Centre, Jabalpur - 482002	0761 - 4014944
73	Raipur	222-223, Rishabh Complex, M.G. Road, Behind Hotel, All Near Raipur, Raipur - 492001	0771 – 2534212,4034155
74	Satna	Shop No. 1, 1st Floor, K B Complex, Seemariya Chowk, Rewa Road, Satna (Mp) - 485001	07672-411095
75	Ujjain	103 -104, Siddhivinayak, Trade Cente, Opp. Shaheed Park, Freeganj, Ujjain-MP - 456010	0734 – 4014174,2515961
	EAST (West Bengal and Orissa)NORTH EAST(Arunachal Pradesh, Assam, Tripura)		
76	Agartala	First Floor, 88, Motor Stand Road, Opp. Petrol Pump, P.O. Agartala, Agartala, Tripura West - 799001	0381- 2300089
77	Guwahati	Blue Dart Complex, Maniram Dewan Lane, Jadav Bora Complex, G S Road, Ulubari, Guwahati - 781007	0361-2460587 / 88
78	Jorhat	K D Building, 1st Floor, Rupahi Ali Garali Jorhat - 785001	0376-2300368 / 2300550
79	Silchar	N.N. Dutta Road, Near Guruduvara, Cachar Slicher, Assam - 788001	03842-230120 / 26
80	Tinsukia	Shyam Kunj Complex, Opp. Hero Honda Show Room, Chirwayapatty Road, Tinsukia - 786125	0374 - 2336010



OFFICES / BRANCHES

Sr. No.	Name	Address	Contact details
81	Barrackpore	4(2) S.N. Banerjee Road, Barackpore Shopping Arcade, 2nd Floor, Kolkata, West Bengal - 700120	033-25452633 / 34
82	Bhubaneswar	3rd Floor, Plot No. 111, Varah Complex, Station Square, Unit 3, Master Canteen, Kharvel Nagar, Bhubaneswar - 751001	0674-2391713 / 73
83	Kolkata RNM	RNM House, 3rd Floor, 3B Lal Bazar Street, Kolkata - 700001	033-22420777 / 22107584
84	Kolkata Park street	A.G. Towers, 6th Floor, 125 / 1, Park Street, Kolkata - 700017	033-22262081 / 26662100
85	Cuttack	1st Floor, Plot No-3027 / 3401, Opp-Kedarson, Dolamundai, Cuttack - 753001	0671-2411837 / 2428720
86	Haldia	Akash Ganga Commercial Complex, Unit No. 3 / 17 3rd Floor, Durgachalk Haldia, Dist: Purbamidnapor - 721602	03224-272067 / 272166
87	Naihati	Surya Kiran Apartment, Ground Floor, 212, R B C Road, Post Naihati, 24 Pgs (North), West Bengal - 743165	033- 25023076 / 80
88	Rourkela	Plot No. 307 / 2050, Behind Pani Market Comple, Udit Nagar, Rourkela - 769012	0661-2500051 / 56
	NORTH WEST (Chandhigarh, Haryana, Himachal Pradesh, Punjab, Jammu & Kashmir)		
89	Amritsar	33-34, Court Road, Opp. Doaba Automobiles, Court Raod Amritsar Punjab - 143001	0183-2402227 / 2210103
90	Bhatinda	Mc 4373, 1st Floor, Opp. Indian Overseas Bank, Kikar Bazar, Bhatinda - 151005	0164-2235846
91	Chandigarh	Deepak Towers, 2nd Floor, Sco. 154 / 155, Sector 17 C, Chandigarh - 160017	0172-2542807 / 2702545
92	Jalandar	1st Floor, Sco 33, Multani Tower, Puda Complx, Opp. Tehsil Complex, Jalandar, Punjab - 144001	0181-2243974 / 2453076
93	Jammu	83 A / D Extn, Near Police Lines, Gandhi Nagar, Jammu - 180004	0191-2455053 / 58
94	Ludhiana	Cabin No. 501, Sco. 18, 5th Floor, Opp. Lse. F.G. Market, Ludhiana - 140001	0161-2422157 / 3017701
95	Moga	531 / 09 NIFD Campus, New Town, Opp. D.M. College, Moga, Punjab - 142001	01636-233296 / 223896
96	Mohali	S C F 33 1st Floor, Phase 5, Mohali Punjab - 160059	0172-2272123 / 4655065
97	Panchkula	Sco-64, 1st Floor, Sector-11, Panchkula - 134109	0172-4635063 / 4639064
98	Patiala	No. 6 & 7 Leela Bhavani Market, Patiala - 147001	0175-201890 / 2304678
99	Phagwara	SCF 31, First Floor, Near Arjun Mall, Guru Hargobind Nagar Market, Phagwara, Punjab - 144401	01824-262725 / 62981
100	Shimla	201 P. C. Chambers Near, Ritx Cinema Road, The Mall Shimla - 171001	0171-2803737 / 2804747

OFFICES / BRANCHES

Sr. No.	Name	Address	Contact details
101	Solan	Platinum Mall, Ground Floor, South Enclave Bye Pass Saproon, Solan - 173211	01792-225464 / 65
	NORTH (Delhi, Haryana, Uttar Pradesh, Uttarakhand)		
102	Agra	6, Awagarh House, M G Road, Civil Lines, Agra - 282001	0562-2524126 / 2520325
103	Allahabad	LDA Centre, Ground Floor, 2 S.P.Marg, Civil Lines, Allahabad - 211001	0532-2560088 / 2560178 / 3208631
104	Allahabad	188 / 255, CL Plaza Meerapur, Attarsuiya, Allahabad - 211003	0532- 2451012 / 13
105	Ambala Cant	5502, First Floor, Surya Tower, Opp. Nigar Cinema, Nicholsan Road, Ambala - 133001	0171-2645366 / 67 / 58
106	Bhikaji Cama	Gr. Floor, Shop GF 13, Bld. No. 3, Ansal Chambers, I Bhikaji Cama Place, New Delhi - 110066	011-26193384 / 85
107	Dehradun	59 / 3, 1st Floor, Rajpur Road, Above IDBI Bank, Dehradun - 248001	0135-2652558, 6454102
108	Nehru Place	3, Vardhman Trade Centre, 2nd Floor, Nehru Palace, DDA Complex, New Delhi - 110019	011 - 26425334 / 35 / 36 / 37
109	Pitampura	504, 5th Floor, B-08, Gditi Tower, Netaji Subhash Palace, Opp. Wazirpur Depot, Pitampura-Delhi - 110034	011 -27357134 / 35 / 37
110	Janpath	68 / 2 2nd Floor, Above Mehra Sons, Jewellers Janpath, New Delhi - 110001	011-23324909 / 01
111	Milap	8A, Milap Bldg, Gr. Floor, Bahadur Shah Zafar Marg, New Delhi, New Delhi - 110002	011-23359517 / 18 / 19
112	Janakpuri	103, 1st Floor, Suneja Tower - 1 Janakpuri District Centre Janakpuri, New Delhi - 110058	011 – 25507314 / 16 / 26
113	Karkardooma	401, 4th Floor, Ashish Corporate Tower, Community Centre, Karkardooma, Delhi - 110092	011-22375747 / 44
114	Ghaziabad	301 And 302, 3rd Floor, Hans Plaza, Ambedkar Road, Ghaziabad - 201001	0120-2796097 / 98 / 99
115	Gorakhpur	Office No. 16, 17, 18, 3rd Floor, The Mall, Cross Road, Bank Road, Gorakhpur - 273001	0551-2341809
116	Gurgaon	Shop No. 251, Central Arcade, 1st Floor, Opposite Sahara Mall, DLF Phase II, Gurgaon, Haryana - 122002	0124-2387956 / 59
117	Haldwani	Shop No. L-2, Durga Center, Bhotia Parao, Nanital Road, Haldwani - 263139	05946-282392 / 93
118	Haridwar	Gr. Floor, Royal Plaza, Chandracharya Chawk, Ranipur More, Haridwar - 249407	01334-265941 / 266504
119	Kanpur	Ground Floor, Krishna Tower, 15 / 63 Civil Lines, Kanpur - 208001	0512-2306138 / 2338096 / 2306084
120	Kanpur	Bhatia Complex, 124 / 1, C-Block, Govind Nagar, Kanpur - 208005	0512 -2653688, 2653687
121	Karnal	1st Floor, 16, Mahila Ashram Complex, Above Gift Galler, Behind Main Bus Stand, Karnal - 132001	0184-2253875 / 2262734



OFFICES / BRANCHES

Sr. No.	Name	Address	Contact details
122	Lucknow	36 / 15, 1st Floor, Above India Bulls, Saprumarg, Opp. Rohit Bhawan, Lucknow - 226001	0522-2629850 / 40
123	Meerut	T - 306, Ganag Plaza, Begum Bridge Road, Meerut, Uttar Pradesh - 250002	0121-2656274, 2655167
124	Mugalsarai	3rd Floor, 952 Gt Road, Subash Nagar, Near Subhash Park, Mugalsarai, Chandauli - 232101	05412-257542
125	Noida	P / 5, 203, 2nd Floor, Ocean Plaza, Sector-18, Noida U P - 201301	0120-2516368 / 69
126	Varanasi	Kuber Complex, 4th Floor, D-58 / 2, Rath Yatra, Varanasi - 221010	0542-2226818 / 2262734
127	Varanasi	S2 / 639-18, Nr. J. P. Mehta Inter College, Club Road, Kachahari, Varanasi - 221002	0542-2280302
NORTH - Rajasthan			
128	Ajmer	2nd Floor, 711 / 4, K.C. Complex, Opp. Daulat Baug, Ajmer - 305001	0145 - 2431290 / 2630648
129	Alwar	1st Floor, 38A Lajpat Nagar, Scheme No 2, Alwar - 301001	0144-2348459 / 2348614
130	Bikaner	Chugh Mansion, 1st Floor, Opp. DRM Office, Near Railway Stadium, Bikaner - 334001	0151- 2540131 / 2549506
131	Jaipur	300-A, 2nd Floor, JSE Bldg., JLN Marg, Malviya Nagar, Jaipur - 302017	0141 -2729047 / 48 / 49 / 50 / 52
132	Jaipur	Sangam Tower, 2nd Floor, Off. No. 213, Church Road, Jaipur 302001 - 302001	0141-2387276 / 75
133	Jodhpur	1st Floor, 54 Gulab Bhavan, Chopasani Road, Near Kankariya Building, Jodhpur - 342003	0291-2636609 / 2636710
134	Kota	Mewara Plaza, 344 Shopping Centre, Rawat Bhata-Guman Pura Road, Kota - 324007	0744-2360863 / 2361356
135	Sri Ganga Nagar	21 / A Bhardwaj Bhavan, 1st Floor, Ravindrapath Sri Ganga Nagar, Rajasthan - 335001	0154-2440993 / 2442202
136	Udaipur	101, Anand Plaza, University Road, Nr. Aayad Bridge, Udaipur - 313001	0294 - 2429575 / 09,5101866
EAST (Bihar & Jharkhand)			
137	Bhagalpur	2nd Floor, Angar Complex, Patal Babu Road, Bhagalpur - 812001	0641-2409406 / 2300416
138	Bokaro Steel City	C1-22, C, Sector 4, City Center, Bokaro Steel, City - 827004	06542- 231950 / 60
139	Dhanbad	201, Shanti Bhawan, Bank More, Dhanbad - 826001	0326-2300184 / 85
140	Hazaribagh	Above Central Bank Of India, Bodom Bazar, Malviya Marg, Hazaribagh - 825301	06546-222847 / 222674
141	Jamshedpur	Shantiniketan Building 2nd, Floor, ISB Shop Area, Main Road, Bistupur, Jamshedpur - 831001	0657- 2420437 / 38
142	Muzaffarpur	Domapokhar Bank Road, Near Sutapatty, Shyam Mandir Marg, Muzaffarpur - 842001	0621 - 2246222
143	Patna	301-305, Ashiana Plaza, Budh Marg, Patna - 800001	0612-2231167 / 3292768

OFFICES / BRANCHES

Sr. No.	Name	Address	Contact details
144	Ranchi SOUTH 1-(Andhra Pradesh)	5, Arjan Place, 3rd Floor, Main Road, Ranchi - 834001	0651 – 2331632 / 2330938
145	Dilsukh Nagar	2nd Floor, Shop No. 7&8, DNO 17-85 / C / 106 Main Road, Annapurna Shopping Complex, Dilsukh Nagar, Hyderabad - 500060	040 – 24151197 / 203
146	Guntur	S2 Raghu Mansions, 2nd Floor, Opp. To Sankar Villas, 4 / 1 Brodipet, Guntur - 522002	0863-6642898
147	Himayat Nagar	3-6-269, G6 And G7 MYM Money Centre, Opp. Telugu Academy, Himayatnagar, Hyderabad - 500029	040-23261526 / 27
148	Hyderabad	G6-G10, East Block, Swarna Jayanthi Commercial Comp., Next Huda Maitrivanam Ameerpet, Hyderabad - 500038	040-66664675 / 66071031
149	Kakinada	Door No. 5-1-6 / 1 2nd Floor, Ayyappa Towers Main Road, Suryarao Peta, Kakinada - 533002	0884-2347774 / 75
150	Kukatpally	Plot No.138, Kalyani, Sri Sai Niketan, Bhagynagar Colony, Opp. KPHB Colony, Kukatpally, Hyderabad - 500072	040-66203220 / 23063560
151	Kurnul	Flat No. A10 1st Floor, Bhupal Complex Park Road, Kurnool - 518001	08518-278738 / 39
152	Nellore	H No 16 / 1102, Ground Floor, Moon Land Apartments, K V Agraharam, Pogathota, Nellore - 524001	0861 – 2343480 / 81
153	Nizamabad	Kavitha Complex, Block E, 1st Floor, Godown Road, Nizamabad - 503001	0846-2232233 / 55
154	Rajahmundry	7-28-32, 2nd Floor, Jupudy Complex, T. Nagar, Rajahmundry - 533101	0883 – 2439476 / 2476761
155	Secunderabad	G9-G10 Gr. Floor, Bhuvana Towersnear (Cmr Building), Near Manju Theatre, S D Road, Secunderabad - 500003	040-27803394 / 95
156	Tirupati	Shop No. 10 1st Floor, Sridevi Complex, Tilak Road, Tirupati - 517501	0877-2220202 / 2222724
157	Vijaywada	D No. 27-14-47 Opp. Buckingham Post, Off Rajagopalchari Street, Governerpet, Vijaywada - 520002	0866- 6666898 / 2579004
158	Vishakapatnam	30-15-28, Silver Willow, 2nd Floor, Dabha Garden, Vishakapatnam - 530020	0891- 2752070 / 2716577 / 78
159	Warangal	Shop No-16, Mayuri, BVSS Complex, H.No - 5-9-36 / 37, Lashkar Bazar, Hanamkonda, Main Road, Warangal - 506001	0870-6565113 / 2553318
	SOUTH 1-(Karnataka)		
160	Bagalkot	TP No. 159 / 1 A / 8, Ward No.10, Behind Kalburgi Hospital, Mahaveer Road, Bagalkot - 587101	08354-220100 / 103
161	Bangalore	B'Lore Stock Exch. Ltd., Stock Exch. Towers 51, 1 Cross, J.C. Road, Bangalore - 560027	080-22995236 / 46 / 49
162	Belgaum	Basavkrupa 1, Club Road, Opp. Civil Hospital, Near Hansraj Super Market, Belgaum - 590002	0831-2469817 / 818



OFFICES / BRANCHES

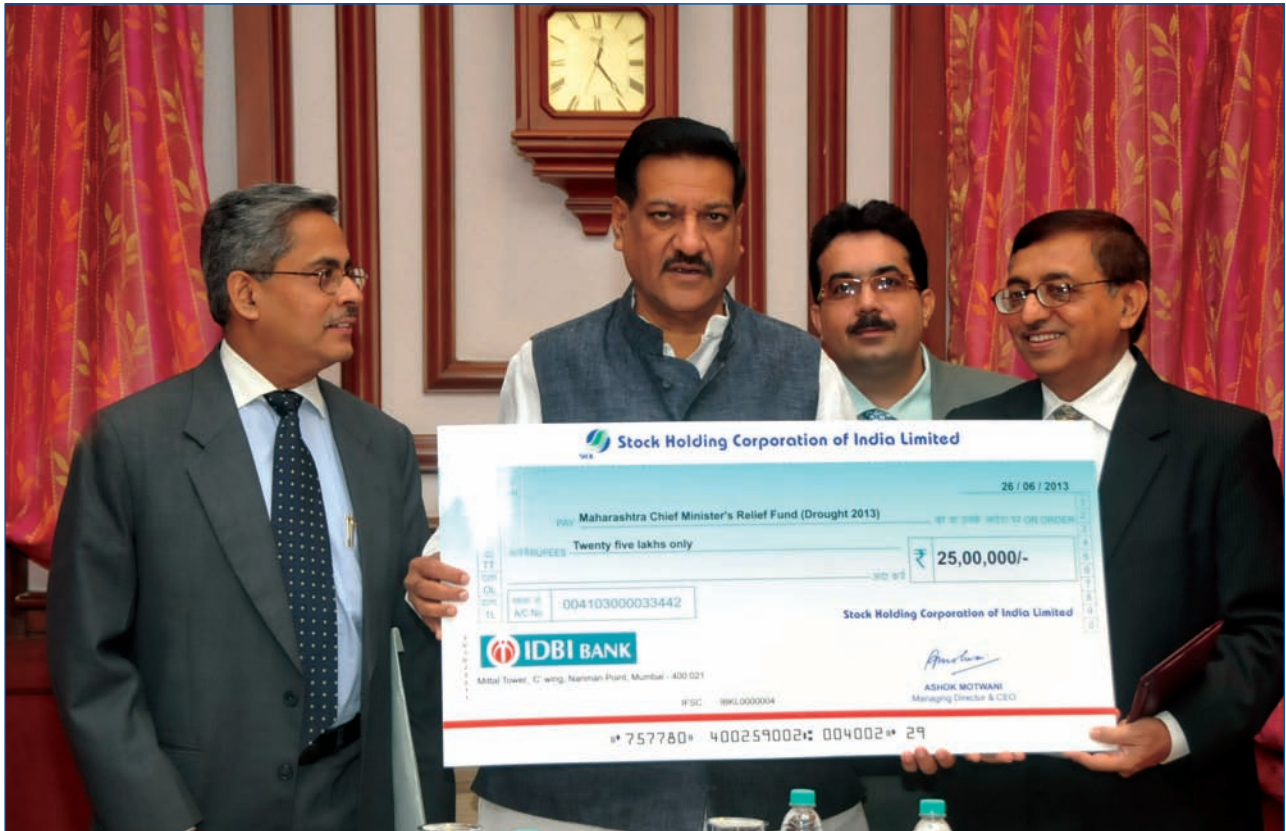
Sr. No.	Name	Address	Contact details
163	Bellary	Door No. 342 / 1 A / 1, Chiranjivi Nilaya, Shubha Mahal, Gandhi Nager, Bellary - 583101	0839-2257660 / 64
164	Davangere	1st Floor, Above Mahalakshmi Book Depot, Akkanahadevi Road, PJ Extension, Davangere - 577002	08192- 236964 / 65
165	Dharwad	Sri Ranga Towers, Ground Floor, Near NTT, Ramnagar Cross, P.B. Road, Dharwad - 580001	0836-2435635
166	Gulbarga	G1 & G2, Shrushti Arcade, Gr. Floor, Opp. St. Mary Church, Court Road, Off SB Temple Road, Gulbarga - 585102	08472-279710 / 11
167	Hassan	1st Floor, Lakshmi Complex ,Opp. Bsnl Bhavan, B M Road, Hassan - 573201	08172-232117 / 18
168	Hubli	1st Floor, Varsha Complex, Behind Bhavani Arcade, Opp. Basava Vana, Near Old Bus Stand, Hubli - 580029	0836 -2212050 / 2253112 / 06
169	Jayanagar	Shop No 7, 1st Floor, # 44, 3rd Cross, Jayanagar, 4th T Block, Bangalore - 560011	080-22453800 / 900
170	Karkala	Shop No. 12,D. No 127 / 23 1st Floor, Sharada Palace Market Road, Karkala - 574104	08258-234650 / 51
171	Koramangala	No. 103, 1st Floor, Mighkhb Colony,17th Main, 5th Block, Koramangala, Bangalore - 560095	080-25529149 / 50
172	Kundapur	Door No. 433 / 1 / 51, I Floor, Near Manunath Nursinghome, Mastikatte Main Road, Kundapur - 576201	08254-234557 / 58
173	Malleswaram	No. 13 Vasanth Milan, 1st Cross, Malleswaram Bangalore - 560003	080 -23560525 / 23461225
174	Mangalore	Shop No. 6 & 7 2nd Floor, Manasa Tower. M G Road, Kodialbail, Mangalore - 575003	0824- 2494986 / 2495220 / 2495224
175	Manipal	1st Floor, Trade Centre, Near Syndicate Circle, Manipal - 576104	0820-2572115 / 257116
176	Mysore	442 / 3 & 4 1st Floor, Chamaraja Double Road, Ramaswamy Circle, Mysore - 570024	0821-2333860 / 2333926
177	Raichur	Shreyansh Tower, 1st Floor, 11 / 2 / 59 / A-1, M G Road, Above Bank Of Maharashtra, Raichur - 584101	0853-2225049 / 50
178	Shimoga	1st Floor, Sangappa Complex Garden Area, 3rd Cross, Beside State Bank Of Hyerabad, Shimoga-Karnataka - 577201	08182 -227785 / 86 / 45
179	Udipi	3rd Floor, Shriram Arcade, Opp Head Post Office ,Udipi - 576101	0820-2535404 / 05
	SOUTH 2-(Tamil Nadu)		
180	Adyar	Gokul Arcade, 1st Floor, No. 2, Sardar Patel Road, Adyar (Nr Adyar Signal Stop), Chennai - 600020	044-24420602 / 45504085
181	Anna Nagar	W 101, 1st Floor, Second Avenue, Anna Nagar Chennai - 600040	044 -26280154 / 42051772
182	Chennai	Justice Basheer Ahmed, Sayeed Bldg., 3rd Floor, 45 Moore Street, Second Line Beach, Chennai - 600001	044 -25340725 / 40100200
183	Porur	Arutjothi Towers, Plot No. 2&9 1st Floor, Mount Poonamalle High Road, Sakthi Nagar Porur, Chennai - 600116	044-22520191 / 42014260

OFFICES / BRANCHES

Sr. No.	Name	Address	Contact details
184	Tambaram	Shop No. 8 & 9, No. 68 / 22A Kakkan Street, Tambaram West, Chennai - 600045	044-22260569 / 42034948
185	Coimbatore	A-108 Raheja Centre, 1st Floor, 1073 / 74, Avinashi Road, Coimbatore - 641018	0422-2241606 / 4214004
186	Erode	110 / 4, 1st Floor, R K Samy Bldg., Sathy Road, Near Bus Stand Erode - 638003	0424 – 2213823 / 2214026
187	Karaikudi	A.C.A Complex, 1st Floor, Door No 30 / 1C, Sekkalai Road, Karaikudi - 630001	04565-232180
188	Karur	128-A Vanitha Towers, 1st Floor, Kovai Road, Karur - 639002	04324-240628 / 240438 / 240528
189	Madurai	C-1, 3rd Floor, A R Plaza 16 / 17, North Veli Street, Madurai - 625001	0452-2342174 / 2350178
190	Mylapore	Shop No:1B, Ground Floor, 4 / 180 TNHB Complex, LUZ Corner, Mylapore, Chennai - 600004	044- 43536409 / 24986972
191	Pondicherry	201, 1st Floor, Mission Street, Pondicherry - 605001	0413-2331751 / 52 / 55
192	Salem	Shop No. 5 / 1, First Floor, Sri Lakshmi Complex, No. 76 Cherry Road, Opp. To Govt Arts, College - 636007	0427-2418648 / 49 / 50 / 58
193	T Nagar	202 2nd Floor, Challa Mall Complex, 11and11 / A, Sir Theagaraya Road, T Nagar Chennai - 600017	044-24328380 / 24359307
194	Trichy	A-1, Srishti, Court Ground Floor, Salai Road, Woraiyur, Trichy - 620003	0431 – 2750927 / 28
195	Tuticorin	Anbu Medical Complex, First Floor, 285 / 8 D, WGC Road, Tuticorin - 628002	0461-2327638
196	Vellore	Nexus Tower, 3rd Floor, No. 6, Officer Line, Opp.Voorhees School, Vellore - 632001	0416-2221894 / 95
	SOUTH 3-(Kerala)		
197	Calicut	Metro Towers, 19 / 2084, B-20 1st Floor, P V Swamy Road, Chalappuram P.O. Calicut - 673002	0495-2300373 / 2304473 / 2530270.
198	Kannur	2nd Floor, K V R Towers, South Bazar, Kannur - 670002	0497- 2712333 / 2712323
199	Kochi	Safeena Mansion, Gr. Floor, Ravipuram Junction, Kanoos Theatre, M G Road, Kochi - 682016	0484 -2363022 / 23
200	Kollam	E li 24 / 25 2nd Floor, Commercial Complex, East Block Bishop, Jerome Nagar, Chinnakada, Kollam - 691001	0474- 2768158 / 59
201	Kottayam	2nd Floor, Korattaiyil Complex, Opposite Public Library, Sashtri Road, Kottayam - 686001	0481- 2303670 / 71
202	Palakkad	1st Floor, Fort Centre, Complex, Fort Maidan Stadium Bye Pass Road, Palakkad - 678001	0491 -2510851 / 61
203	Trichur	Pooma Complex 3rd Floor, M G Road, Trichur - 680001	0487- 2445657 / 58
204	Trivandrum	Sowbhagya, T.C.3 / 2730-2, Palace View Lane, Pattom Palace P.O. Trivandrum - 695004	0471-2543133 / 032



PHOTO GALLERY



MD & CEO – SHCIL handing over cheque to Hon'ble Chief Minister of Maharashtra, Shri Prithviraj Chavan, towards Maharashtra Chief Minister's Relief Fund – 2013. Also present Shri L. Viswanathan, EVP- SHCIL and Shri Sanjeev Mirchandani, Deputy Manager - SHCIL (left to right).

PHOTO GALLERY



Shri Amit Dassi, Regional Manager- SHCIL handing over contribution cheque of SHCIL employee's one day salary towards "Mukhyamantri Rahat Kosh, Uttarakhand" to Shri Subhash Kumar, Chief Secretary, Government of Uttarakhand.



Free bus service started by the Corporation for the benefit of poor cancer patients and their relatives which plys from Dadar (E) to Tata Memorial Hospital, Parel and back.



PHOTO GALLERY



Directors, SHCILians and their family members on the occasion of 27th Annual day at Mahape.



Shri Prakash P. Mallya, Director distributing prize at 27th Annual day held at Mahape



A young participant performing on the occasion of 27th Annual day at Mahape.



Children of SHCILians at kids zone on the occasion of 27th Annual day at Mahape



Children of SHCILians performing on the occasion of 27th Annual day at Mahape



Children of SHCILians at kids zone on the occasion of 27th Annual day at Mahape



SHCILians rendering an inspirational song on the occasion of 27th Annual day at Mahape



SHCILians and their family members on the occasion of 27th Annual day at Mahape



SHCILians and their family members on the occasion of 27th Annual day at Mahape

PHOTO GALLERY



The winning team of SHCIL in inter group (women) cricket Tournament held at Vashi sports club, Navi Mumbai



The winning team of SHCIL Projects Ltd in the inter group (men) cricket tournament held at Vashi sports club, Navi Mumbai



SHCIL Senior Management Team

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

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

Offering a wide range of financial solutions



*Provided through SHCIL Services Limited

#Provided through SHCIL Projects Limited



Stock Holding Corporation of India Limited

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