



#### StockHolding Advantage

- ❖ Bouquet of Products
- ❖ Robust Systems
- ❖ Institutional Backing
- ❖ Credible Brand Association

Digital  
Transformation  
for the future

2017  
ANNUAL REPORT

## ❧ BOARD OF STOCKHOLDING ❧



**Sanjeev Kaushik**  
Non-Executive Chairman  
(Till August 23, 2017)



**E. Sankara Rao**  
Non-Executive Chairman  
(From August 24, 2017)



**B. N. Nayak**  
Director



**P. H. Kutumbe**  
Director



**B. Baburao**  
Director



**Segar Sampathkumar**  
Director



**Prakash P. Mallya**  
Independant Director



**M. V. Nair**  
Independant Director



**M. S. Sundara Rajan**  
Independant Director



**C. M. Dixit**  
Independant Director



**Gautam sen**  
Independent Director



**Jaya Balchandran**  
Independent Director



**Ramesh N. G. S.**  
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

**Sanjeev Kaushik** (Till August 23, 2017)  
**E. Sankara Rao** (From August 24, 2017)  
**B. N. Nayak**  
**P. H. Kutumbe**  
**B. Baburao**  
**Segar Sampathkumar**  
**Prakash P. Mallya**  
**M. S. Sundara Rajan**  
**M. V. Nair**  
**C. M. Dixit**  
**Gautam Sen**  
**Jaya Balachandran**  
**Ramesh N.G.S.**

Chairman (Non Executive)  
Chairman (Non Executive)

Managing Director & CEO

**Shashikant L. Nayak**

AVP & Company Secretary

**Statutory Auditors**

M/s.Chaturvedi & Shah, Chartered Accountants, Mumbai

**Internal Auditors at Registered Office**

M/s.Shah Gupta & Co., Chartered Accountants, Mumbai

**Main Operations Office:**

SHCIL House  
P-51, TTC Industrial Area,  
Mahape, Navi Mumbai 400710.  
Tel: 022-61778100-09

**Registered Office:**

301, Centre Point,  
Dr. B. Ambedkar Road,  
Parel, Mumbai 400 012.  
Tel: 022-61779400-09  
CIN .U67190MH1986GOI040506  
**Web: [www.stockholding.com](http://www.stockholding.com)**

## PERFORMANCE HIGHLIGHTS

(ON STANDALONE BASIS)

	(₹ in crores)	
	2016-17	2015-16
<b>Earnings:</b>		
Income from Operations	275	232
Interest & Dividend Income	71	56
Other Income	9	7
<b>Total Income</b>	<b>355</b>	<b>295</b>
<b>Expenses:</b>		
Operating Expenses	281	229
Interest & Financial Charges	*	*
Profit before Depreciation	74	66
Depreciation	14	16
<b>Profit before Tax and Exceptional Item</b>	<b>60</b>	<b>50</b>
Provision for Tax	5	10
Provision for Deferred Tax	-1	-1
<b>Profit after Tax</b>	<b>56</b>	<b>41</b>
Other Comprehensive Income	151	-2
<b>Total Comprehensive Income</b>	<b>207</b>	<b>39</b>
<b>Assets Employed:</b>		
Net Fixed Assets	111	111
Non Current Financial Assets	1495	1407
Other Non Current Assets	26	20
Inventories	1	-
Current Financial Assets	1354	829
Other Current Assets	6	6
Non Current Liabilities and provisions	264	242
Less: Current Financial Liabilities	1175	758
Less : Other Current Liabilities and provisions	123	77
<b>Total Assets</b>	<b>1431</b>	<b>1296</b>
<b>Financed by:</b>		
Share Capital	21	21
Reserves & Surplus	1410	1275
<b>Total Funds</b>	<b>1431</b>	<b>1296</b>
<b>Key Indicators</b>		
EPS (Rs.)	26	19
Dividend (%)	213.50	75
Networth	1431	1296
Book Value per Share (Rs.)	680	616

\* denominations less than ₹1 crore.

## DIRECTORS' REPORT

To the Members

Your Directors are pleased to present the Thirtieth Annual Report of your Corporation along with the Audited Statement of Accounts for the financial year ended March 31, 2017.

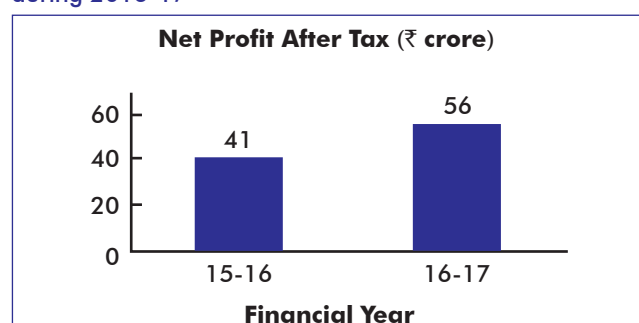
### FINANCIAL PERFORMANCE

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

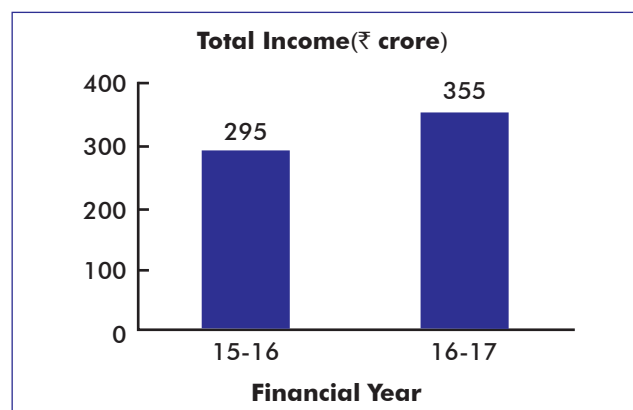
During the year, your Corporation earned Profit After Tax (PAT) of Rs.56 crore as against PAT of Rs.41 crore in 2015-16. The Board of Directors has approved the appropriation of net profit as given under.

	(` in crore)	
Particulars	March 31, 2017	March 31, 2016
Profit before Depreciation	74	66
Depreciation	14	16
Profit before Tax and Exceptional Item	60	50
Provision for tax	5	10
Provision for Deferred Tax	-1	-1
Profit after Tax	56	41
Other Comprehensive Income	151	-2
Surplus Brought Forward	1121	1104
Profit available for Appropriation	1328	1143
FVOCI balance movement	-22	-
Tax impact on investment sold	-24	-
Transfer from OCI	+22	-
Interim Dividend at ₹ 14.50 per share (previous year ₹ 3.00 per share)	-31	-6
Proposed Final Dividend at Rs.4.50 per share (previous year ₹ 3.50 per share)	-9	-8
Tax on Dividend	-8	-3
Transferred to General Reserves	-	-5
Surplus Carried Forward	1256	1121

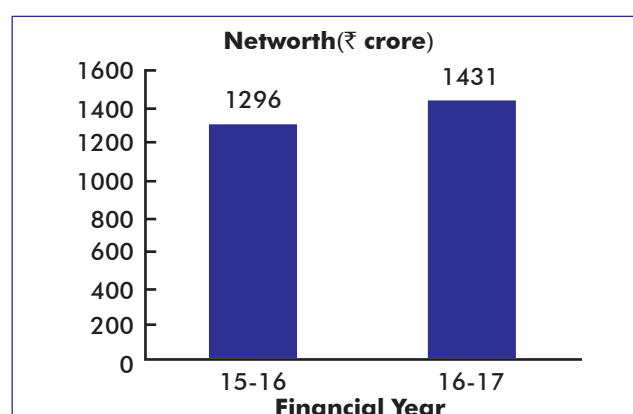
Your Corporation recorded a net profit of Rs.56 crore during 2016-17



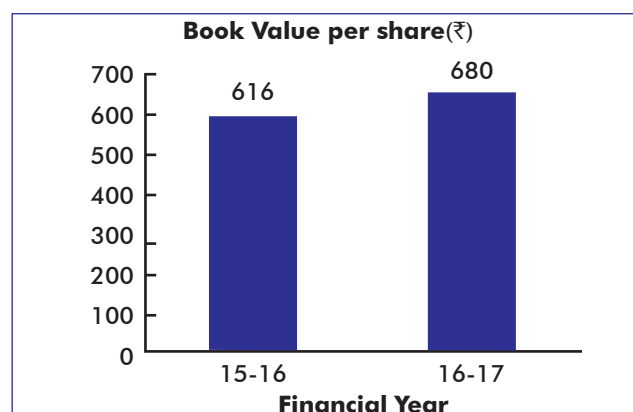
Your Corporation recorded total income of Rs.355 crore during 2016-17



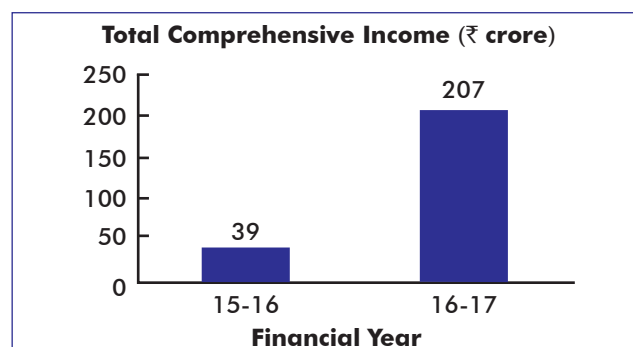
Net worth as on March 31, 2017 increased to Rs.1431 crore



Book value per share increased to Rs.680 as on March 31, 2017



Total Comprehensive Income as on March 31, 2017





## Dividend

The Board of Directors are pleased to recommend for approval of the shareholders a final dividend of Rs.6.85 per equity share (68.50%) for the financial year 2016-17. Total dividend for the year together with interim dividend of Rs.14.50 per equity share paid earlier would be Rs.21.35 per share (213.50%) for the financial year 2016-17. This dividend shall be subject to dividend distribution tax to be paid by your Corporation.

## Economic and capital market developments

Despite facing challenges at the domestic level along with a rapidly transforming global landscape, the U.S. economy is still the largest and the most important in the world. Global growth is projected to accelerate to 2.7 percent this year and further strengthen to 2.9 percent in 2018-19, in line with previous projections. The mood in the global economy has brightened during the past year, with confidence indicators and industrial production increasing and investment and trade picking up from low levels. Growth is broad-based, including among major commodity producers.

However, the world economy continues to face a number of downside risks, which includes increased protectionism, heightened policy uncertainty, the possibility of financial market turbulence. These risks highlight the urgency for policymakers in emerging market and developing economies to rebuild macroeconomic policy space and implement policies that support investment and trade.

There are upside risks also from investment to improve the quality of capital with more advanced technology, with rapid rises in demand for high-tech products since the second half of 2016. If this is sustained, it would improve cyclical conditions and support a revival of investment-intensive global value chains, boosting domestic demand and productivity.

On the domestic front, IMF's projection makes India the fastest growing major economy in 2016-17, with China estimated to have grown at 6.7% during 2016. China's economy is expected to steadily slow down to 6.6% in 2017 and 6.2% in 2018 due to the "complex process of rebalancing" by reorienting demand from exports and investment in consumption. India's economic growth is expected to be 6.8 per cent in 2016-17 from 6.6 per cent earlier, against the official advance estimates of 7.1 per cent - due to demonetisation. India's medium-term growth prospects are favourable, with growth expected to rise to about 8% over the medium term due to implementation of key reforms, loosening of supply-side bottlenecks, and appropriate fiscal and monetary policies.

The annual rate of inflation, based on monthly WPI, stood at 5.70% for the month of March, 2017 as compared to -0.45% during the corresponding month of the previous year as prices of petrol, diesel and minerals, firmed up due to an upward trend in global prices. Indian Rupee which witnessed volatility during the year closed at Rs.64.94 against USD after appreciating 1.95% during 2016-17.

The Indian capital market witnessed a rise of 17.07% during FY17 as BSE Sensex increased from 25302 to 29621. NSE Nifty also registered a rise of 18.86%, while gradually rising from 7718 to 9174 during the year. The

market witnessed a net inflow of FII/FPI funds to the extent of Rs.48,411 crore. Combined turnover of the cash segment of both the exchanges (i.e. BSE and NSE) increased by 21.64% during the year, while the combined turnover of the derivative segment has risen by 36.18%.

## Operations Review

Your Corporation continued to offer services to institutions as Custodian of Securities. Your Corporation as a part of its strategies to service Foreign Investors has entered into various strategic tie-ups / understanding with various professional entities.



Conference on seeking new frontiers on Custodian of Securities business held between June 24-26, 2017 at North Point, Khandala.

Your Corporation had participated in a call organised by BNY Mellon for its clients in Asia Pacific, Europe and USA on the latest developments in India and the ease of doing business in India. Your Corporation also participated for the 2<sup>nd</sup> year in a roundtable discussion organised by a leading world- wide publication "Regulation Asia" in Hongkong. Your Corporation also won 2 awards "Market Outperformer and Category Outperformer" in a client survey for Custodians organised by a London based Global Magazine "Global Custody" and was the top rated Indian Custodian in 2016. Your Corporation was successively awarded 'NSDL Star Performer Award for Highest Asset Value under Custody'.



Shri R. Anand, VP (Head of Custody), Shri. Amit Dassi, AVP (Channel Head) and their team with NSDL Star Performer Award for Highest Asset Value under Custody.

Your Corporation services the retail clientele for Depository Participant (DP) and Sub-broking, Professional Clearing Member, e-Stamping, Distribution of Investment products, Bullion and Insurance products. During the year, your Corporation has rolled out Digital Solutions - Online Platforms for Mutual Funds and National Pension Scheme (NPS) investors. Your Corporation has received



awards from PFRDA for 'Best Point of Presence (POP)' in recognition of its business development efforts for NPS. Sales channel, Feet on Street (FOS) has been established and has been contributing towards the growth of new DP and Broking clientele along with other retail product offerings of the Corporation. Your Corporation expects this channel to expand and help increase its market share.



StockHolding being conferred "BEST POP" in three categories. Shri Madhusudan Das, Product Head is seen receiving the award on behalf of StockHolding from Shri Hemant G. Contractor, PFRDA Chairman.

Your Corporation provides Investment Advisory Services by way of various periodical reports and other reports like Fixed Maturity Plan (FMP) (on a daily basis), Company one pager (fundamental and technical), National Pension System, Tax free bonds and Non Convertible Debenture (NCD) (on demand).

Your Corporation's advertisement campaigns were broadcasted on Television, Radio, Facebook and Google. Your Corporation's advertisements also appeared in In-flight magazines and several premium magazines and publications. In recognition of your Corporation's branding efforts, it has received 'Star of the Industry – Brand Leadership Award' by My FM Radio Channel and 'Brand of the Year Award' from World Council & Research Corporation.

Your Corporation launched its e-Stamping services in the States of Odisha and Andhra Pradesh in the financial year 2016-17. With this, your Corporation has now presence in 19 States / Union Territories for e-Stamping service. During the period, the facility for the generation of online e-Registration receipts has been implemented in the State of Punjab. E-Registration has been made mandatory in NCT-Delhi. Further, during the same period e-court fees was launched in the State of Himachal Pradesh, Chhattisgarh, Rajasthan and Punjab. The e-Court agreement has also been executed with the State of Uttar Pradesh.



Hon'ble Chief Justice Shri Naveen Sinha inaugurating the e-court fee counter at High Court Bench of Rajasthan at Jaipur on 2nd Sep 2016 in presence of other senior officials of Court, Shri Amit Dassi - AVP & Channel Head and Ms. Rekha Rawat, Manager (StockHolding).

### Information Technology

Your Corporation has upgraded and modernized its IT infrastructure in terms of servers, storage and networking equipment. Your Corporation has also upgraded, consolidated and enhanced its mail & communication set up. Your Corporation is also in the process of enhancing its network bandwidth to improve functioning of branches. Your Corporation is working towards centralizing its back office activities with necessary changes in the back-office software. Your Corporation has enabled retail demat clients to make bill payments through a mobile interface. In its endeavor to extend online facilities to its clients, your Corporation has enabled account opening in NPS & online subscription to Sovereign Gold Bonds. Your Corporation's data center and its Operations were recertified under ISO : 27001:2013 for a further period of three years.

### Human Wealth Development & Training

Your Corporation is committed to creating an organisational culture which nurtures the talent and potential of its employees for the growth and prosperity of the Corporation. Your Corporation facilitates the development of employees' knowledge base, skills, efficiency, innovativeness and self-expression, so that they contribute positively with commitment, while maintaining a high level of motivation and satisfaction.

A robust induction training programme is conducted for new recruits which covers an overview of your Corporation, product knowledge, soft skills, etc. and visits to the branch offices and our group companies.

An online communiqué 'Namaste' is circulated on an online platform to all employees, welcoming new recruits, recognising good performers and long service, sharing events, product promotions, achievements and also includes a knowledge centre. Employees are encouraged to contribute poems, photographs and personal milestones for publication in the communiqué.

In order to enhance the learning curve of employees, training programmes were conducted on topics such as Emotional Intelligence, Corporate Sales, Lean Implementation, etc. A Fundamental and Technical Analysis Workshop was conducted for Dealers at various locations across the country. Sessions were also conducted on "Presenting a Professional Image" aimed at appropriate grooming and behaviour at the work place.

Apart from internal training programmes, officers were nominated to external programmes/conferences for better exposure to industry practices and new trends in areas such as IT, Finance, Mutual Fund summits, Insurance summits, Marketing conclaves, etc. organised by Financial Institutions/Training Institutes of repute.

StockHolding Learning and Development Centre (SLDC) is a state-of-art training centre at "SHCIL House" at Mahape, which offers residential / non-residential training facilities to various corporate and institutional clients. It was developed as an internal training facility; however, for effective usage of the facility, the centre is also being given to external clients for their training purpose.



Employees at a Training Programme on Goods and Service Tax (GST) at Training Center at SLDC-Mahape.

### Subsidiary Companies

Your Corporation has two wholly owned subsidiaries, namely, SHCIL Services Limited (SSL) and StockHolding Document Management Services Limited (SDMS) formerly known as SHCIL Projects Limited (SPL). SSL is a member of BSE, NSE and MSEI. Your Corporation is a sub-broker of SSL. SDMS is in the business of digitization and document management system. Pursuant to provisions of Section 129 (3) of the Companies Act, 2013, a statement containing salient features of the financial statement of your Corporation's subsidiaries in Form AOC 1 is attached to the financial statements. Pursuant to Section 136 of the Act, separate audited accounts of the subsidiaries are also available on the website of your Corporation.

### Dematerialisation of equity shares of your Corporation

The equity shares of your Corporation have been admitted with National Securities Depository Limited (NSDL) and Link Intime India Pvt Limited has been appointed as Registrar and Transfer Agent. The ISIN allocated by NSDL to your Corporation is "INE626X01016". As on date, more than 99.74% of your Corporation's equity shares are in dematerialised form.

### Directors Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm :

- that in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards have been followed and there are no material departures;
- that such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Corporation as at March 31, 2017 and of the profit of the Corporation for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Corporation and for preventing and detecting frauds and other irregularities;

- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and such internal financial controls were adequate and operating effectively;
- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### Directors and Key Managerial Personnel (KMP)

Your Corporation has 12 Directors which includes six Independent Directors of which one is a Woman Director. All the Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149 of the Companies Act, 2013.

Based on the recommendations of the Nomination and Remuneration Committee, the Board at its meeting held on May 26, 2017 have approved, subject to the approval of shareholders, the extension in tenure of Shri Ramesh N.G.S. as MD & CEO from July 28, 2017 to October 13, 2021 i.e. date of his superannuation.

Shri E. Sankara Rao, Director and Shri B. N. Nayak, Director will be appointed as Directors liable to retire by rotation at the ensuing Annual General Meeting (AGM). Further, Shri B. Baburao, Director will retire at the ensuing Annual General Meeting (AGM) and being eligible offers himself for reappointment.

During the financial year 2016-17, Shri Malay Mukherjee and Shri Sudhir Garg demitted office on December 15, 2016 and December 1, 2016 respectively. The Board appreciates the valuable contribution made by them during their association with the Corporation.

Shri Ramesh N.G.S. – MD & CEO, Shri L. Viswanathan – EVP & CFO, Shri R. H. Mewawala – EVP & COO and Shri Shashikant L. Nayak – AVP & Company Secretary are Key Managerial Personnel of the Corporation.

### Number of meetings of the Board

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

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

### Board evaluation

Pursuant to the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, directors individually as well as the evaluation of the working of the regular Committees of the Board viz., Audit, Nomination & Remuneration, Risk Management, New Initiatives & Corporate Social Responsibility. The Board also constitutes Committees from time to time for specific purposes. In compliance of Schedule IV (Code for Independent Directors), the Independent Directors had met on December 23, 2016 and March 23, 2017.

### Policy on Director's appointment and remuneration

The Corporation's policy on Director's appointment and remuneration, etc., as per Section 178 (3) of the Act have been disclosed in the Corporate Governance Report which forms part of the Directors' Report.

### Audit Committee

The details of the composition & meetings of Audit Committee are included in the Corporate Governance report which forms part of this report.

### Auditors

The Holding Company of your Corporation i.e. IFCI Limited is a Government Company as per the provisions of Section 2(45) of the Companies Act, 2013 w.e.f. April 7, 2015. Being a subsidiary of a Government Company, your Corporation is also a Government Company w.e.f. April 7, 2015. Accordingly, the two wholly owned subsidiaries of your Corporation viz., SSL and SDMS are also Government Companies.

The Office of Comptroller and Auditor General of India (CAG) vide its letter dated August 16, 2016 had appointed M/s. Chaturvedi & Shah, Chartered Accountants as Statutory Auditors of your Corporation under section 139 of the Companies Act, 2013 for the financial year 2016-2017.

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

### Auditors' Report and Secretarial Auditor's report

The Auditors' Report and Secretarial Auditor's report does not contain any qualifications, reservations or adverse remarks. The Secretarial Auditor's Report forms part of this report and is given at Annexure '1'.

### Particulars of loans, guarantees and investments

The particulars of loans, guarantees and investments have been disclosed in the financial statement.

### Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. As prescribed under Section 177 (3) of the Companies Act, 2013, related party transactions are placed before the Audit Committee. None of the transactions with related parties falls under the scope of Section 188 (1) of the Act. There are no materially significant related party transactions by the Corporation with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. None of the Directors have any pecuniary relationships or transactions vis-à-vis your Corporation.

As required under the Companies Act, 2013, Form AOC 2 for related party transaction is annexed as Annexure '2' to the Directors' Report which is a nil report.

### Material order passed by the Court

Your Corporation had filed a petition in the Supreme Court of India inter alia against the order of the Hon'ble DRAT,

Kolkata and the Hon'ble High Court, Kolkata. The details of the matter is mentioned as contingent liability at point no.36 & 38 (standalone) and 37 & 39 (consolidated) of the Notes to the Accounts.

### Corporate Social Responsibility

The brief outline of the Corporate Social Responsibility (CSR) policy of your Corporation and the initiatives undertaken on CSR during the year are set out in the Annexure '3' of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is also available on the website of your Corporation.



MD & CEO's address to the students of Children Aid Society (CAS) on Industrial Training Institute day cum re-establishment meet at Mankhurd, Mumbai on March 6, 2017. Also seen in the picture are Sr. officials of StockHolding and Ms. Zarina Farooqui - Secretary - Hurt Foundation, Dr. Ruchi Sinha - Professor at TISS (in front row from L to R)

### Risk Management Policy

The Risk Management Committee of the Board has approved a Risk Management policy for your Corporation therein identifying the risks and the various mitigants. The risks identified on a time to time basis are addressed through mitigating actions on a continuing basis. The details of composition & meetings of the Risk Management Committee are included in the corporate governance report which forms part of this report.

### Extract of Annual Report

As per Section 92 (3) of the Act, the details forming part of the extract of the Annual Return in Form MGT 9 is placed herewith as Annexure '4'.

### Corporate Governance

Your Corporation is not a listed entity. Nevertheless, it endeavours to comply with Corporate Governance norms. A report thereof is placed herewith as Annexure '5'.

### Whistle Blower policy and Code of Conduct

Your Corporation has a Code of Conduct for its directors and employees.

Your Corporation has also implemented a Whistle Blower Policy pursuant to which it's directors and employees can raise their genuine concerns about unethical behavior, actual or suspected fraud or violation of its code of conduct. The policy is part of the vigilance manual of your Corporation. The policy provides for direct access in exceptional cases to the Chairman of the Audit Committee. Your Corporation



encourages the Whistle Blower to raise genuine concerns and provides for adequate safeguards against victimization of whistle blower who avails such mechanism. The policy is available on the website of your Corporation.

#### **The Committee on prevention of sexual harassment**

Your Corporation has in place Prevention of Sexual Harassment Committee as required under "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013."

#### **Code of Conduct to regulate, monitor and report trading**

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

#### **Consolidated Financial Statements**

Your Corporation has consolidated the accounts of its two wholly owned subsidiaries viz., SHCIL Services Limited (SSL) and StockHolding Document Management Services Limited (SDMS) with its accounts. The consolidated balance sheet, profit & loss account, cash flow along with notes to accounts prepared as per AS 21 are attached.

#### **Particulars of Employees**

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

#### **Fixed Deposits**

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

#### **Conservation of energy, technology absorption, foreign exchange earnings & outgo**

##### **Conservation of energy & technology absorption**

Your Corporation does not carry out any manufacturing activities. However, it has taken steps towards conservation of energy and continues to use latest technologies for improving the productivity and quality of its services.

Your Corporation's Datacenter (DC) which is built with energy efficient LED lights is equipped with

newer generation and latest server categories whose characteristics in terms of power saving are lower power usage at idle, optimized workload power management, improved performance per watt at moderate utilization, etc.

Replacement of all old & obsolete equipment with equipment having optimum power utilization is an ongoing activity in the Corporation.

Your Corporation is using energy efficient electrical lighting system, majority of its air conditioning systems are VRF/VRV system which are energy efficient. Your Corporation has also installed solar water heating system at its residential training infrastructure facilities. As part of green initiative, your Corporation has planted & nurtured various trees in and around its main operations office situated at Mahape.

##### **Foreign exchange earnings and outgo**

Foreign exchange earnings and outgo during the year under review:

Foreign Exchange earnings - ₹ Nil (Previous year Nil)

Foreign Exchange outgo - ₹ 44 lakh (previous year - ₹ 108 lakh)

##### **Acknowledgements**

The Board places on record its deep appreciation for the excellent support and patronage of Government of India, the Governments of various States / Union Territories in India & the concerned Government departments / agencies, RBI, SEBI, PFRDA and IRDA. The Board also expresses its sincere thanks to National Stock Exchange of India Limited (NSEIL), Bombay Stock Exchange Limited (BSE), Metropolitan Stock Exchange of India Limited (MSEI), National Securities Depository Limited (NSDL), Central Depository Services Limited (CDSL), Clearing Corporation of India Limited (CCIL), Association of Mutual Funds, Banks, Clients and the Shareholders for their cooperation and support in various spheres of your 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**

**Sanjeev Kaushik**

Date: July 28, 2017

Chairman (Non Executive)

## FORM NO MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

*[Pursuant to Section 204(1) of the Companies Act 2013 and Rule 9 of Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**Stock Holding Corporation of India Limited,**  
301, Centre Point,  
Dr. B. Ambedkar Road,  
Mumbai - 400012.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Stock Holding Corporation of India Limited (hereinafter called the "Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has the proper Board-process and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

I. We have examined the books, papers, minute books, forms and returns filed, reports issued by various fellow professionals and other applicable records and registers - maintained by the Company for the financial year ended on 31st March, 2017 and stated in **Annexure I** according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under (as applicable to a Depository Participant);
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to

the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – as applicable in respect of the reporting under Foreign Exchange Management Act, 1999;

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; - Not Applicable
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 – To the extent applicable to Market Intermediaries
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - Not Applicable
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - Not Applicable
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; -Not Applicable
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 - Not Applicable
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not Applicable and
- h. The Securities and Exchange Board(Buyback of Securities) Regulations, 1998 - Not Applicable;

II. We have reviewed the information, documents, records, filings and other certificates or confirmations received from fellow professionals for the period under review and the representations made by the company and its officers for the systems, records and compliances for other laws specifically applicable to the company in respect of the following:

- a. The Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996.

- b. The Securities and Exchange Board of India (Depositories and Participants), Regulations, 1999.
  - c. The Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992.
  - d. The Securities and Exchange Board of India (Research Analysts) Regulations, 2014.
  - e. Prevention of Money Laundering Act, 2002.
  - f. Applicable Rules and Guidelines for undertaking e-stamping and acting as the Central Record Keeping Agency in respect of e-stamping in terms of Letter No F.No.16/1/2004-CY.I dated 28th December 2005 issued by the Department of Economic Affairs, Ministry of Finance, Government of India of various States and Union Territories.
  - g. The Securities and Exchange Board of India (Intermediaries) Regulation 2008.
- III. We have also examined the compliances of the applicable provisions of Secretarial Standards I and II as issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs and applicable with effect from July 1, 2015 .

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda

were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions at the Board meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under review, the Company had following event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc referred above viz.

1. The company has litigations pending under different Courts and under various Acts for which we have obtained management representation. The matters being subjudice, we do not comment on the same.

**For, D. A. Kamat & Co**

Company Secretaries

Firm Registration No: P2002MH045900

Place: Mumbai

Date: 4th May 2017

D. A. Kamat & Co.

FCS No. 3843

CP No: 4965

**Note:** Our Report is to be read along with the attached Letter and other Annexures to this Report, which form an integral part of this Report.



## **Annexure I – List of Documents maintained and perused for the purpose of the Secretarial Audit Report dated May 4, 2017**

### **No. List of Documents**

1. Minutes of the Meetings of the Board of Directors and their respective Committees of the Board of Directors.
2. Notices issued to the Directors and the Agenda Papers sent to them.
3. Attendance Registers for the Meetings of the Board of Directors, Committees and Shareholders.
4. Notices and Minutes of the General Meetings of the Company.
5. Statutory Registers maintained by the Company.
6. Internal Audit Reports issued by the Internal Auditors for the Financial Year
7. Compliance Certificates issued by the Management to the Board of Directors of the Company.
8. Compliance Certificates issued by the respective Head of Departments in respective matters to the Board of Directors as at 31st March, 2017.
9. General and Specific Disclosures of Interest issued by the Directors and maintained by the Company as per the provisions of Section 184 of the Companies Act, 2013.
10. Copies of Agreements entered into by the Company with State Governments for the purpose of acting as the Central Record Keeping Agency in respect of e-stamping (on a test check basis)
11. Checklists with details of the compliances undertaken by the Company as received along with the information provided to us by the respective Departments.

### **Letter on the Secretarial Audit Report of Stock Holding Corporation Of India Limited dated May 4, 2017**

To,  
The Members,  
**Stock Holding Corporation of India Limited,**  
301, Centre Point, Dr. B. Ambedkar Road,  
Parel, Mumbai - 400 012.

### **Our Secretarial Audit Report of even date is to be read along with the following Letter:**

- i. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- iv. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- v. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- vi. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For, D. A. Kamat & Co**  
Company Secretaries  
Firm Registration No: P2002MH045900

Place: Mumbai  
Date: May 4, 2017

**Name of the Partner: D. A. Kamat**  
FCS No. 3843  
CP No: 4965

**FORM NO.AOC 2**

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

1. Details of contracts or arrangements or transactions not at arm's length basis: None
  - (a) Name(s) of the related party and nature of relationship – Not applicable
  - (b) Nature of contracts / arrangements / transactions – Not applicable
  - (c) Duration of the contracts / arrangements / transactions – Not applicable
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any – Not applicable
  - (e) Justification for entering into such contracts or arrangements or transactions – Not applicable
  - (f) Date (s) of approval by the Board – Not applicable
  - (g) Amount paid as advances, if any – Not applicable
  - (h) Date on which the special resolution was passed in general meeting as required under first provision to Section 188 – Not applicable
  
2. Details of material contracts or arrangements or transactions at arm's length basis: None
  - (a) Name(s) of the related party and nature of relationship – Not applicable
  - (b) Nature of contracts / arrangements / transactions – Not applicable
  - (c) Duration of the contracts / arrangements / transactions – Not applicable
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any – Not applicable
  - (e) Date(s) of approval by the Board, if any – Not applicable
  - (f) Amount paid as advances, if any – Not applicable

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

Place: New Delhi  
Date : July 28, 2017

**Sanjeev Kaushik**  
Chairman (Non Executive)

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### 1. StockHolding's CSR policy including overview of projects or programmes proposed to be undertaken and a web-link to the CSR policy and projects or programmes:

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

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

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

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

The CSR activities of your Corporation also ensures that atleast 5% of the funds are earmarked for projects / programs relating to CSR activities in the North East region as per the directives of CSR committee.

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

### 2. Composition of the CSR Committee

As on March 31, 2017, your Corporation's CSR Committee of Directors comprised of the following members.

- Shri M.S. Sundara Rajan, Independent Director - Chairman
- Shri B. N. Nayak, Director
- Shri B. Baburao, Director
- Shri M.V. Nair, Independent Director

The Board at its meeting held on May 5, 2017 had reconstituted the CSR Committee which now comprises of the following members.

- Shri M. V. Nair, Independent Director - Chairman
- Shri Segar Sampathkumar, Director
- Shri C.M. Dixit, Independent Director
- Smt. Jaya Balachandran, Independent Director

### 3. Average net profit of the Company for last three financial years Rs.5867 lakhs.

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

The Corporation is required to spend Rs.1,17,34,000/-

### 5. Details of CSR spent for the financial year:

- a. Total amount to be spent for the financial year : Rs.1,17,34,000/-
- b. Amount unspent, if any : Nil
- c. Manner in which the amount spent during the financial year is detailed below :

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs i. Local area or other ii. Specify the State and district where project or programs was undertaken	Amount outlay (budget) project or program-wise (in ₹)	Amount spent on the projects or programs Sub-heads 1. Direct expenditure on projects or programs 2. Overheads (In ₹)	Cumulative expenditure upto the reporting period (in ₹)	Amount spent ; direct or through implementing agency
1	Sarathi Foundation [Sarathi] for Education of adolescent girls in over 50 villages of Barabanki Dist. of Uttar Pradesh	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Barabanki Dist. Uttar Pradesh	13,00,000	13,00,000	13,00,000	Through StockHolding
2	M/s. Youth for Voluntary Action [Yuva] for Education and life skill development centers for tribal girls and women.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Hazaribag, Jharkhand	13,00,000	13,00,000	26,00,000	Through StockHolding
3	Patamda Inter College for Purchasing books and book racks for the library for children of the school.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	East Singbhum, Jharkhand	3,33,500	3,33,500	29,33,500	Through StockHolding
4	Chembur Children's' Home, Mankhurd (Remand Home) for construction of two toilet blocks through Sulabh International Social Service Organisation	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation (including contribution to the swach bharat kosh set up by Central Govt. for promotion of sanitation) and making available safe drinking water.	Mumbai, Maharashtra	30,00,000	30,00,000	59,33,500	Through SHCIL Foundation

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs i. Local area or other ii. Specify the State and district where project or programs was undertaken	Amount outlay (budget) project or program-wise (in ₹)	Amount spent on the projects or programs Sub-heads 1. Direct expenditure on projects or programs 2. Overheads (In ₹)	Cumulative expenditure upto the reporting period (in ₹)	Amount spent ; direct or through implementing agency
5	Swadhar for two projects; (a) for educating the slum kids and (b) caretaking and education of children of commercial sex workers.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Pune, Maharashtra	30,00,000	30,00,000	89,33,500	Through SHCIL Foundation
6	Anchalika Jana Seva Anusthan for a Project on sustainable livelihood for tribal women and for promotion of education of girl children in primitive tribal groups in Bolangir district of Orissa.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Bolangir District Orissa	11,50,000	11,50,000	1,00,83,500	Through SHCIL Foundation
7	KRIPA Foundation for construction of rooms / toilets for imparting skill development, residential training program for abandoned / orphaned tribal kids (Khasi tribes)	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Shillong, Meghalaya	10,00,000	10,00,000	1,10,83,500	Through SHCIL Foundation
8	Sulabh International Social Service Organisation [A payment of Rs.4,57,303/- was pending from the previous constructions of toilets carried out by StockHolding at Chembur Children Home at Mankhurd.]	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation (including contribution to the swachh bharat kosh set up by Central Govt. for promotion of sanitation) and making available safe drinking water.	Mumbai, Maharashtra	4,57,303	4,57,303	1,15,40,803	Through SHCIL Foundation

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs i. Local area or other ii. Specify the State and district where project or programs was undertaken	Amount outlay (budget) project or program-wise (in ₹)	Amount spent on the projects or programs Sub-heads 1. Direct expenditure on projects or programs 2. Overheads (In ₹)	Cumulative expenditure upto the reporting period (in ₹)	Amount spent ; direct or through implementing agency
9	The Stephen High School for deaf [a school for hearing and speech impaired] for help in construction /refurbishing of building.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Mumbai, Maharashtra	1,68,197	1,68,197	1,17,09,000	Through SHCIL Foundation
10	United Orphanage for new clothes and bed sheets for their inmates.	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation (including contribution to the swachh bharat kosh set up by Central Govt. for promotion of sanitation) and making available safe drinking water.	Coimbatore, Tamil Nadu	25,000	25,000	1,17,34,000	Through SHCIL Foundation
	<b>Total</b>			<b>1,17,34,000</b>	<b>1,17,34,000</b>		

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

For the financial year 2016-17, your Corporation has spent two per cent of the average net profit of the last three financial years.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company. We hereby declare that implementation and monitoring of the CSR policy are in compliance with the CSR objectives and policy of your Corporation.

Place : Mumbai  
Date : July 28, 2017

**Ramesh N.G.S.**  
MD & CEO

**M.V. Nair**  
Chairman, CSR Committee



## Annexure '4'

## FORM NO.MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2017

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

### I. REGISTRATION AND OTHER DETAILS

i.	CIN no.	U67190MH1986GOI040506
ii.	Registration Date	July 28, 1986
iii.	Name of the Company	Stock Holding Corporation of India Limited
iv.	Category / Sub-Category of the Company	Company limited by shares and a Government Company
v.	Address of the Registered office and contact details	301, Centre Point, Dr. B. Ambedkar Road, Parel, Mumbai 400012. Tel nos.61779400-401
vi.	Whether listed company Yes / No	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	The Company has appointed M/s.Link Intime India Pvt. Ltd., as its Registrar and Transfer Agent. The address of M/s.Link Intime India Pvt. Ltd., is as under :  247 Park, C 101 1 <sup>st</sup> Floor, LBS Marg, Vikhroli (W), Mumbai – 400 083 Phone: +91 22 49186000 Extn: 2469 7 Fax: +91 22 49186060

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Custody & Depository Participant	661	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1	IFCI Limited IFCI Tower, 61 Nehru Place New Delhi 110019	L74899DL1993GOI053677	Holding Company	52.86%	2 (46)
2	SHCIL Services Limited SHCIL House, P-51, TTC Industrial Area, MIDC, Mahape, Navi Mumbai-400710	U65990MH1995GOI085602	Subsidiary Company	100%	2 (87)
3	StockHolding Document Management Services Limited (formerly known as SHCIL Projects Limited) SHCIL House, P-51, TTC Industrial Area, MIDC, Mahape, Navi Mumbai-400710	U74140MH2006GOI163728	Subsidiary Company	100%	2 (87)

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

##### i. Category-wise Shareholding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat*	Physical	Total	% of total shares	
<b>A. Promoters</b>									
1. Indian									
a. Individual/HUF									
b. Central Govt.									
c. State Govt(s)									
d. Bodies Corp.									
e. Banks/FI	-	21000000	21000000	99.74	-	21000000	21000000	99.74	-
f. Any other									
2. Foreign									
a. NRIs – Individuals									
b. Other-Individuals									
c. Bodies Corp. Banks/FI									
d. Banks/FI									
e. Any Other									
<b>Sub Total (A) (2):-</b>									
<b>Total shareholding of Promoter</b>	-	21000000	21000000	99.74	-	21000000	21000000	99.74	-
<b>A = A1 + A2</b>									
<b>B. Public shareholding</b>									
1. Institutions									
a. Mutual Funds									
b. Banks / FI									
c. Central Govt.									
d. State Govt(s)									
e. Venture Capital Funds									
f. Insurance Companies									
g. FIs									
h. Foreign Venture Capital Funds									
i. Others (specify)									
<b>Sub total B1</b>	-	-	-	-	-	-	-	-	-
<b>2. Non Institutions</b>									
a. Bodies Corp.	-	100	100	0.003	-	100	100	0.003	-
i. Indian									
ii. Overseas									
b. Individuals									
i. Individual share-holders holding nominal share capital upto Rs.1 lakh	-	54300	54300	0.257	-	54300	54300	0.257	-
ii. Individual share-holders holding nominal share capital in excess of Rs.1 lakh									
c. Others specify									
<b>Sub total B2</b>	-	54400	54400	0.26	-	54400	54400	0.26	-
<b>Total public shareholding B=B1 + B2</b>	-	54400	54400	0.26	-	54400	54400	0.26	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	-	21054400	21054400	100	-	21054400	21054400	100	-

\*The equity shares of your Corporation have been admitted with National Securities Depository Limited (NSDL) and Link Intime India Pvt Limited has been appointed as Registrar and Transfer Agent. As on date, more than 99.74% of your Corporation's equity shares are in dematerialised form.

## ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	IFCI Limited	1,11,30,000	52.86	-	1,11,30,000	52.86	-	-
2	Administrator of the specified undertaking of the Unit Trust of India	35,70,000	16.96	-	35,70,000	16.96	-	-
3	Life Insurance Corporation of India	31,50,000	14.97	-	31,50,000	14.97	-	-
4	General Insurance Corporation of India	6,30,000	2.99	-	6,30,000	2.99	-	-
5	New India Assurance Company Limited	6,30,000	2.99	-	6,30,000	2.99	-	-
6	United India Insurance Company Limited	6,30,000	2.99	-	6,30,000	2.99	-	-
7	The Oriental Insurance Company Limited	6,30,000	2.99	-	6,30,000	2.99	-	-
8	National Insurance Company Limited	6,30,000	2.99	-	6,30,000	2.99	-	-

## iii. Change in Promoter's shareholding (please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	No change during the year			
Datewise increase / Decrease in promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	No change during the year			
At the end of the year	No change during the year			

**iv. Shareholding pattern of top ten shareholders  
(other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No.	For each of the top 10# shareholders	Shareholding at the beginning of the year – 01-04-2016		Cumulative shareholding at the end of the year – 31-03-2017	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
1	Rohinton Hirji Mewawala	2200	0.0104	2200	0.0104
2	Kevyn Camillus Coutinho	1000	0.0047	1000	0.0047
3	Hiren Worah	700	0.0033	700	0.0033
4	Meena Prashant Pednekar	700	0.0033	700	0.0033
5	R. Chandrasekaran	600	0.0028	600	0.0028
6	Nirmalendu Jajodia	600	0.0028	600	0.0028
7	Lalitha Bhatia	600	0.0028	600	0.0028
8	Rubyna S. Siddiqui	600	0.0028	600	0.0028
9	Sangeeta Kamath	600	0.0028	600	0.0028
10	Milind B. Akerkar	600	0.0028	600	0.0028
11	Lumeena Akerkar	600	0.0028	600	0.0028
12	Karen Lisa Therese Misquita	600	0.0028	600	0.0028
13	Vanzyllis Ozorio	600	0.0028	600	0.0028
14	Teresa Lewis	600	0.0028	600	0.0028
15	M. Selvaraj	600	0.0028	600	0.0028
16	Rajesh L. Doshi	600	0.0028	600	0.0028

# there are 12 shareholders holding an equal shareholding of 600 equity shares.

**v. Shareholding of Directors and Key Managerial Personnel**

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	None of the Directors hold shares in the Company			
Datewise increase / decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
At the end of the year				
Key Management Personnel				
Mr. L. Viswanathan, Chief Financial Officer				
At the beginning of the year	400	0.0019	400	0.0019
Datewise increase / decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
At the end of the year	400	0.0019	400	0.0019
Mr. Shashikant L. Nayak, Company Secretary				
At the beginning of the year	200	0.00095	200	0.00095
Datewise increase / decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
At the end of the year	200	0.00095	200	0.00095

**V. INDEBTEDNESS**

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

				₹ in lakh
	Secured loans excluding deposits*	Unsecured loans**	Deposits	Total indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	0	0	0	0
ii. Interest due but not paid	0	0	0	0
iii. Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	0	0	0
Change in indebtedness during the financial year				
Addition	0	0	0	0
Reduction	0	0	0	0
Net Change	0	0	0	0
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	0	0	0	0
ii. Interest due but not paid	0	0	0	0
iii. Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	0	0	0

\* CBLO &amp; Overdraft against fixed deposit; \*\* General Overdraft.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Director and / or Manager :**

		Amount in ₹
Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager
		Mr. Ramesh N.G.S. MD & CEO
1	Gross salary	29,22,586
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	5,67,046
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission – As % of profit – Others, specify	-
5	Others, Contribution to PF & other funds	1,09,440
	Total (A)	35,99,072
	Ceiling as per the Act i.e. 5% of the profits calculated under Section 198 of the Companies Act, 2013	2,85,35,000

## B. REMUNERATION TO OTHER DIRECTORS :

Particulars of Remuneration	Fee for attending board / committee meetings In ₹	Commission	Others, please specify	Total amount (in ₹)
<b>Independent Directors</b>				
C.M. Dixit	3,70,000	-	-	3,70,000
Gautam Sen	3,30,000	-	-	3,30,000
M.S. Sundara Rajan	2,50,000	-	-	2,50,000
M.V. Nair	2,10,000	-	-	2,10,000
Prakash P. Malloya	2,00,000	-	-	2,00,000
Jaya Balachandran	1,40,000			1,40,000
<b>Total</b>	<b>15,00,000</b>			<b>15,00,000</b>

\* The non-Executive Directors are representing various public financial institutions and the sitting fees are paid to the institutions.

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD & CEO

Total Amount in ₹

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. R.H. Mewawala EVP & COO	Mr. L. Viswanathan EVP & CFO	Mr. Shashikant L. Nayak, AVP & Company Secretary
1.	Gross Salary	38,95,185	27,86,717	24,46,692
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	1,13,935	5,43,568	54,867
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	– As % of profit			
	– Others, specify			
5.	Others, contribution to PF and other funds	1,48,105	1,48,105	1,06,609
	<b>Total</b>	<b>41,57,225</b>	<b>34,78,390</b>	<b>26,08,168</b>

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

There are no penalties, punishments or compounding of offences during the year ended March 31, 2017.



## Annexure '5'

**REPORT ON CORPORATE GOVERNANCE**

(forming part of Directors' Report for the year ended March 31, 2017)

**Your Corporation's philosophy on Code of Governance**

Your Corporation is not a listed entity, nevertheless, it endeavours to comply with Corporate Governance norms. The Code of Governance protects the interests of all the stakeholders thereby enhancing shareholders' value. Your Corporation's philosophy on corporate governance recognizes the accountability of the Board, Management and employees of the Corporation 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 twelve members including six independent directors of which one is a Woman Director. The day-to-day management is being looked after by the Managing Director and CEO.

**Other relevant details of Directors**

The details of Directorships held by the Directors as on July 28, 2017 in other companies are given below.

Name of the Director	Name of institution represented as equity investor	Date of appointment	Category	Directorships
Sanjeev Kaushik	IFCI Limited (Dy. Managing Director)	January 4, 2017	Chairman-Non Executive	a. India Infrastructure Finance Company Limited – Wholetime Director b. IIFCL Projects Limited – Director c. IFCI Limited – Dy. Managing Director d. Tourism Finance Corporation of India Ltd., Director e. IFCI Venture Capital Funds Ltd., Nominee Director f. IFCI Factors Ltd., Nominee Director
B. N. Nayak	IFCI Limited (Executive Director)	December 15, 2016	Non Executive	a. Gujarat State Energy Generation Limited – Director b. Rashtriya Gramin Vikas Nidhi, Guwahati – Governing Body Chairperson c. Centre for Entrepreneurship Development, Madhya Pradesh, Governing Body Member d. Tourism Finance Corporation of India Ltd., Director e. IFCI Venture Capital Funds Ltd., Director
C.M. Dixit	-	May 17, 2014	Non Executive / Independent	a. G. D. Apte & Co., Partner b. Clearcorp Dealing Systems (India) Ltd., Independent Director c. Bandhan Bank, Independent Director d. SBI DFHI Ltd., Independent Director
Prakash P. Mallya	-	September 22, 2008	Non Executive / Independent	Canara Bank Relief & Welfare Society (A Charitable Organisation) – President (Honorary)
P. H. Kutumbe	LIC of India (Executive Director)	September 28, 2013	Non Executive	SHCIL Services Limited, Independent Director State Bank of India, Director

Name of the Director	Name of institution represented as equity investor	Date of appointment	Category	Directorships
M.S.Sundara Rajan	-	May 17, 2014	Non Executive / Independent	a. Capital First Limited, Independent Director b. Sharda Cropchem Limited, Independent Director c. Sundaram Trustee Company, Independent Director d. The Clearing Corporation of India Limited, Independent Director e. Royal Sundaram Alliance Insurance Company Limited, Independent Director f. Capital First Home Finance Limited, Director g. Continental Warehousing Corporation (Nhava Seva) Limited, Director h. NSEIT Limited, Independent Director i. Unifi Alternative Investment Fund Limited, Trustee j. Hand-in-Hand (India), Trustee k. Institute of Directors, Tamilnadu – Honorary Chairman
M.V.Nair	-	May 17, 2014	Non Executive / Independent	a. TransUnion CIBIL Limited, Non Executive Chairman b. SWIFT India Domestic Services Private Limited, Non Executive Chairman c. L & T Investment Management Limited, Director d. Gujarat International Finance Tec-City Company Limited, Director e. BQ Padmavathy Finance Academy Private Limited, Non Executive Chairman f. Encore Asset Reconstruction Company Private Limited, Director g. BQ Digital Learning Pvt. Limited, Director & Non Executive Chairman
Gautam Sen	-	May 17, 2014	Non Executive / Independent	Nil
B. Baburao	Administrator of the Specified Undertaking of Unit Trust of India (SU-UTI)- President & CEO	June 21, 2014	Non Executive	a. UTI Infrastructure Technology & Services Limited (UTITSL), Director b. Axis Bank Limited, Director c. Axis Securities Limited, Director
Segar Sampathkumar	General Insurers' Public Sector Association (GIPSA)	November 14, 2014	Non Executive	General Insurance Corporation of India – Director
Jaya Balachandran	-	July 28, 2015	Non Executive / Independent	a. Pioneer Power Infrastructure Limited, Independent Director b. Atlanta Limited – Independent Director c. Pioneer Gas Power Limited, Hyderabad – Independent Director
Ramesh N.G.S.	MD & CEO - StockHolding	July 28, 2014	MD & CEO	a. SHCIL Services Ltd., Non Executive Chairman b. StockHolding Document Management Services Limited, Non Executive Chairman c. Indian Clearing Corporation Limited, Member Advisory Committee

\* None of the Director is related to any of the other Directors.

Shri Sudhir Garg demitted office on December 01, 2016; Shri Malay Mukherjee demitted office on December 15, 2016.

### Details of the Board Meeting and Attendance

The Board of Directors meet atleast once a quarter. Seven meetings were held during the financial year 2016-17. Details of Board Meetings held are as follows:

Sr. No.	Date of the Board Meeting	Total number of Directors on the date of the meeting	No. of Directors attended	% of Attendance
1	May 4, 2016	12	11	91.66
2	July 28, 2016	12	12	100
3	September 23, 2016	12	9	75
4	October 24, 2016	12	11	91.66
5	December 23, 2016	11	6	54.54
6	January 31, 2017	12	12	100
7	March 24, 2017	12	11	91.66

Attendance of Directors at Board Meetings and Annual General Meeting during the financial year 2016-17:

Sr. no.	Name of the Director	Attendance at the Board Meetings held on							Attendance at the AGM held on September 23, 2016
		04-May-2016	28-Jul-2016	23-Sep-2016	24-Oct-2016	23-Dec-2016	31-Jan-2017	24-Mar-2017	
1	Malay Mukherjee	√	√	√	√	NA	NA	NA	√
2	Sudhir Garg	√	√	√	√	NA	NA	NA	√
3	Prakash P. Mallya	LoA	√	√	√	√	√	√	√
4	P. H. Kutumbe	√	√	LoA	√	LoA	√	√	-
5	C. M. Dixit	√	√	√	√	√	√	√	√
6	M. V. Nair	√	√	√	√	LoA	√	LoA	√
7	M. S. Sundara Rajan	√	√	LoA	√	√	√	√	-
8	Gautam Sen	√	√	√	√	√	√	√	√
9	B. Baburao	√	√	LoA	LoA	LoA	√	√	-
10	Segar Sampathkumar	√	√	√	√	√	√	√	-
11	Jaya Balachandran	√	√	√	√	LoA	√	√	√
12	Ramesh N.G.S.	√	√	√	√	√	√	√	√
13	Sanjeev Kaushik	NA	NA	NA	NA	NA	√	√	NA
14	B. N. Nayak	NA	NA	NA	NA	LoA	√	√	NA

LoA = Leave of absence; NA = Not Applicable since they were not directors as on the date of the meeting, √ = attended.

### COMMITTEE MEETINGS

#### Audit Committee

The limited review of the accounts of your Corporations are done on a quarterly basis. The quarterly limited reviews and the auditors annual financial statements are placed before the Audit Committee for their recommendations before submission to the Board for approval.

The terms of reference of the Audit Committee of the Board inter alia includes the terms referred to under Section 177 (4) of the Companies Act, 2013. The scope of internal audit covers audit of various functions and activities of the Corporation viz., Custodial Operations, Depository Participant Operations, Derivatives, SGL, GOI bonds, Sub-broking activities, e-Stamping activities, Administration, Human Wealth Development, Information Technology, etc.

As mandated, your Corporation also 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 under SEBI (Depository Participant) Regulation 1996 and Clause 10.3 of byelaws of NSDL and Clause 16.3 of byelaws of CDSL.

As on March 31, 2017, the Audit Committee comprised of five members viz., Shri C. M. Dixit (Chairman), Shri M. S. Sundara Rajan, Shri Sudhir Garg, Shri Gautam Sen and Shri B. Baburao, Directors. The details of attendance of the Directors at the Audit Committee meetings during the FY 2016-17 are as follows:

Sr. No.	Name of the Director	Category	Attendance at the Audit Committee Meeting							
			25-Apr-2016	3-May-2016	27-Jul-2016	22-Sep-2016	22-Oct-2016	24-Oct-2016	31-Jan-2017	23-Mar-2017
1	C.M.Dixit	Non Executive/ Independent	√	√	√	√	√	√	√	√
2	B.Baburao	Non Executive	LoA	√	√	LoA	√	LoA	√	√
3	Gautam Sen	Non Executive/ Independent	√	√	√	√	√	√	√	√
4	Sudhir Garg	Non Executive	√	√	√	√	LoA	√	NA	NA
5	M.S.Sundara Rajan	Non Executive/ Independent	√	√	√	LoA	√	√	√	LoA
6	B. N. Nayak	Non Executive	NA	NA	NA	NA	NA	NA	√	√

LoA = Leave of absence; √ = attended, NA = Not Applicable since they were not directors as on the date of the meeting.

The Committee was reconstituted on May 26, 2017 and currently comprises of five members viz., Shri Prakash P. Mallya (Chairman), Shri B. N. Nayak, Shri P. H. Kutumbe, Shri Gautam Sen and Shri C.M. Dixit, Directors.

#### Nomination and Remuneration Committee

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

As on March 31, 2017, the Committee comprised of three directors viz., Shri Prakash P. Mallya (Chairman), Shri P. H. Kutumbe and Shri Gautam Sen as members. The details of attendance of the Directors at the Nomination and Remuneration Committee meetings during the FY 2016-17 are as follows:

Sr. No.	Name of the Director	Category	Attendance at the Nomination & Remuneration Committee Meeting					
			03-May-2016	28-Jul-2016	23-Sep-2016	24-Oct-2016	27-Feb-2017	23-Mar-2017
1	Prakash P. Mallya	Non Executive / Independent	LoA	√	√	√	√	√
2	P. H.Kutumbe	Non Executive	√	√	√	√	√	√
3	Gautam Sen	Non Executive / Independent	√	√	√	√	√	√

LoA = Leave of absence; √ = attended.

The Committee was reconstituted on May 26, 2017 and currently comprises of five members viz., Shri M.S. Sundara Rajan - Chairman, Shri B. N. Nayak, Shri B. Baburao, Smt. Jaya Balachandran and Shri Gautam Sen, Directors.

#### Risk Management Committee

Risk Management Committee inter alia reviews various risks your Corporation is exposed to / risks associated with any new initiatives and considers the mitigants suggested by the business heads / departmental heads / Chief Risk Officer. Thereafter, the Risk Management Committee gives its recommendations on the risks and the mitigants thereof to the Board.

As on March 31, 2017, the Committee comprised of four directors viz., Shri M.V. Nair (Chairman), Shri B. N. Nayak, Shri B. Baburao and Shri C.M. Dixit as members. The details of attendance of the Directors at the Risk Management Committee meetings during the FY 2016-17 are as follows:

Sr. No.	Name of the Director	Category	Attendance at the Risk Management Committee Meeting					
			03-May-2016	27-Jul-2016	22-Sep-2016	24-Oct-2016	23-Dec-2016	23-Mar-17
1	M.V.Nair	Non Executive/Independent	√	√	√	√	LoA	√
2	Sudhir Garg	Non Executive	√	√	√	√	NA	NA
3	B. Baburao	Non Executive	√	√	LoA	LoA	√	√
4	C.M. Dixit	Non Executive/Independent	√	√	√	√	√	√
5	B. N.Nayak	Non Executive	NA	NA	NA	NA	LoA	√

NA = Not applicable, LoA = Leave of absence; √ = attended.

The Committee was reconstituted on May 26, 2017 and currently comprises of five members viz., Shri Segar Sampathkumar – Chairman, Shri Prakash P. Mallya, Shri Gautam Sen, Shri P. H. Kutumbe and Shri M.S. Sundara Rajan.

#### Corporate Social Responsibility Committee

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

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

As on March 31, 2017, the Committee comprised of Directors viz., Shri M.S. Sundara Rajan (Chairman), Shri B. N. Nayak, Shri B. Baburao and Shri M.V. Nair as members. The details of attendance of the Directors at the CSR Committee meetings during the FY 2016-17 are as follows:

Sr. No.	Name of the Director	Category	Attendance at the CSR Committee Meeting	
			28-Jul-2016	31-Jan-2017
1	M.S.Sundara Rajan	Non Executive/ Independent	✓	✓
2	B.Baburao	Non Executive	✓	✓
3	M. V. Nair	Non Executive/ Independent	✓	✓
4	Sudhir Garg	Non Executive	✓	NA
5	B N Nayak	Non Executive	NA	✓

NA = Not applicable, ✓ = attended, NA = Not Applicable since they were not directors as on the date of the meeting.

The Committee was reconstituted on May 26, 2017 and currently comprises of four members viz., Shri M. V. Nair – Chairman, Shri Segar Sampathkumar, Shri C.M. Dixit and Smt. Jaya Balachandran, Directors.

#### Committee for new initiatives

Any new business proposal is initially placed to the Committee for New Initiatives and thereafter to the Risk Management Committee. The New Initiatives Committee inter alia considers factors like cost benefit analysis, viability, synergy with existing businessline, etc. The recommendations of the Committee are placed before the Board.

As on March 31, 2017, the Committee comprised of Directors viz., Shri Gautam Sen (Chairman), Shri C. M. Dixit, Shri Prakash P. Mallya and Shri P. H. Kutumbe as members. The details of attendance of the Directors at the Committee meetings for new initiatives during the FY 2015-16 are as follows:

Sr. No.	Name of the Director	Category	Attendance at the Committee for new initiatives	
			03-May-2016	23-Dec-2016
1	Gautam Sen	Non Executive/ Independent	✓	✓
2	P.H.Kutumbe	Non Executive	✓	LoA
3	Prakash P.Mallya	Non Executive/ Independent	LoA	✓
4	C.M. Dixit	Non Executive/ Independent	✓	✓

LoA = Leave of absence; ✓ = attended.

The Committee was reconstituted on May 26, 2017 and currently comprises of six members viz., Shri B. Baburao – Chairman, Shri Gautam Sen, Shri Prakash P. Mallya, Shri B. N. Nayak, Shri C. M. Dixit and Shri M.V. Nair, Directors.

#### Committee for Listing of equity shares of your Corporation

As on March 31, 2017, the Committee comprised of Directors viz., Shri M. V. Nair (Chairman), Shri B. N. Nayak, Shri B. Baburao, Shri C. M. Dixit and Shri Ramesh N.G.S. as members. The details of attendance of the Directors during the FY 2016-17 are as follows:

Sr. No.	Name of the Director	Category	Attendance at the Committee Meeting for listing	
			27-Jul-2016	22-Sep-2016
1	M. V. Nair	Non Executive/ Independent	✓	✓
2	Sudhir Garg	Non Executive	✓	✓
3	B. Baburao	Non Executive	✓	LoA
4	C.M. Dixit	Non Executive/ Independent	✓	✓
5	Ramesh N.G.S.	MD & CEO	✓	✓

LoA = Leave of absence; ✓ = attended.

The Committee was reconstituted on May 26, 2017 and currently comprises of four members viz., Shri M.V. Nair – Chairman, Shri B. N. Nayak, Shri B. Baburao and Shri Ramesh N.G.S., Directors.

#### Committee of Independent Directors

In compliance of Schedule IV (Code for Independent Directors), the Independent Directors had met on December 23, 2016 and March 23, 2017.

The Committee comprises of Independent Directors viz., Shri Gautam Sen, Shri C. M. Dixit, Shri Prakash P. Mallya, Shri M. S. Sundara Rajan, Shri M.V. Nair and Dr. (Mrs.) Jaya Balachandran. The details of attendance during the FY 2016-17 are as follows:

Sr. No.	Name of the Director	Attendance at the Committee Meeting held	
		December 23, 2016	March 23, 2017
1	C.M. Dixit	√	√
2	Gautam Sen	√	√
3	M.S.Sundara Rajan	√	√
4	Prakash P.Mallya	√	√
5	M.V. Nair	LoA	√
6	Jaya Balachandran	LoA	√

LoA = Leave of absence; √ = attended.

#### Committee for Transfer of Shares

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.

As on March 31, 2017, the Committee for Transfer of Shares comprised of Directors viz., Shri B. Baburao (Chairman), Shri P. H. Kutumbe and Shri M.S. Sundara Rajan. The Committee did not meet during the year since there were no transfer of shares by the institutional shareholders.

The Committee was reconstituted on May 26, 2017 and currently comprises of three members viz., Shri Segar Sampathkumar – Chairman, Shri C.M. Dixit and Shri M.S. Sundara Rajan, Directors.

#### Dematerialisation of equity shares of your Corporation

The equity shares of your Corporation have been admitted with National Securities Depository Limited (NSDL). Link Intime India Pvt Limited has been appointed as Registrar and Transfer Agent. The ISIN allocated by NSDL to your Corporation is "INE626X01016". As on date more than 99.74% of your Corporation's equity shares are in dematerialised form.

#### Familiarisation program

The Corporation had conducted a familiarisation program for the Directors on March 22, 2017 at its Mahape office. The said meeting was attended by Shri P. H. Kutumbe, Shri M.S. Sundara Rajan, Shri Gautam Sen, Shri C.M. Dixit and Smt. Jaya Balachandran.

#### Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, Risk Management, New Initiatives and CSR Committees. Besides, in compliance of Schedule IV (Code for Independent Directors), the Independent Directors had met twice during FY 2016-17 on December 23, 2016 and March 23, 2017 respectively.

#### Shareholding Pattern

The share holding pattern of your Corporation is as under :

Equity Shareholders	Number of equity shares of face value Rs 10/-	% of total equity shares
IFCI Ltd	1,11,30,000	52.86
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
The 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
None of the Directors hold any equity share in your Corporation.		



### General Body Meetings

Annual General Meetings (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	27 <sup>th</sup> AGM	28 <sup>th</sup> AGM	29 <sup>th</sup> AGM
Year	2013-14	2014-15	2015-16
Venue	301, Centre Point, Dr. B. Ambedkar Road, 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 19, 2014 Friday	September 10, 2015 Thursday	September 23, 2016 Thursday

The above mentioned AGM did not pass any special resolutions.

### Disclosures

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

### Dividend history

Dividend History of last five years			
Sr. no.	Financial year	Rate of dividend	Date of declaration (AGM)
1	2011-12	50%	September 27, 2012
2	2012-13	50%	September 27, 2013
3	2013-14	50%	September 19, 2014
4	2014-15	65%	September 10, 2015
5	2015-16	75%	September 23, 2016

Pursuant to Section 123 of the Companies Act, 2013, 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

Friday, September 15, 2017 at the registered office at 301, Centre Point, Dr. B. Ambedkar Road, Parel, Mumbai 400 012, Maharashtra at 4.00 p.m.

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

Friday, September 15, 2017

#### c. Dividend payment date

Dividend after Friday, September 15, 2017 but within the statutory time limit

#### d. Listing on Stock Exchange

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

#### e. Annual Report

The Annual Report containing inter alia Audited Annual Accounts, Consolidated Financial Statement, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Annual Report of the Corporation is also available on the website of the Corporation in a downloadable form.

#### f. Share Transfer System

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

#### g. Distribution of shareholding as on March 31, 2017

The promoter institutions viz., IFCI Ltd., Administrator of the Specified Undertaking of Unit Trust of India, LIC of India, General Insurance Company of India, The Oriental Insurance Company Limited, The New India Assurance Company Limited, United India Insurance Company Limited and National Insurance Company Limited together hold 99.74% out of 21,054,400 equity shares of Rs.10 each issued and subscribed, the balance 0.26% of the shares are held by individuals (0.257%) and a body corporate (0.003%).

#### h. Address for correspondence

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

Dated: July 28, 2017

## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying standalone Ind AS financial statements of Stock Holding Corporation of India Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

#### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

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

#### Auditor's Responsibility

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

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

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Emphasis of Matter

We draw attention to note 36 (A) (ii) & 38 of the standalone Ind AS financial statements related to outcome of continuing litigation with a Bank, pending adjudication of the matter by the Honourable Supreme Court and also in view of the legal opinion obtained by the Company, in the opinion of the management, no provision has been recognised in the Statement of Profit and Loss.

Our opinion is not modified in respect of this matter.

#### Other Matters

This audit report is based on our audit of the Standalone Ind AS financial statements for the year ended 31st March, 2017 prepared by the Company as per Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended. The Company has prepared the aforesaid financial statements under another financial reporting framework; based on the Accounting Standards, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. We have issued a separate audit report dated 5th May, 2017 based on the audit of the financial statements prepared as per the Accounting Standards.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.
- e) On the basis of the written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 36 and 38 to the standalone Ind AS financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The company had provided requisite disclosures in its standalone Ind AS financial statements as regards its holding and dealings

in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. Refer Note 54 to the standalone Ind AS financial statements.

3. As required under Section 143(5), we report on the following directions issued under the section as under:

Sr. No.	Directions	Replies
1	Whether the Company has clear title / lease deeds for freehold and leasehold respectively? If not, please state the area of freehold and leasehold land for which title / lease deeds are not available?	Yes according to information and explanations and documentation given to us the Company has Clear title / lease deeds for leasehold land. As informed to us the Company has no freehold land.
2	Whether there are any cases of waiver / write off of debts / loans / interest etc. If yes, the reason there for and amount involved.	In respect of various trade receivables, the Company has waived off / written off amount of Rs.1469 lakhs, as Management of the Company is of the opinion that the same are non recoverable. The above has been done in line with policy as approved by the Board of Directors.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from the government or other authorities?	There are no inventories lying with any third party and as per the information furnished to us, there are no assets received as gifts from Government or other Authorities.

**For Chaturvedi & Shah**  
**Chartered Accountants**  
 Firm Registration no. 101720W

**Vitesh D. Gandhi**  
 Partner  
 Place : Mumbai  
 Date : 05th May, 2017

**Vitesh D. Gandhi**  
 Partner  
 Membership No.: 110248

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDLONE IND AS FINANCIAL STATEMENTS OF STOCK HOLDING CORPORATION OF INDIA LIMITED

(Referred to in paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date)

i) In respect of its fixed assets :

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information except in some branches where company is in the process of obtaining necessary information and updating the fixed asset register.
- As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- As per the information and explanations provided to us, title deeds of immovable properties are held in the name of the Company.

ii) In our opinion the inventories have been physically verified during the year by the Management at reasonable intervals and as explained to us no material discrepancies were noticed on physical verification of inventories as compared to book records.

iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of reporting under clause (iii) (a) to clause (iii) (c) of Paragraph 3 of the Order is not applicable to the Company.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities. The Company has not granted any loans to any director or any person in whom director is interested as specified under Section 185 of the Companies Act, 2013 and hence reporting under clause (iv) of Paragraph 3 of the Order is not applicable to the Company to that extent.

v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the reporting under clause (v) of Paragraph 3 of the Order is not applicable to the Company.

vi) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act. Therefore, the reporting under clause (vi) of Paragraph 3 of the Order is not applicable to the Company.

vii) In respect of Statutory dues :

- According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with 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 31st March, 2017 for a period of more than six months from the date they became payable.
- According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax, on account of any dispute, which have not been deposited except other than disclosed hereunder:

Name of Statute	Nature of Dues	Amount (in Lakhs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax (TDS)	326.44	FY 2007-08 & FY 2016-17	TDS Demand as per TRACES

viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company has no dues payable to a financial institution, government and the Company did not have any outstanding debentures during the year.

ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term Loan and hence reporting under clause (ix) of Paragraph 3 of the Order is not applicable to the Company.

x) In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the Order is not applicable.

xiii) In our opinion and according to the information and explanations given to us the Company's transactions

with its related party are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

- xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transaction with its directors or persons connected with him and hence,

reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.

- xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Chaturvedi & Shah**  
**Chartered Accountants**  
Firm Registration no. 101720W

Place : Mumbai  
Date : 05th May, 2017

**Vitesh D. Gandhi**  
Partner  
Membership No.: 110248



## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF STOCK HOLDING CORPORATION OF INDIA LIMITED

(Referred to in paragraph 2 (f) under 'Report on other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of Stock Holding Corporation of India Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Chaturvedi & Shah**  
**Chartered Accountants**  
Firm Registration no. 101720W

**Vitesh D. Gandhi**  
Partner  
Membership No.: 110248

Place : Mumbai  
Date : 05th May, 2017



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF STOCK HOLDING CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED MARCH 31, 2017**

The preparation of Financial Statements of Stock Holding Corporation of India Limited for the year ended March 31, 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the Financial Statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated May 5, 2017.

I, on behalf of the Comptroller and Auditor General of India have conducted a Supplementary Audit under section 143(6) (a) of the Act of the Financial Statements of Stock Holding Corporation of India Limited for the year ended March 31, 2017. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report.

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

Place : Mumbai  
Date : August 4, 2017

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

## BALANCE SHEET AS AT MARCH 31, 2017

		(₹ in lakhs)		
	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
<b>I. Non Current Assets</b>				
a) Property Plant and Equipment	5	10,522	10,368	11,496
b) Capital work-in-progress (net of provision for impairment - ₹ 108 lakhs; March 31, 2016 ₹ 108 lakhs)		201	385	209
c) Other Intangible Assets	6	412	377	54
<b>d) Financial Assets</b>				
(i) Investments	7	116,117	109,191	109,420
(ii) Loans	8	8,653	8,627	5,567
(iii) Other financial assets	9	24,692	22,900	18,207
e) Non Current Tax assets	10	2,380	1,801	881
f) Other non-current assets	11	216	200	333
		163,193	153,849	146,167
<b>II. Current Assets</b>				
a) Inventories	12	117	-	-
<b>b) Financial Assets</b>				
(i) Investments	13	12,042	1,652	3,618
(ii) Trade receivables	14	6,646	3,903	3,967
(iii) Cash and cash equivalent	15	60,064	26,546	27,069
(iv) Bank balances other than cash and cash equivalents	16	3	234	2,198
(v) Loans	17	3,375	5,119	4,766
(vi) Others	18	53,297	45,423	20,540
c) Other Current Assets	19	592	606	174
		136,136	83,483	62,332
<b>TOTAL</b>		<b>299,329</b>	<b>237,332</b>	<b>208,499</b>
<b>EQUITY AND LIABILITIES</b>				
<b>I. Equity</b>				
a) Share Capital	20	2,105	2,105	2,105
b) Other Equity		141,022	127,540	125,310
		143,127	129,645	127,415
<b>Liabilities</b>				
<b>II. Non Current Liabilities</b>				
a) Provisions	21	3,819	3,541	3,508
b) Deferred tax liabilities	22	20,719	18,814	19,019
c) Other non current liabilities	23	1,900	1,841	1,790
		26,438	24,196	24,317
<b>III. Current Liabilities</b>				
<b>a) Financial Liabilities</b>				
(i) Trade payables	24	8,654	5,887	7,072
(ii) Other liabilities	25	108,831	69,888	42,239
b) Other current liabilities	26	11,834	7,354	7,283
c) Provisions	27	445	362	173
		129,764	83,491	56,767
<b>TOTAL</b>		<b>299,329</b>	<b>237,332</b>	<b>208,499</b>
Significant accounting policies and see accompanying notes to financial statement	1 to 56			

As per our report of even date

For and on behalf of

**Chaturvedi & Shah**

Chartered Accountants

Firm registration no : 101720W

For and on behalf of the Board

**Vitesh D. Gandhi**  
Partner  
Membership no : 110248

**Shashikant Nayak**  
Company Secretary  
FCS 7061

**L. Viswanathan**  
Chief Financial Officer  
EVP

**Ramesh N.G.S.**  
Managing Director & CEO  
DIN 06932731

Place : Mumbai  
Date : May 05, 2017

**Chintaman Mahadeo Dixit**  
Independent Director  
DIN 00524318

**Gautam Sen**  
Independent Director  
DIN 01403762

**Baburao**  
Director  
DIN 00425793

**B. N. Nayak**  
Director  
DIN 00144147

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lakhs)

	Note	Year ended March 31,2017	Year ended March 31,2016
<b>I. INCOME :</b>			
Revenue from Operations	28	27,530	23,174
Other Income	29	7,962	6,336
Total Revenue		35,492	29,510
<b>II. EXPENDITURE:</b>			
Purchase of Stock in Trade		1,576	160
Change in Stock in Trade		(117)	-
Employee benefits expense	30	11,177	9,254
Finance costs	31	1	21
Depreciation and amortisation expenses	5 & 6	1,389	1,592
Other expenses	32	15,446	13,491
Total expenses		29,472	24,518
<b>III. PROFIT BEFORE TAX</b>		6,020	4,992
Tax Expense			
- Current Tax		557	1,047
- Deferred Tax		(104)	(121)
		453	926
<b>IV. PROFIT FOR THE YEAR</b>		5,567	4,066
<b>V. OTHER COMPREHENSIVE INCOME</b>			
OCI items not reclassified to profit and loss in subsequent periods:			
Remeasurement of net defined benefit liability		(123)	(28)
Fair value movement equity instruments designated at FVOCI		17,232	(251)
Income tax relating to items not reclassified to profit and loss in subsequent periods		(2,009)	84
Net OCI items not reclassified to profit and loss in subsequent periods		15,100	(195)
OCI items to be reclassified to profit and loss in subsequent periods:			
Fair value movement on debt instruments designated at FVOCI		-	-
Fair value movement reclassified to profit and loss		-	-
Income tax relating to items reclassified to profit and loss in subsequent periods		-	-
Net OCI items reclassified to profit and loss in subsequent periods		-	-
Other comprehensive income for the year, net of tax		15,100	(195)
<b>VI. TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		20,667	3,871
Total comprehensive income for the year attributable to:			
Non-controlling interest		9,742	1,825
Controlling interest		10,925	2,046
Earnings per equity share (For continuing operation) refer note 47			
Nominal value per share : Rs 10			
(1) Basic		26.44	19.31
(2) Diluted		26.44	19.31
<b>Significant accounting policies and see accompanying notes to financial statement</b>	1 to 56		

As per our report of even date

For and on behalf of

**Chaturvedi & Shah**

Chartered Accountants

Firm registration no : 101720W

For and on behalf of the Board

**Vitesh D. Gandhi**  
Partner  
Membership no : 110248

**Shashikant Nayak**  
Company Secretary  
FCS 7061

**L. Viswanathan**  
Chief Financial Officer  
EVP

**Ramesh N.G.S.**  
Managing Director & CEO  
DIN 06932731

Place : Mumbai  
Date : May 05, 2017

**Chintaman Mahadeo Dixit**  
Independent Director  
DIN 00524318

**Gautam Sen**  
Independent Director  
DIN 01403762

**Baburao**  
Director  
DIN 00425793

**B. N. Nayak**  
Director  
DIN 00144147

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

### A Equity Share Capital

(₹ In lakhs)			
Year ended	Balance at the beginning of the reporting date	Changes in equity share capital during the year	Balance at the end of the reporting date
April 1, 2015	2,105	-	2,105
March 31, 2016	2,105	-	2,105
<b>March 31, 2017</b>	<b>2,105</b>	<b>-</b>	<b>2,105</b>

### B Other Equity

(₹ In lakhs)					
Particulars	Retained Earnings	Securities Premium account	Fair value movement equity instruments designated at FVOCI	General Reserve	Total
<b>Restated Balance at the beginning as on 1st April, 2015</b>	<b>110,420</b>	<b>527</b>	<b>-</b>	<b>14,363</b>	<b>125,310</b>
Retained Earnings - Transferred from current year P&L	4072	-	-	-	4,072
Interim dividend (Dividend per share ₹ 3)	(631)	-	-	-	(631)
Final Dividend (Dividend per share ₹ 3.50)	(737)	-	-	-	(737)
Dividend distribution tax	(279)	-	-	-	(279)
Transfer to General Reserves	(523)	-	-	-	(523)
Defined Benefit Employee Cost	(18)	-	-	-	(18)
Tax impact	-	-	74	-	74
Fair value movement equity instruments designated at FVOCI	-	-	(251)	523	272
<b>Closing balance as on 31st March, 2016</b>	<b>112,304</b>	<b>527</b>	<b>(177)</b>	<b>14,886</b>	<b>127,540</b>
Particulars	Retained Earnings	Securities Premium account	Fair value movement equity instruments designated at FVOCI	General Reserve	Total
<b>Restated Balance at the beginning as on 1st April, 2016</b>	<b>112,304</b>	<b>527</b>	<b>(177)</b>	<b>14,886</b>	<b>127,540</b>
Retained Earnings - Transferred from current year P&L	5,567	-	-	-	5,567
Interim dividend (Dividend per share ₹ 14.5 )	(3,053)	-	-	-	(3,053)
Final Dividend (Dividend per share ₹ 4.5)	(947)	-	-	-	(947)
Dividend Distribution Tax	(815)	-	-	-	(815)
Defined Benefit Employee Cost	(80)	-	-	-	(80)
Tax Impact	(2,370)	-	(2,052)	-	(4,422)
Fair value movement equity instruments designated at FVOCI	-	-	17,232	-	17,232
Transfer from/(to) OCI	2,199	-	(2,199)	-	-
<b>Closing balance as on 31st March, 2017</b>	<b>112,805</b>	<b>527</b>	<b>12,804</b>	<b>14,886</b>	<b>141,022</b>

As per our report of even date  
For and on behalf of  
**Chaturvedi & Shah**  
Chartered Accountants  
Firm registration no : 101720W

**Vitesh D. Gandhi**  
Partner  
Membership no : 110248

Place : Mumbai  
Date : May 05, 2017

**Shashikant Nayak**  
Company Secretary  
FCS 7061

**Chintaman Mahadeo Dixit**  
Independent Director  
DIN 00524318

For and on behalf of the Board

**L. Viswanathan**  
Chief Financial Officer  
EVP

**Gautam Sen**  
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**Ramesh N.G.S.**  
Managing Director & CEO  
DIN 06932731

**Baburao**  
Director  
DIN 00425793

**B. N. Nayak**  
Director  
DIN 00144147

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lakhs)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	6,020	4,992
<b>Adjusted for :</b>		
Depreciation	1,389	1,592
(Profit) /Loss on sale of investments	(255)	(40)
(Profit)/Loss on sale of fixed assets	3	2
Dividend Income	(3,476)	(1,899)
Interest Income	(3,539)	(3,625)
Interest paid	1	21
Finance Income	(100)	(172)
Finance Cost	45	45
Others	(123)	(27)
Bad debts written off	206	231
Foreign Exchange loss	-	9
Provision for doubtful debts/(written back)	175	(20)
Sundry balances written back	(40)	-
Operating Profit before working capital changes	306	1,109
<b>Changes in working capital</b>		
<b>Adjustments for (increase) / decrease in operating assets :</b>		
(Increase)/ Decrease in trade receivables	(3,126)	(146)
(Increase)/ Decrease in stock in trade	(79)	3,571
(Increase)/ Decrease in loans and advances	1,139	(4,150)
(Increase)/ Decrease in other current assets	1,325	(1,703)
<b>Adjustments for increase / (decrease) in operating liabilities :</b>		
Increase/ (Decrease) in trade payables	2,768	(1,185)
Increase/ (Decrease) in provisions	402	291
Increase/ (Decrease) in other current liabilities	34,839	4,805
Increase/ (Decrease) in long term liabilities	59	56
Cash generated from operations	37,633	2,648
Direct Taxes (paid)/ refund received (net)	(3,505)	(1,967)
Net Cash from / (used in) operating activities	34,128	681
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets including capital advances	(1,427)	(1,034)
Proceeds from sale of fixed assets	13	7
Purchase of Investments	(2,284,446)	(475,671)
Proceeds from sale of investments	2,284,597	475,988
Investments in subsidiary companies	-	(1,500)
Bank deposits not considered as cash and cash equivalents :		
- matured (net)	(1,410)	(3,057)
Fixed deposit placed with companies	-	500
Inter corporate deposit placed with subsidiary	-	(292)
Decrease/ (Increase) in earmarked bank balances	2	-
Interest received	3,401	3,625
Dividend received	3,476	1,899
Net Cash from / (used in) investing activities	4,206	465

	(₹ in lakhs)	
	Year ended March 31,2017	Year ended March 31,2016
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(1)	(21)
Dividend paid	(4,000)	(1,369)
Tax on Distributed Profit	(815)	(279)
Net cash from/ (used in) financing activities	(4,816)	(1,669)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>33,518</b>	<b>(523)</b>
Cash and cash equivalents (Opening Balance)	26,546	27,069
Cash and cash equivalents (Closing Balance)	60,064	26,546
<b>Notes :</b>		
<b>(1) Cash and Cash equivalents</b>		
Balances with Banks	39,376	24,724
Cash and cheques on hand	693	793
Money lent on CBLO Transactions	19,995	1,029
Cash & Cash Equivalents considered for Cash flow	60,064	26,546
<b>(2) Other Bank Balances</b>	<b>3</b>	<b>234</b>
<b>Cash and Bank Balances as per note 15 &amp; 16</b>	<b>60,067</b>	<b>26,780</b>
<b>Notes</b>		
i) The Company's bankers have sanctioned total fund-based limits of ₹10,000 lakhs (March 31, 2016- Rs 10,495 lakhs) to finance working capital requirements. The limit of ₹ NIL (March 31, 2016- Rs Nil) were utilised as on March 31,2017		
ii) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Ind AS-7 on Cash Flow Statement.		

As per our report of even date

For and on behalf of

**Chaturvedi & Shah**

Chartered Accountants

Firm registration no : 101720W

For and on behalf of the Board

**Vitesh D. Gandhi**

Partner

Membership no : 110248

**Shashikant Nayak**

Company Secretary

FCS 7061

**L. Viswanathan**

Chief Financial Officer

EVP

**Ramesh N.G.S.**

Managing Director & CEO

DIN 06932731

Place : Mumbai

Date : May 05, 2017

**Chintaman Mahadeo Dixit**

Independent Director

DIN 00524318

**Gautam Sen**

Independent Director

DIN 01403762

**Baburao**

Director

DIN 00425793

**B. N. Nayak**

Director

DIN 00144147



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### 1. Corporate information

Stock Holding Corporation of India Ltd. (SHCIL or Company) was promoted by the public financial institutions and incorporated as a limited company on July 28, 1986. Its registered office and principal place of business is 301, Centre Point, Dr. Babasaheb Ambedkar Road, Parel, Mumbai, India.

The financial statements of the Company have been prepared in accordance with Ind-AS as issued by the Ministry of Corporate Affairs (MCA). This is Company's first financial statements prepared in accordance with Ind-AS.

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.

### 2. Summary of significant accounting policies

#### 2.1. Overall consideration

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

#### 2.2. Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements have been prepared using the historical cost basis except for certain assets and liabilities where fair value model has been used, e.g. derivative financial instruments, certain financial assets and liabilities measured at fair value, etc.

These financial statements, for the year ended 31st March, 2017, are the first financial statements the Company has prepared in accordance with Ind-AS. Till the year ended 31st March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind-AS applicable for year ending on March 31, 2017 together with the comparative period data as at and for the year ended March 31, 2016 as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2015, the Company's date of transition to Ind-AS. An explanation of how the transition to Ind-AS has affected the Company's equity and its net profits is provided in note number 52.

The financial statements are presented in Indian National Rupees (INR) and all values are rounded to the nearest lakhs, except when otherwise indicated.

#### 2.3. Current / non-current classification

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 2.4. Foreign currency translation

#### Functional and presentation currency

The financial statements are presented in INR, which is also the functional currency for the Company.

#### Foreign currency transactions and balances

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

### 2.5. Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

### 2.6. Segment reporting

The Chief Operational Decision Maker monitor the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

For management purposes, the Company uses the same measurement policies as those used in its financial statements, except for certain items not included in determining the operating profit of the operating segments, as follows:

- post-employment benefit expenses
- revenue and costs from investment property.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

### 2.7. Revenue

Revenue arises from the sale of goods and the rendering of services. It is measured at the fair value of consideration received or receivable, excluding sales taxes, and reduced by trade discounts allowed.

The Company applies the revenue recognition criteria set out below to each separately identifiable component of the sales transaction. The consideration received from these multiple-component transactions is allocated to each separately identifiable component in proportion to its relative fair value.

#### (a) Sale of Goods

Revenue from sale of goods is recognized on transfer of all significant risks and rewards of ownership to the buyer (net of sales tax, sales return and trade discount).

#### (b) Rendering of services

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 lodgment/ 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.

Commission (including commission on consignment sale) and brokerage income recognised on accrual basis.

Commission income on initial public offer (IPO), follow on public offer (FPO) and interest on delayed payment are being booked on receipt basis.

#### (c) Interest and dividends

Interest income, for all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

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

#### (d) Lease income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature unless another systematic basis is more representative of the time pattern of the user's benefit.

### 2.8 Property, plant and equipment

Items of property, plant and equipment (PP&E) are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation on PP&E is charged under the straight line method over the useful life of the assets as specified in Schedule II to the Companies Act, 2013 except for the below tabulated class of assets wherein a lesser useful life has been estimated due to rapid advancement in technology:

Asset Class	Useful Life adopted	Useful Life as per Companies Act, 2013
Computer servers and networks	4 years	6 years
Office Equipment – Mobiles	2 years	5 years
Vehicles	3 years	8 years
Building	58 years	60 years

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

The Company, based on technical assessment made by technical expert and management estimate, depreciates the assets over estimated useful lives.

The leasehold land will be depreciated over the period of lease.

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

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

Depreciation is charged on a pro-rata basis from/upto the month of acquisition /sale or disposal.

### Capital work in progress

All directly attributable expenditure, including interest cost during the asset construction period, which are necessary to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management as at the balance sheet date are accumulated and presented as Capital Work-In-Progress. Assets under construction are not depreciated.

## 2.9 Intangible assets

### (a) Initial recognition of other intangible assets

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

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

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

### (b) Subsequent measurement

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

Asset	Useful life
Software	3 years

Amortisation has been included within 'depreciation and amortisation expense'.

Subsequent expenditures on the maintenance of intangible assets are expensed as incurred.

When an intangible asset is disposed off, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

## 2.10 Leases

### Company as a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Finance leases

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

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

### Operating leases

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

### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## 2.11 Impairment of assets

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

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Cash-generating units (determined by the company's management as equivalent to its operating segments) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

## 2.12 Financial instruments

### Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, canceled or expires.

### Initial recognition and measurement

All financial assets are recognised initially at fair value. Financial assets not recorded at fair value through profit or loss are recognised at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Equity instruments measured at fair value through other comprehensive income FVOCI
- Derivatives and equity instruments at fair value through profit or loss (FVTPL)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company and is generally applied to trade and other receivables. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

### Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income (recognised using the EIR method), impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L.

### Equity investments at FVOCI

The Company measures all equity investments at fair value subsequently. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### Derivatives and Equity investments at FVTPL

Changes in the fair value of Derivatives and Equity investments at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss.

### De-recognition

A financial asset is derecognised only when

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

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

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

### Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may at initial recognition elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL, if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### Impairment of Financial Assets

The Company assess impairment based on Expected Credit Losses (ECL) model for the following:

- Financial assets measured at amortised cost;



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

- Financial assets that are debt instruments measured at fair value through other comprehensive income (FVTOCI);

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Company does not require to track changes in credit risk. Rather, it recognises impairment loss allowance based on life time ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, life time ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L).

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. The Company has classified derivative financial instruments and guarantees as fair value through profit or loss.

Gains or losses on such liabilities are recognised in the profit or loss. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

#### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to interest-bearing loans and borrowings.

#### Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

### De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### 2.13 Investment in subsidiaries

The Company has accounted for its investment in subsidiaries at cost in its separate financial statements.

### 2.14 Income taxes

Tax on income for the current period is determined on the basis of estimated tax income and tax credit computed in accordance with the provision of relevant tax laws and on the expected outcomes of assessments/appeals.

Current income tax relating to items recognised directly in equity, shall be recognised in equity and not in the statement of profit and loss. Management periodically evaluates position taken in tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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

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

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

Deferred tax liabilities are generally recognised in full, although Ind-AS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Company does not recognise deferred tax on temporary differences relating to its investments in subsidiaries.

### 2.15 Equity, reserves and dividend payments

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

- re-measurement of net defined benefit liability – comprises the actuarial losses from changes in demographic and financial assumptions and the return on plan assets
- reserves for financial instruments measured at FVOCI
- tax impact related to the above

Retained earnings includes all current and prior period retained profits.

Final dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a General meeting prior to reporting date, except interim dividend which is approved in Board meeting.

### 2.16 Inventories

Inventories are carried in financial statements lower, cost or net realisable value.

### 2.17 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 obligation transactions.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 2.18 Post-employment benefits and short-term employee benefits

#### Post-employment benefit plans

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

#### Defined contribution plans

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

#### Defined benefit plans

Retirement Benefit in the form of gratuity is considered as defined benefit obligation (DBO) 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. Actuarial gain or losses if any are immediately recognised in the statement of Profit & Loss.

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

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

#### Short-term employee benefits

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

### 2.19 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and as realisable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

### 2.20 Contingent liabilities and commitments

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events. Contingent liability is not recognised as it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured reliably. Contingent Liabilities are not recognised but are disclosed in the financial statements.

Commitment includes amount of purchase order (net off advances) issued to parties for computation of assets.

### 2.21 Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. A contingent asset is not recognised however disclosed in the financial statements.

### 2.22 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the Year attributable to equity shareholders by the weighted average number of equity shares outstanding during the Year. For the purpose of calculating diluted earnings per share, the net profit or loss for the Year attributable to equity shareholders and the weighted average number of shares outstanding during the Year is adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

## 3. Significant accounting estimates and assumptions

When preparing the financial statements, management makes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Recognition of deferred tax assets

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

### Useful lives of depreciable assets

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

### Impairment of non-financial assets

The company assess at each reporting date whether there is an indication that an asset maybe impaired. If any indication exists, or when annual impairment testing is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's (Cash Generating Unit) fair value less costs of disposal or its value in use. It is determined for an individual asset, unless the assets dose not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable value.

In assessing value in use, the estimated future cash flow is discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

### Defined benefit obligation (DBO)

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

### Fair value measurement

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

## 4. First-time adoption of Ind-AS

### Exemptions applied

This being the first time adoption of Ind-AS financial statements, there may be changes in accounting policies, management estimates, assumptions, judgments and interpretations in the subsequent reporting periods.

Ind-AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind-AS. In the opinion of the management such changes will not materially affect the financial position of the company. The Company has applied the following exemptions:

### Property, plant and equipment

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its PP&E and investment property as recognised in its Indian GAAP financial as deemed cost at the transition date.

All items of PP&E including investment property were carried in the balance sheet prepared in accordance with Indian GAAP at historical cost. The Company has elected to regard those values of PP&E and investment property as deemed cost at the date of transition.

### Investments in subsidiaries, joint ventures and associates

In the separate financial statements of SHCIL, investments in subsidiaries can be measured at transition date:

- (a) at cost(determined in accordance with Ind-AS 27); or
- (b) at deemed cost (fair value or previous GAAP carrying amount).

SHCIL has adopted the deemed cost (previous GAAP carrying amount) exemption for investment in subsidiaries.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 5 Property Plant and Equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2017

(₹ In Lakhs)								
Particulars	Leasehold Land	Buildings*	Plant & Machinery	Computers	Furniture & Fixtures	Office Equipment	Vehicles	Total
Gross carrying value as of April 1, 2016	128	7,037	2,062	971	1,068	451	198	11,915
Additions	-	-	241	881	131	118	11	1,382
Deletions	-	2	142	96	64	67	44	415
<b>Gross carrying value as of March 31, 2017</b>	<b>128</b>	<b>7,035</b>	<b>2,161</b>	<b>1,756</b>	<b>1,135</b>	<b>502</b>	<b>165</b>	<b>12,882</b>
<b>Accumulated depreciation as of April 1, 2016</b>	<b>2</b>	<b>352</b>	<b>333</b>	<b>340</b>	<b>221</b>	<b>229</b>	<b>70</b>	<b>1,547</b>
Depreciation	2	134	339	305	236	135	64	1,215
Accumulated depreciation on deletions	-	-	137	96	61	67	41	402
<b>Accumulated depreciation as of March 31, 2017</b>	<b>4</b>	<b>486</b>	<b>535</b>	<b>549</b>	<b>396</b>	<b>297</b>	<b>93</b>	<b>2,360</b>
<b>Carrying value as of March 31, 2017</b>	<b>124</b>	<b>6,549</b>	<b>1,626</b>	<b>1,207</b>	<b>739</b>	<b>205</b>	<b>72</b>	<b>10,522</b>

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2016:

(₹ In Lakhs)								
Particulars	Leasehold Land	Buildings*	Plant & Machinery	Computers	Furniture & Fixtures	Office Equipment	Vehicles	Total
Gross carrying value as of April 1, 2015	128	7,037	2,016	852	1,035	332	96	11,496
Additions	-	-	54	119	34	119	102	428
Deletions	-	-	8	-	1	-	-	9
<b>Gross carrying value as of March 31, 2016</b>	<b>128</b>	<b>7,037</b>	<b>2,062</b>	<b>971</b>	<b>1,068</b>	<b>451</b>	<b>198</b>	<b>11,915</b>
<b>Accumulated depreciation as of April 1, 2015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	2	352	333	340	221	229	70	1,547
Depreciation on deletions	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as of March 31, 2016</b>	<b>2</b>	<b>352</b>	<b>333</b>	<b>340</b>	<b>221</b>	<b>229</b>	<b>70</b>	<b>1,547</b>
<b>Carrying value as of March 31, 2016</b>	<b>126</b>	<b>6,685</b>	<b>1,729</b>	<b>631</b>	<b>847</b>	<b>222</b>	<b>128</b>	<b>10,368</b>

Note:\* 1. Buildings includes ₹ 408/- being the cost of 8 shares held in a Co-op Housing society.

2. There are no adjustments to Gross block on account of foreign exchange fluctuations or borrowing costs
3. 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, 2017

### 6 Other Intangible Assets

Following are the changes in the carrying value of Other Intangible Assets for the year ended March 31, 2017:

(₹ In Lakhs)		
Particulars	Computer Software	Total
Gross carrying value as of April 1, 2016	422	422
Additions	209	209
Deletions	4	4
<b>Gross carrying value as of March 31, 2017</b>	<b>627</b>	<b>627</b>
Accumulated depreciation as of April 1, 2016	45	45
Depreciation	174	174
Accumulated depreciation on deletions	4	4
<b>Accumulated depreciation as of March 31, 2017</b>	<b>215</b>	<b>215</b>
<b>Carrying value as of March 31, 2017</b>	<b>412</b>	<b>412</b>

Following are the changes in the carrying value of Other Intangible Assets for the year ended March 31, 2016:

(₹ In Lakhs)		
Particulars	Computer Software	Total
Gross carrying value as of April 1, 2015	54	54
Additions	368	368
Deletions	-	-
<b>Gross carrying value as of March 31, 2016</b>	<b>422</b>	<b>422</b>
Accumulated depreciation as of April 1, 2015	-	-
Depreciation	45	45
Accumulated depreciation on deletions	-	-
<b>Accumulated depreciation as of March 31, 2016</b>	<b>45</b>	<b>45</b>
<b>Carrying value as of March 31, 2016</b>	<b>377</b>	<b>377</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 7 Non- Current Investments

		(Rs in Lakhs)		
	Face Value (Rs)	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>Equity Shares (Trade - Fully paid-up)</b>				
<b>Subsidiary Companies - Unquoted</b>				
3,70,00,000 (March 31, 2016 - 3,70,00,000) Stockholding Document Management Services Ltd.	10	3,860	3,860	3,765
60,89,701 (March 31, 2016 - 60,89,701) SHCIL Services Ltd.***	10	1,713	1,713	1,516
		5,573	5,573	5,281
<b>Other Companies - Unquoted</b>				
22,00,00,000 (March 31, 2016 - 22,50,00,000) National Stock Exchange of India Ltd.*****	1	96,000	88,875	89,100
(March 31, 2016 - 87,000) Bombay Stock Exchange Ltd.*****	1	-	244	244
		96,000	89,119	89,344
<b>Non Convertible Debentures</b>				
<b>Subsidiary Companies - Unquoted</b>				
1,50,000 (March 31, 2016 - 1,50,000) 9.50% Stockholding Document Management Services Ltd.	1,000	1,508	1,487	-
<b>Equity Shares (Non trade - Fully paid-up)</b>				
<b>Quoted</b>				
43,500 (March 31, 2016 - 87,000) Bombay Stock Exchange Ltd.*****	2	425	-	-
6,600 (March 31, 2016 - 6,600) Bank Of India****	10	9	6	9
1,300 (March 31, 2016 - 1300) Bharti Airtel Ltd.***	5	5	5	-
2,800 (March 31, 2016 - 2,800) Cairn India Ltd****	10	9	4	6
3,937 (March 31, 2016 - 3,937) Coal India Ltd****	10	12	11	14
- (March 31, 2016 - 5,700) Crompton Greaves Limited	2	-	3	4
- (March 31, 2016 - 6,200) Engineers India Limited	5	-	10	7
32,015 (March 31, 2016 - 32,015) Indian Overseas Bank ****	10	9	10	14
1,975 (March 31, 2016 - 1,975) National Thermal Power Corporation Ltd.****	10	3	3	3
9,800 (March 31, 2016 - 4,900) Power Finance Corporation Ltd****	10	14	8	9
- (March 31, 2016 - 376) Mphasis Ltd	10	-	2	2
9,519 (March 31, 2016 - 9,519) Shipping Corporation of India Ltd.***	10	7	6	4
2,075 (March 31, 2016 - 2,075) Steel Authority of India Ltd****	10	1	1	1
1,600 (March 31, 2016 - 1,600) Tech Mahindra Ltd****	5	7	8	5
- (March 31, 2016 - 2,300) Titan Company Ltd****	10	-	8	5
590 (March 31, 2016 - 590) Cummins India Ltd.***	2	6	5	-
- (March 31, 2016 - 185) Maruti Suzuki India Ltd.***	5	-	7	-
6,000 (March 31, 2016 - 3,000) Rural Electrification Corporation Limited.***	10	11	5	5
656 (March 31, 2016 - 300) Yes Bank Ltd.***	10	10	3	-
- (March 31, 2016 - 380) UltraTech Cement Ltd.***	10	-	12	5
1,450 (March 31, 2016 - Nil) Siemens Ltd.	2	18	-	-
2,442 (March 31, 2016 - Nil) Bharti Infratel Ltd.	10	8	-	-
1,265 (March 31, 2016 - Nil) RBL Bank Ltd.	10	6	-	-
4,512 (March 31, 2016 - Nil) Fortis Healthcare Ltd.	10	8	-	-
- (March 31, 2016 - 5700) Crompton Greaves Consumer Electricals Limited	2	-	7	-
		568	124	93
carried forward		103,649	96,303	94,718

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

		(Rs in Lakhs)		
	Face Value (Rs)	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
brought forward		103,649	96,303	94,718
<b>Government Securities</b>				
<b>Quoted</b>				
- (March 31, 2016 - 10,00,000) 6.35% GS 2020	100	-	979	1,932
- (March 31, 2016 - Nil) 6.20% Maharashtra SDL 2015	100	-	-	*
- (March 31, 2016 - Nil) 7.95% MP GS 2016	100	-	-	21
- (March 31, 2016 - Nil) 7.17% Maharashtra SDL 2017	100	-	-	9
- (March 31, 2016 - Nil) 6.20% Karnataka 2015	100	-	-	4
- (March 31, 2016 - Nil) 7.17% Andhra SDL 2017	100	-	-	8
- (March 31, 2016 - Nil) 7.17% Kerala SDL 2017	100	-	-	8
- (March 31, 2016 - Nil) 8.35% Maharashtra GS 2017	100	-	-	10
- (March 31, 2016 - Nil) 12.30% GS 2016	100	-	-	16
- (March 31, 2016 - Nil) 7.77% Karnataka 2015	100	-	-	21
- (March 31, 2016 - Nil) 8.07% GS 2017	100	-	-	71
- (March 31, 2016 - 5,00,000) 8.60% GS 2028	100	-	559	-
25,000 (March 31, 2016 - 25,000) 11.60% GS 2020**	100	29	30	30
23,400 (March 31, 2016 - 23,400) 10.03% G.S. 2019**	100	25	25	26
30,500 (March 31, 2016 - 30,500) 6.05% GOVT STOCK 2019**	100	30	29	29
47,000 (March 31, 2016 - 47,000) 10.25% GS 2021**	100	52	53	53
1,000 (March 31, 2016 - 1,000) 10.70% GS 2020**	100	1	1	1
500,000 (March 31, 2016 - 5,00,000) 7.16% GOVT STOCK 2023**	100	470	465	460
- (March 31, 2016 - 5,00,000) 8.28% GOVT STOCK 2027	100	-	482	481
- (March 31, 2016 - 5,00,000) 8.24% GOVT STOCK 2027	100	-	493	492
1,000,000 (March 31, 2016 - Nil) 7.59% GOVT STOCK 2026**	100	1,054	-	-
1,000,000 (March 31, 2016 - Nil) 364 DTB (04-JAN-2018) 2018**	100	955	-	-
500,000 (March 31, 2016 - Nil) 6.97% GOVT STOCK 2026**	100	507	-	-
		3,123	3,116	3,672
<b>PSU/Corporate Bonds</b>				
<b>Quoted</b>				
- (March 31, 2016 - 3) 9.25% Power Grid Corporation 2017	12,50,000	-	41	41
- (March 31, 2016 - Nil) 7.50% Bank of India 2015	10,00,000	-	-	53
- (March 31, 2016 - Nil) 7.45% State Bank of India 2015	10,00,000	-	-	43
- (March 31, 2016 - Nil) 7.60% Power Finance Corporation 2015	10,00,000	-	-	31
- (March 31, 2016 - Nil) 8.00% HDFC NCD 2016	10,00,000	-	-	10
(March 31, 2016 - Nil) 8.78% Power Finance Corporation Ltd 2016	10,00,000	-	-	21
141,593 (March 31, 2016 - 1,47,594) 9.80% IFCI 2019	1,000	1,462	1,524	2,581
98,883 (March 31, 2016 - 99,990) 9.35% IFCI 2020	1,000	1,000	1,012	1,012
		2,462	2,577	3,792
<b>Tax Free Secured Redeemable Non Convertible Bonds</b>				
<b>Quoted</b>				
- (March 31, 2016 - Nil) 8.20% National Highway Authority of India 2022		-	-	206
10,875 (March 31, 2016 - 10,875) 8.00% Indian Railway Finance Corporation Ltd.2022	1,000	113	113	113
100 (March 31, 2016 - 100) 7.21% Indian Railway Finance Corporation Ltd.2022	10,00,000	1,033	1,033	1,033
50,000 (March 31, 2016 - 50,000) 8.01% Rural Electrification Corporation Ltd.2023	1,000	513	513	513
50,000 (March 31, 2016 - 50,000) 8.14% Housing and Urban Development Corporation Ltd 2023	1,000	518	518	518
16,105 (March 31, 2016 - 16,105) 8.18% NHPC Limited 2023	1,000	174	174	174
15,832 (March 31, 2016 - 15,832) 8.41% NTPC Limited 2023	1,000	162	162	162
6,384 (March 31, 2016 - 6,384) 8.25% National Housing Bank 2024	5,000	320	320	320
250 (March 31, 2016 - 250) 8.39% IFCI Ltd 2024	10,00,000	2,500	2,500	2,500
32,389 (March 31, 2016 - 32,389) 8.18% Power Finance Corporation Ltd 2023	1,000	334	334	334
		5,667	5,667	5,873
<b>Non Convertible Debenture</b>				
<b>Quoted</b>				
1,975 (March 31, 2016 - 1,975) 8.49% NTPC Ltd 2025	12.5	*	*	*
		-	-	-
carried forward		114,901	107,663	108,055

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

		(Rs in Lakhs)		
	Face Value (Rs)	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
brought forward		114,901	107,663	108,055
<b>Mutual Funds</b>				
<b>Unquoted</b>				
- (March 31, 2016 - 43,02,704) IDBI Dynamic Bond Fund Growth		-	568	546
- (March 31, 2016 - 20,00,000) IDBI Debt Opportunities Fund Growth Option		-	245	224
- (March 31, 2016 - Nil) IDBI Diversified Equity Fund Direct Plan-Growth		-	-	169
10,00,000 (March 31, 2016 - 10,00,000) Baroda Pioneer Credit Opportunities Fund - Plan B Growth		129	114	103
58,641 (March 31, 2016 - 58,641) TATA Balance Fund Direct Plan - Growth		115	98	102
10,00,000 (March 31, 2016 - 10,00,000) Union KBC Capital Protection Oriented Fund Series 6		104	99	101
10,11,182 (March 31, 2016 - 10,11,182) LIC Nomura MF Banking & Financial Services Fund - Direct Growth		113	81	20
44,562 (March 31, 2016 - 13,828) Religare Invesco Medium Term Bond Fund - Direct Plan - Growth		755	215	-
- (March 31, 2016 - 9,40,380) L&T Arbitrage Opportunities Fund- Direct Growth		-	108	100
		1,216	1,528	1,365
		116,117	109,191	109,420
Aggregate amount of quoted investments		11,821	11,484	13,430
Market value of quoted investments		11,803	11,749	13,143
Aggregate amount of unquoted investments		104,296	97,707	95,990

\* denotes amounts less than Rs 1 lakh.

\*\* security 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.

\*\*\*\* equity shares deposited as margin with SHCIL Services Limited as on 31 Mar 2016.

\*\*\*\*\* BSE shares are under one year lock-in-period. During the year, face value of share changed from rupee 1 to rupee 2

\*\*\*\*\* During the year, the Company got bonus of 10:1 and stock got split in the ratio of 1:10

		(₹ in lakhs)		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Financial Assets</b>				
<b>8 Non-current - Loans</b>				
Staff loans - considered good		100	121	157
Staff loans - considered doubtful		4	4	4
Less: Provision for staff loans		(4)	(4)	(4)
Security and other deposits - considered good (refer note 38)		7,086	7049	3791
Security and other deposits - considered doubtful		26	26	26
Less: Provision for deposits		(26)	(26)	(26)
Loans to subsidiary - SHCIL Services Limited		-	-	173
Loans to subsidiary - StockHolding Document Management Services Limited		1467	1457	1,446
		8653	8627	5567

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>9 Other non current financial assets</b>			
Long Term deposits with banks with original maturity period more than 12 months *	22,367	20,575	15,382
Fixed deposits with companies	2,325	2,325	2,825
	<b>24,692</b>	<b>22,900</b>	<b>18,207</b>
* Fixed deposits with banks aggregating to ₹ 5537 lakhs (As at March 31, 2016 - ₹ 4522 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 ₹ 14851 lakhs (As at March 31, 2016 - ₹ 14585 lakhs) deposited with the Stock Exchanges and State Governments as margin deposit. ₹ 5 lakhs is lien with VAT authorities (As at March 31, 2016 - ₹ 4 lakhs)			
<b>10 Non - current tax assets (net)</b>			
Advance tax	2,380	1,801	881
(net of provision for taxation Rs 29,488 lakhs, March 31, 2016 Rs 26,562 lakhs)			
	<b>2,380</b>	<b>1,801</b>	<b>881</b>
<b>11 Other non-current assets</b>			
Capital Advances	106	86	24
Prepayments	110	114	309
	<b>216</b>	<b>200</b>	<b>333</b>
<b>12 Inventories</b>			
Software	117	-	-
	<b>117</b>	<b>-</b>	<b>-</b>

### 13. Current Investments

(Rs in Lakhs)

	Face Value (Rs)	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>Current portion of long-term investments</b>				
<b>PSU / Corporate Bonds</b>				
<b>Quoted</b>				
- (March 31, 2016 - 2) 8.78% Power Finance Corporation Ltd 2016	10,00,000	-	21	-
3 (March 31, 2016 - Nil) 9.25% Power Grid Corporation 2017	12,50,000	40	-	-
		<b>40</b>	<b>21</b>	<b>-</b>
<b>Current portion of long-term investments</b>				
<b>Government Securities</b>				
<b>Quoted</b>				
- (March 31, 2016 - 20,000) 7.95% MP GS 2016	100	-	21	-
- (March 31, 2016 - 10,000) 8.35% Maharashtra GS 2017	100	-	10	-
- (March 31, 2016 - 69,000) 8.07% GS 2017 **	100	-	71	-
- (March 31, 2016 - 9,000) 7.17% Maharashtra SDL 2017	100	-	9	-
- (March 31, 2016 - 8,000) 7.17% Andhra SDL 2017	100	-	8	-
- (March 31, 2016 - 8,000) 7.17% Kerala SDL 2017	100	-	8	-
- (March 31, 2016 - 15,000) 12.30% GS 2016	100	-	16	-
		<b>-</b>	<b>143</b>	<b>-</b>
<b>Current Investments</b>				
<b>Equity Shares</b>				
<b>Quoted</b>				
- (March 31, 2016 - 12000) Steel Authority Of India Ltd.	10	-	5	-
- (March 31, 2016 - Nil) HDFC Bank Ltd	2	-	-	3,580
- (March 31, 2016 - 26000) NTPC Ltd.	10	-	33	38
		<b>-</b>	<b>38</b>	<b>3,618</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	Face Value (Rs)	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(Rs in Lakhs)				
<b>Mutual Funds Liquid Investment</b>				
<b>Unquoted</b>				
- (March 31, 2016 - 1,32,058) LIC MF Liquid Fund - DIRECT - Dividend Plan-		-	1,450	-
1,91,78,861 (March 31, 2016 - Nil) JM High Liquidity - Dir - Dly Dividend		2,000	-	-
1,99,673 (March 31, 2016 - Nil) Baroda Pioneer Liquid Fund - Plan B - Dir - Dly Dividend		2,001	-	-
1,99,818 (March 31, 2016 - Nil) Indiabulls Liquid Fund Collection A/c		2,000	-	-
1,99,701 (March 31, 2016 - Nil) IDFC Cash Fund - Dir - Dly- Dividend		2,000	-	-
1,96,220 (March 31, 2016 - Nil) UTI - Liquid Cash Plan - Dir - Dly Dividend		2,000	-	-
1,99,366 (March 31, 2016 - Nil) UTI Money Market - Dir- Sly - Dividend		2,001	-	-
		12,002	1,450	-
		12,042	1,652	3,618
Aggregate amount of quoted investments		40	202	3,618
Market value of quoted investments		38	198	3,618
Aggregate amount of unquoted investments		12,002	1,450	-
** security deposited as margin with CCIL.				

### Financial Assets - Current

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(₹ in lakhs)			
<b>14 Trade receivables *</b>			
<b>(Unsecured)</b>			
Outstanding for a period exceeding six months			
Considered good	1,603	358	847
Considered doubtful	970	992	884
	2,573	1,350	1,731
Less : Provision for receivables	986	995	892
	1,587	355	839
Outstanding for a period less than six months			
Considered good	5,111	3,584	3,160
Considered doubtful	297	164	277
	5,408	3,748	3,437
Less : Provision for receivables	349	200	309
	5,059	3,548	3,128
	6,646	3,903	3,967
* refer note 50			
<b>15 Cash and Cash equivalents</b>			
Balances with banks - In current accounts	39,266	24,706	22,430
Balances with banks - In deposit accounts with original maturity less than 3 months	-	-	2,500
Cheques in hand	110	18	40
Cash and stamps in hand	693	793	1,360
Money lent on CBLO transactions	19,995	1,029	739
	60,064	26,546	27,069

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)			
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>16 Bank balances other than Cash and Cash equivalents</b>			
Bank deposit accounts (more than 3 months but less than 12 months maturity) *	-	229	2,193
Earmarked balances with banks	3	5	5
	<b>3</b>	<b>234</b>	<b>2,198</b>
* Other Bank Balances in deposit accounts includes fixed deposits with banks aggregating to ₹ Nil (As at March 31, 2016 - ₹ 229 lakhs) against which lien has been marked by the banks as security for guarantees issued on behalf of the Company.			
<b>17 Loans</b>			
(Unsecured and considered good, unless otherwise stated)			
Advances receivable in cash or in kind - considered good	<b>3,087</b>	4,815	4,449
Advances receivable in cash or in kind - considered doubtful	<b>36</b>	28	38
Less: provision for advances	<b>(36)</b>	(28)	(38)
Staff loans current - considered good	<b>88</b>	104	117
Margin deposits placed with subsidiary			
- SHCIL Services Ltd	<b>200</b>	200	200
	<b>3,375</b>	<b>5,119</b>	<b>4,766</b>
<b>18 Financial assets - others</b>			
Unbilled revenue	<b>6</b>	11	61
Amounts due on settlement from Clearing House	<b>17,004</b>	41,467	19,596
Amounts recoverable from Reserve Bank of India towards Relief Bonds redemption (net)	-	-	8
Advance to SHCIL Employees Group Gratuity Fund	-	7	5
Amounts recoverable from government towards stamp duty payments	<b>1,480</b>	883	476
Others	-	-	77
Amounts due on settlement from Clients and Brokers	<b>34,374</b>	1,302	316
Due from Group Company (Refer Note 50 )			
- SHCIL Services Ltd	<b>38</b>	1,650	1
- Stockholding Document Management Services Ltd	<b>395</b>	103	-
	<b>53,297</b>	<b>45,423</b>	<b>20,540</b>
<b>19 Other current assets</b>			
Prepayments - current	<b>592</b>	606	174
	<b>592</b>	<b>606</b>	<b>174</b>
<b>20 Share Capital</b>			
<b>Authorised</b>			
50,000,000 Equity shares of ₹ 10/- each	<b>5,000</b>	5,000	5,000
<b>Issued, Subscribed and Fully Paid</b>			
21,054,400 Equity shares of ₹ 10/- each fully paid up	<b>2,105</b>	2,105	2,105
	<b>2,105</b>	<b>2,105</b>	<b>2,105</b>

a) The number of shares outstanding at the beginning April 01, 2015 and for the year ended March 31, 2016 and March 31, 2017 are the same.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

The company has only one class of equity shares having a par value of Rs 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) Equity shares held by holding company

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Name of shareholder : IFCI Ltd			
Number of shares held	11,130,000	11,130,000	11,130,000
Percentage of holding	52.86	52.86	52.86

### d) Details of shareholders holding more than 5% of the aggregate shares in the company

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Name of shareholder : IFCI Ltd</b>			
Number of shares held	11,130,000	11,130,000	11,130,000
Percentage of holding	52.86	52.86	52.86
<b>Name of shareholder : Administrator of the Specified Undertaking of the Unit Trust of India</b>			
Number of shares held	3,570,000	3,570,000	3,570,000
Percentage of holding	16.96	16.96	16.96
<b>Name of shareholder : Life Insurance Corporation Of India</b>			
Number of shares held	3,150,000	3,150,000	3,150,000
Percentage of holding	14.96	14.96	14.96

### e) 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 buy-back of shares.

- f) The Board has proposed a dividend of ₹ 6.85 per equity share (68.5%) for the financial year 2016-17, subject to approval of shareholders in the Annual General Meeting. The dividend shall be subject to dividend distribution tax to be paid by the company.

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>21 Provisions</b>			
Provision for employee benefits			
- compensated absences	1,141	980	947
- gratuity	117	-	-
Provision for claims (refer note 42)	2,561	2,561	2,561
	3,819	3,541	3,508

(₹ in lakhs)



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>22 Deferred tax liabilities (net)</b>			
The major components of deferred tax assets and liabilities arising on account of timing differences are as under :			
<b>Deferred Tax Liabilities</b>			
Fair value of investments	21,839	19,813	19,936
Depreciation	922	840	804
	<b>22,761</b>	<b>20,653</b>	<b>20,740</b>
<b>Deferred Tax Assets</b>			
Provision for doubtful debts/advances	481	432	433
Provision for impairment of assets	37	37	37
Provision for claims	887	886	870
Mark to market loss on stock in trade	-	3	-
Employee benefits	637	481	381
<b>Net Deferred tax liabilities</b>	<b>20,719</b>	<b>18,814</b>	<b>19,019</b>
<b>23 Other non current Liabilities</b>			
Advance depository participant charges	44	66	92
Other advances - non current	1856	1,775	1,698
	<b>1,900</b>	<b>1,841</b>	<b>1,790</b>
<b>24 Trade Payables</b>			
Dues to micro and small enterprises (refer note 39)	-	-	-
Other than micro and small enterprises	1,255	749	2,107
Margin money from clients	5,234	3,312	3,362
Provision for expenses	2,165	1,826	1,603
	<b>8,654</b>	<b>5,887</b>	<b>7,072</b>
<b>25 Other Financial Liabilities</b>			
Unclaimed dividend (Unclaimed amounts are transferred to the Investor Education and Protection Fund when due)	3	5	5
Unclaimed redemption proceeds and interest on Relief and Saving Bonds	2,144	2,230	2,068
Amount due on settlement to Clearing House	10,727	10,845	12,122
Amount due on settlement to Clients & Brokers	50,673	43,347	19,431
Amounts payable to Government on account of stamp duty collection	5,820	8,913	6,547
Amounts payable to Reserve Bank of India on account of distribution of Relief Bonds/Inflation indexed bonds (net)	37,733	-	-
Due to subsidiary company			
- SHCIL Services Ltd	2	-	392
Other creditors for capital expenses	276	130	444
Other Liabilities			
- Employee benefits payable	1,399	795	1,183
- Others	54	3,623	47
	<b>108,831</b>	<b>69,888</b>	<b>42,239</b>
<b>26 Other Liabilities</b>			
Advance depository participant charges - current	738	964	1,204
Advances and deposits from customers	10,671	6,026	5,969
Statutory dues including provident fund and taxes	425	364	110
	<b>11,834</b>	<b>7,354</b>	<b>7,283</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>27 Short-Term Provisions</b>			
Provision for employee benefits (Refer Note 41)			
Provision for gratuity	296	163	6
Provision for compensated absences	149	199	167
	445	362	173

(₹ in lakhs)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>28 Revenue from Operations</b>		
Custodial Services	167	103
Depository Participant Services	11,694	12,090
Commission and brokerage	13,263	10,226
Derivatives clearing services	237	229
Document management income	386	165
Sale of goods	1,530	168
Other operating revenue	253	193
	27,530	23,174
<b>29 Other Income</b>		
Interest ( Gross)		
- Govt. securities & bonds	1,149	1,233
- Deposits with banks	2,053	2,223
- Others	340	284
- Interest on income tax refund	93	-
Dividend on long term investments	3,059	1,800
Dividend on current investments	417	99
Profit on sale of current investments (net) measured at FVPL	49	50
Profit on sale of non current investments (net) measured at FVPL	206	85
Fair value gain on investments measured at FVPL	110	-
Excess provision written back	-	14
Sundry balances written back	40	-
Miscellaneous income	446	548
	7,962	6,336
<b>30 Employee Benefits Expense</b>		
Salaries, allowances & bonus **	9,586	8,036
Contribution to provident fund and other funds	778	462
Gratuity	257	281
Staff welfare expenses	556	475
	11,177	9,254
** Salaries, allowances and bonus is net of salaries of employees deputed to subsidiary companies Rs 210 lakhs(previous year - Rs 176lakhs)		

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	(₹ in lakhs)	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>31 Finance Cost</b>		
Interest on bank overdraft	1	17
Interest on CBLO borrowings	*	4
	1	21

\* denotes amounts less than one lakh

	(₹ in lakhs)	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>32 Other expenses</b>		
Outsourcing expenses	1,489	1,265
Feet on Street (FOS)	868	190
Depository participant/custodian fees	1,228	912
Software expenses	680	746
Rent	1,114	996
Rates and taxes	229	411
Electricity	899	862
Insurance	138	116
Repairs and maintenance		
- Buildings	503	314
- Plant & machinery	1,068	723
- Others	16	32
Fuel Expenses	22	-
Traveling & conveyance	449	426
Postage & courier	260	263
Telephone & communication	733	673
Printing & stationery	389	371
Legal & professional	1,193	856
Payment to Auditors (refer note 44)	41	38
Technical know-how fees	703	692
Corporate Social Responsibility (refer note 54)	117	124
Claims paid	1	79
Bad debts written off	206	231
Provision for doubtful debts/ advances	147	(20)
Loss on sale/discarded fixed assets	3	2
Loss on sale of Non current Investment measured at FVPL	-	95
Loss due to exchange rate fluctuation	-	9
Advertisement & publicity	394	534
Commission and brokerage to selling agents	1,690	1,566
Document management expenses	339	300
Miscellaneous expenses	527	685
	15,446	13,491

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 33 Fair value measurements

#### Financial instruments by category

	March 31, 2017			March 31, 2016			April 1, 2015		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets: Non-current									
Non current investments									
Unquoted Investment in debentures of subsidiary - Stockholding DMS	-	-	1,508	-	-	1,487	-	-	-
Trade investments - Other companies - unquoted	-	96,425	-	-	89,119	-	-	89,344	-
Non trade quoted equity shares	-	143	-	-	117	-	-	94	-
Quoted government securities	-	-	3,123	-	-	3,117	-	-	3,672
Quoted PSU / corporate bonds	-	-	2,462	-	-	2,577	-	-	3,792
Quoted tax free secured redeemable non convertible bonds	-	-	5,667	-	-	5,667	-	-	5,873
Quoted non convertible debentures	-	-	*	-	-	*	-	-	*
Mutual funds - unquoted	1,216	-	-	1,527	-	-	1,364	-	-
Loans and deposits	-	-	8,653	-	-	8,628	-	-	5,567
Other non current financial assets	-	-	24,692	-	-	22,904	-	-	18,207
Financial assets: Current									
Current investments									
Quoted PSU / corporate bonds	-	-	40	-	-	21	-	-	-
Quoted government securities	-	-	-	-	-	143	-	-	-
Quoted equity shares	-	-	-	38	-	-	3,618	-	-
Mutual funds - unquoted	12,002	-	-	1,450	-	-	-	-	-
Trade and other receivables	-	-	6,646	-	-	3,903	-	-	3,967
Cash and cash equivalents	-	-	60,064	-	-	26,546	-	-	27,069
Bank balances other than above	-	-	3	-	-	234	-	-	2,198
Loans - current	-	-	3,375	-	-	5,119	-	-	4,766
Other current financial assets	-	-	53,297	-	-	45,423	-	-	20,541
<b>Total financial assets</b>	<b>13,218</b>	<b>96,568</b>	<b>169,530</b>	<b>3,015</b>	<b>89,236</b>	<b>125,769</b>	<b>4,982</b>	<b>89,438</b>	<b>95,652</b>
Financial liabilities: Non-current									
Other non current financial liabilities	-	-	3,819	-	-	3,541	-	-	3,508
Financial liabilities: Current									
Trade payables	-	-	-	-	-	-	-	-	-
Other current financial liabilities	-	-	8,654	-	-	5,887	-	-	7,072
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>108,831</b>	<b>-</b>	<b>-</b>	<b>69,888</b>	<b>-</b>	<b>-</b>	<b>42,239</b>
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>121,304</b>	<b>-</b>	<b>-</b>	<b>79,316</b>	<b>-</b>	<b>-</b>	<b>52,819</b>

\* denotes amount less than ₹ 1 lakh

#### I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Financial assets and liabilities measured at fair value - recurring fair value measurements

	March 31, 2017			March 31, 2016			April 1, 2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets:</b>									
<b>Non-current investments measured at FVTPL:</b>									
(NC) Mutual funds - unquoted	1,216	-	-	1,527	-	-	1,364	-	-
<b>Non-current investments measured at fair value through other comprehensive income (FVOCI):</b>									
(NC) Trade investments - Other companies - unquoted	425	-	96,000	-	-	89,119	-	-	89,344
(NC) Non trade quoted equity shares	143	-	-	117	-	-	94	-	-
<b>Current investments measured at FVTPL:</b>									
(C) Current portion of mutual funds	12,002	-	-	1,450	-	-	-	-	-
(C) Quoted equity shares	-	-	-	38	-	-	3,618	-	-
<b>Total financial assets</b>	<b>13,786</b>	<b>-</b>	<b>96,000</b>	<b>3,132</b>	<b>-</b>	<b>89,119</b>	<b>5,076</b>	<b>-</b>	<b>89,344</b>

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

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

There is transfer between fair value hierarchy from level 3 to level 1 as BSE shares were listed on stock exchange during the financial year 16-17.

### Valuation Techniques

Valuation of equity investment in National Stock Exchange has been arrived on the basis of comparable prices.

Valuation of derivative contracts have been arrived on the basis of forward rates available in the market for the balance maturity of the instrument.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### II. Fair value of financial assets and liabilities measured at amortised cost

(₹ in lakhs)

	March 31, 2017		March 31, 2016		April 1, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:						
Non current investments						
Unquoted investment in debentures of subsidiaries - Stockholding DMS	1,508	1,508	1,487	1,487	-	-
Quoted government securities	3,123	3,160	3,117	3,149	3,672	3,699
Quoted PSU / corporate bonds	2,462	2,592	2,577	2,656	3,792	3,611
Quoted tax free secured redeemable non convertible bonds	5,667	5,946	5,667	5,848	5,873	5,454
Quoted non convertible debentures	*	*	*	*	*	*
Loans - non current	8,653	8,653	8,628	8,628	5,567	5,567
Other non current financial assets	24,692	24,692	22,904	22,904	18,207	18,207
Current investments						
Quoted government securities	-	-	143	140	-	-
Quoted PSU / corporate bonds	40	38	21	20	-	-
<b>Total financial assets</b>	<b>46,145</b>	<b>46,589</b>	<b>44,544</b>	<b>44,832</b>	<b>37,111</b>	<b>36,538</b>
Financial liabilities: Non-current						
Other non current financial liabilities	3,819	3,819	3,541	3,541	3,508	3,508
<b>Total financial liabilities</b>	<b>3,819</b>	<b>3,819</b>	<b>3,541</b>	<b>3,541</b>	<b>3,508</b>	<b>3,508</b>

\* denotes amount less than ₹ 1 lakh

Fair Value of Quoted government securities, Quoted PSU / corporate bonds, Quoted tax free secured redeemable non convertible bonds have been arrived on the basis of their quoted prices of recognised stock exchange. All these items have been categorised as level 1 in fair value hierarchy for fair valuation.

Fair Value of non convertible debentures, Staff loans, security and other deposits, loans to subsidiary and fixed deposits with banks and others has been arrived on the basis of the discounted cash flows using a lending rate, as there is no significant change in the rates the same values are considered to be fair values of this assets. These items have been categorised as level 3 due to use of unobservable inputs for fair valuation.

Carrying amount of trade and other receivable, cash and cash equivalents, trade payables, Amounts due on settlement to Clients and Brokers, Amounts payable to Government on account of stamp duty collection, Amounts due on settlement to Clearing House, Unclaimed Dividend, Unclaimed redemption proceeds and interest on Relief and Saving Bonds and other financial liabilities are considered to be same as their fair values due to their short term nature. For fair valuation, all these items except cash and cash equivalents have been categorised as level 3 in fair value hierarchy.

### 34. Financial risk management

#### Credit Risk:

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The company is exposed to credit risk from investments measured at amortised cost, staff loans, security and other deposits, loans to subsidiaries, deposits with banks and others parties, trade and other receivables.

The Company periodically assesses the financial reliability of the counterparty, taking into account the financial condition, current economic trends, and analysis of historical bad debts and aging of accounts receivable. Individual limits are set accordingly.

Investments at amortised cost are placed in government securities and high quality corporate and tax free bonds which is not having any significant credit risk. Inter corporate deposits and loans are mostly placed with group companies and hence the risk of credit loss is negligible. Staff loans are recovered through regular salary payments and in case of resignation and retirement, the same is recovered from full & final settlement of the employees.

Security and other deposits are reassessed at every reporting dates and are mostly placed for leases, which can be adjusted against rental payments.

Trade Receivable: The company trades with recognized and credit worthy third parties. As per the Company's policy all credit customers are expected to pay within due date. In addition, receivable balances are monitored on an ongoing basis for recovery.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Reconciliation of Loss Allowance

(₹ In Lakhs)		
Particulars	March 2017	March 2016
Opening Balance	1,195	1,201
Created / (Utilized) During the year	140	(6)
Closing Balance	1,335	1,195

### Price Risk:

The company's investment in equity shares (listed and non-listed) and mutual funds are exposed to market price risk arising from uncertainties about future values of the investment securities. The company manages the price risk through diversification and by placing limits on individual and total investments in equity instruments and mutual funds. The investments are mostly placed in A rated securities and mutual funds whose investments are made in such kind of securities. The investment committee reviews and makes all investment decisions as per the investment policy as approved by the Board.

(₹ In Lakhs)				
Particulars	Impact on profit and loss after tax		Impact on other comprehensive income after tax	
	March 2017	March 2016	March 2017	March 2016
Increase in Market index by 5%	46	59	3,640	3,364
Decrease in Market index by 5%	(46)	(59)	(3,640)	(3,364)

### 35 Capital Management

The company's capital includes issued share capital and all other distributable reserves. The primary objective of the Company's Capital Management is to maximise shareholder value and to maintain an optimal capital structure to reduce the cost of capital. The company does not have any long term and short term borrowings and all its capital needs are either met by internal accruals i.e. surplus balances of previous years or by effective management of its working capital. As at the balance sheet date, the company's share capital and distributable reserves are:

(₹ In Lakhs)			
Particulars	March 2017	March 2016	March 2015
Share Capital	2,105	2,105	2,105
Distributable reserves *	67,408	58,087	54,761
Working Capital	6,372	(8)	5,565

\* Distributable reserves are excluding unrealised gains and losses

### 36 Contingent Liabilities

(₹ in lakhs)		
	As at March 31, 2017	As at March 31, 2016
A) Claims against the Company not acknowledged as debts		
i) Income Tax demand against which the Company has preferred appeals/ Demand from Traces for TDS	326	103
ii) Claims by a bank not acknowledged by the Company (refer note 38 below )	amount unascertained	amount unascertained
iii) Other claims not acknowledged as debt	18	22
The Company is a party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings to have any adverse effect on its financial conditions, results of operations or cash flows. Further, claims by parties in respect of which the Management have been legally advised that the same are frivolous and not tenable, have not been considered as contingent liabilities as the possibility of an outflow of resources embodying economic benefit is highly remote.		
B) Bank Guarantees		
i) provided to stock exchanges (backed by counter guarantees, cash collateral and securities)	1,000	1,000
ii) provided to stock exchanges (backed by cash collateral ) on behalf of subsidiary SHCIL Services Ltd	2,000	1,770
iii) other Bank Guarantees	3,303	2,334



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 37 Capital and other commitments :

Estimated amount of contracts to be executed on capital account, not provided for (net of advances)– ₹ 51 lakhs. (As at March 31, 2016 – ₹ 222.77lakhs).

- 38** The Company had during the year 2000-01 undertaken a transaction of ₹ 2,445 lakh 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, issued a notice of demand against the Company under Section 138 of the Negotiable Instrument Act, 1881. The Bank also filed an application in the Debt Recovery Tribunal (DRT) for recovery of the amount along with compound interest from the Company and the client. The Company disputed the claim of the Bank. The Bank's application to the DRT was dismissed and only the client was held liable. The Bank and the client had filed an appeal in the Debt Recovery Appellate Tribunal (DRAT) against the order of DRT. The appeals were allowed vide the DRAT order dated September 23, 2011, which stated that the amount would carry compound interest from August 1, 2001 @ 19% p.a. with quarterly rests till realisation and the Bank was entitled to realize the sum from both the client and the Company. The Company filed a Revision Application in High Court, Calcutta on November 30, 2011 which was admitted but no interim relief was granted. Hence, the Company filed a Special Leave Petition (SLP) in the Supreme Court for stay of the High Court Order for not granting interim relief of staying the DRAT order, the Order of the DRAT and the recovery certificate and notice of demand issued by Presiding Officer and recovery officer of DRT respectively. The Supreme Court vide its order dated April 23, 2012 granted stay on the recovery proceedings and requested the Calcutta High Court to dispose off the Revision Application within a period of four months and the Company to deposit ₹ 3,000 lakh with the Calcutta High Court Registry within a period of 4 weeks from the date of order by way of a short term deposit in a nationalized bank. Accordingly, the Company had deposited the money with the Calcutta High Court, Registry. The Revision application was dismissed. The Company filed Special Leave Petition (SLP) in the Supreme Court in May 2015. The Supreme Court vide its order dated May 14, 2015 stayed the operation of the execution proceedings and the Company to deposit with the Registrar, Supreme Court of India, a fixed deposit receipt in the name of the Company and endorsed in favour of the Registrar an amount of not less than ₹ 3,000 lakh. Accordingly, the Company made the deposit. The amount of ₹ 6,000 lakh, deposited by the Company in the High Court (₹ 3,000 lakh) and Supreme Court (₹ 3,000 lakh) is shown under the heading "Non Current Loans" under the sub-heading "Security and other deposits" in the Statement of Balance Sheet as on March 31, 2016. The bank was granted liberty to withdraw ₹ 3,000 lakh along with interest that had been lying as deposit before the High Court of Kolkata which is subject to final decision in the SLP. Accordingly, an amount of ₹ 38,04,44,259.69/- was released to the Bank. Further by an order dated October 12, 2015, the Supreme Court directed the bank to withdraw an additional amount of ₹ 1,500 lakh along with accrued interest from the money deposited with the Supreme Court. Accordingly, an amount of ₹ 15,45,06,971/- was released to the Bank. The case has been converted from Special Leave Petition to a Civil Appeal by the Hon'ble Supreme Court. The amounts released to the Bank is subject to the final decision in the matter. In view of the nature of dispute, the amount of contingent liability has not been ascertained. Pending final adjudication of the matter by the Honourable Supreme Court and also in view of the legal opinion obtained by the Company, in the opinion of the management, no provision is required to be made in the statement of Profit and Loss for financial year 2016-17.

- 39** 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 said information is based on the records maintained by the Company of its suppliers.

- 40** Amount due on settlement (net) represents amounts receivable from / (payable to) Clearing house, Clients and Brokers, as under:

	As at March 31, 2017		As at March 31, 2016	
	Due to	Due from	Due to	Due from
Clearing House	10,727	17,004	10,845	41,467
Clients	50,067	34,374	42,469	1,302
Brokers	606	-	878	-
	61,400	51,378	54,192	42,769
Net Receivable/ Payable	10,022		11,423	

(₹ in lakhs)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 41 Employee Benefits:

#### (a) Defined Contribution Plan

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
The company has recognised the following amounts in the Statement of Profit and Loss for the year		
Contribution to Employees' Provident and other Funds	487	406
Contribution to Superannuation Fund	287	35

#### (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.

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
<b>(ii) Actuarial Assumptions:</b>		
a) Discount Rate	7.27%	7.86%
b) Rate of Return on Plan Assets	7.27%	7.86%
c) Salary Escalation	5.00%	5.00%
d) Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
e) Mortality Rate After Employment	N.A.	N.A.
<b>(iii) Change in Benefit Obligation</b>		
Liability at the beginning of the year	2,096	1,858
Interest Cost	165	177
Current Service Cost	177	155
Curtailment	-	-
Past Service Cost- Vested Benefit	-	-
Benefit Paid	(125)	(97)
Actuarial (gain)/loss on obligations	119	16
Actuarial (gain)/loss on obligations - due to Experience	(4)	(13)
Liability at the end of the year	2,428	2,096
<b>(iv) Fair value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	1,933	1,852
Interest Income	152	176
Contribution by the employer	63	27
Benefit paid from fund	(125)	(97)
Return on plan Assets at the End of the period	(8)	(25)
	2,015	1,933
<b>(v) Amount Recognised in the Balance Sheet :</b>		
(present value of benefit obligation at the beginning of the period)		
Fair value of the plan assets at the end of the period	(2,428)	(2,096)
Funded status (Surplus\deficit)	2,015	1,933
Net(liability)/asset Recognised in the balance sheet	(413)	(163)
	(413)	(163)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

	March 31, 2017	March 31, 2016
<b>(vi) Net Interest cost for the current period</b>		
Present value of benefit obligation at the beginning of the period	2,096	1,858
(fair value of plan assets at the beginning of the period)	(1,933)	(1,852)
Net Liability/(Assets) at the beginning	163	6
Interest Cost	165	177
(Interest Income)	(152)	(176)
Net Interest cost for the period	13	1
<b>(vii) Expense recognised in Profit and Loss for the Current Period</b>		
Current Service Cost	177	155
Interest Cost	13	1
Expenses Recognised	190	156
<b>(viii) Expenses Recognised in the Other Comprehensive Income (OCI) for Current Period</b>		
Actuarial (gains)/Losses on Obligation For the period	115	3
Return on plan Assets, Excluding Interest Income	8	25
Change in Assets ceiling	-	-
Net (Income)/Expense for the period recognised recognised in OCI	123	28

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

	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
Defined benefit obligation at the end of the Year	2,428	2,096	1,858	1,474	1,614
Funded Status	(413)	(163)	(6)	217	(95)
Experience Adjustment on plan liability Gain/(Loss)	(4)	(13)	(38)	(200)	(71)
Actuarial Gain/(Loss) due to change of assumptions	119	16	(2)	(100)	(62)

### (x) Sensitivity analysis

	March 31, 2017	March 31, 2016
The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:		
Projected Benefit Obligation on Current Assumptions	2,428	2,096
Delta Effect +1% Change in Rate of Discounting	(196)	(169)
Delta Effect -1% Change in Rate of Discounting	227	195
Delta Effect +1% Change in Rate of Salary Increase	138	121
Delta Effect -1% Change in Rate of Salary Increase	(129)	(112)
Delta Effect +1% Change in Rate of Employee turnover	74	76
Delta Effect -1% Change in Rate of Employee turnover	(82)	(84)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

**(xi) 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, 2017	As at March 31, 2016
<b>42 The movement in provision for claims is as under :</b>		
Opening Balance	2,561	2,561
Additions during the year	-	-
Closing Balance	2,561	2,561
<b>43 Managerial Remuneration</b>		
MD & CEO		
Salary and allowances *	29	26
Contribution to provident fund and other funds	1	1
Perquisites (estimated monetary value)	6	5
	36	32
* Includes Incentive to Managing Director & CEO Rs 8 lakhs (March 31, 2016 - Rs 5.40 lakhs) paid during the year as approved by the Board of Directors.		
<b>44 Auditor's Remuneration ( excluding service tax)</b>		
As Auditor :		
Audit fees	25	31
Tax Audit fees	3	3
In other capacity :		
Certification and other charges	11	2
Out of Pocket Expenses	2	2
	41	38
<b>45 Disclosure in respect of Operating Leases :-</b>		
<b>A) Operating Leases taken by the Company</b>		
Office premises are obtained on operating lease and are renewable/ cancellable at mutual consent. There are no restrictions imposed by lease agreements, lease terms are based on individual agreements.		
Lease payment recognised in profit and loss for the Year	1,114	996
<b>B) Operating Leases granted by the Company</b>		
Operating Leases granted by the Company are renewable/ cancellable at mutual consent. There are no restrictions imposed by lease agreements, lease terms are based on individual agreements.		
Lease rentals recognised in profit and loss for the Year	122	122
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		
<b>46 Expenditure in foreign currency</b>		
Traveling expenses	10	9
Others	62	23
Capital expenditure	-	76
<b>Total</b>	<b>72</b>	<b>108</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	(₹ in lakhs)	
	As at March 31, 2017	As at March 31, 2016
<b>47 Earnings Per Share</b>		
<b>Profit for the year as per Statement of Profit and Loss</b>	<b>5,567</b>	<b>4,066</b>
No. of Shares at the beginning of the year	21,054,400	21,054,400
No. of Shares at the end of the year	21,054,400	21,054,400
Weighted average number of shares outstanding during the year (Nos)	21,054,400	21,054,400
<b>Earning per share for the year in ₹</b>		
Basic / Diluted	<b>26.44</b>	<b>19.31</b>
<b>48 Foreign Currency Exposure</b>		
Particulars of unhedged foreign currency exposures as at the balance sheet date		
Trade payables	<b>USD 62,719</b>	USD 54,314 GBP 4,000

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
<b>49 Income tax expense</b>		
<b>(a) Income tax expense</b>		
Current tax	<b>557</b>	1,047
Deferred Tax	<b>(104)</b>	(121)
<b>Total of Tax Expense</b>	<b>453</b>	926
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate</b>		
Profit from continuing operations before income tax expense	<b>6,020</b>	4,992
<b>Tax at the tax rate of 34.608%</b>	<b>2,083</b>	1,728
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Donations	<b>20</b>	21
Difference of tax rates on investments	<b>(51)</b>	-
Dividend received on investments	<b>(1,203)</b>	(657)
Interest on tax free bonds	<b>(156)</b>	(159)
Set off of c/f Long-term Capital losses	<b>(165)</b>	-
Others	<b>(39)</b>	(15)
Tax rate difference of fair value investments	<b>(36)</b>	8
<b>Tax expenses</b>	<b>453</b>	926

### 50 Related Parties

#### a. List of Related Parties

##### Holding Company

IFCI Limited

##### Fellow Subsidiaries

IFCI Venture Capital Funds Limited

IFCI Infrastructure Development Limited

IFCI Financial Services Limited

##### Subsidiary Companies

SHCIL Services Limited

Stockholding Document Management Services Limited

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Key Management Personnel

Shri Ramesh N.G.S., Managing Director & CEO

Shri L.Viswanathan, Chief Financial Officer (CFO)

Shri Shashikant Nayak, Company Secretary (CS)

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

(₹ in lakhs)

Particulars	Year ended March 31, 2017				Year ended March 31, 2016			
	Holding Company	Fellow Subsidiaries	Subsidiaries	Key management personnel	Holding Company	Fellow Subsidiaries	Subsidiaries	Key management personnel
Service charges received	16	2	4	-	20	3	4	-
Commission received	-	-	26	-	-	-	25	-
Interest received on inter corporate deposits	-	-	154	-	-	-	154	-
Commission Paid	-	2	-	-	-	-	-	-
Interest received on investments	442	-	155	-	516	-	90	-
Reimbursement of office expenses	3	-	197	-	-	-	191	-
Reimbursement of salary of deputed employees	-	-	210	-	-	-	176	-
Sitting fees paid	3	-	-	-	3	-	-	-
Sitting fees received	-	-	17	-	-	-	18	-
Training income received	-	-	2	-	-	-	3	-
Dividends paid	1,670	-	-	-	723	-	-	-
Managerial Remuneration	-	-	-	97	-	-	-	93
Brokerage received	-	-	2,347	-	-	-	2,070	-
AMC paid for sub-broking terminals	-	-	24	-	-	-	18	-
Bank guarantee expenses	-	-	6	-	-	-	10	-
Client modification charges	-	-	*	-	-	-	-	-
Investments made in Non Convertible Debentures	-	-	-	-	-	-	1,500	-
Rent Paid	235	-	-	-	106	-	-	-
Rent received	-	-	122	-	-	-	122	-
Document management fees paid	-	-	339	-	-	-	300	-
Interest recovered on loans given to Key Managerial Personnel	-	-	-	-	-	-	-	*
<b>Outstanding balances</b>								
Trade and other Receivables	*	1	892	-	*	1	2,154	-
Trade and other Receivables (interest on Debentures/tax free bonds)	59	-	-	-	49	-	-	-
Trade and other Payables **	1,012	8	492	-	890	7	179	-
Investments in tax free bonds	2,500	-	-	-	2,500	-	-	-
Investments in Corporate Bonds	2,405	-	-	-	2,476	-	-	-
Investments in Non Convertible Debenture	-	-	1,508	-	-	-	1,487	-
Earnest Money deposit	-	-	-	-	310	-	-	-
Margins Deposits placed	-	-	200	-	-	-	200	-
Margin money payable	-	-	378	-	-	-	560	-
Inter corporate deposits given	-	-	1,467	-	-	-	1,457	-
Security Deposit paid	57	-	-	-	57	-	-	-
Investment in equity shares	-	-	5,573	-	-	-	5,573	-
Contingent Liability	-	-	3,000	-	-	-	3,600	-
Bank guarantee provided to stock exchanges (backed by cash collateral )								

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Nature of Transaction	(₹ in lakhs)	
	As at March 31, 2017	As at March 31, 2016
<b>Service Charges received</b>		
<b>Holding Company</b>		
IFCI Ltd	16	20
<b>Fellow Subsidiaries</b>		
IFCI Venture Capital Funds Limited	2	3
IFCI Infrastructure Development Limited	*	*
<b>Subsidiaries</b>		
SHCIL Services Ltd.	4	4
<b>Commission received</b>		
<b>Subsidiaries</b>		
StockHolding Document Management Services Limited	26	25
<b>Interest received on Inter Corporate Deposits</b>		
<b>Subsidiaries</b>		
StockHolding Document Management Services Limited	154	154
<b>Commission Paid</b>		
<b>Fellow subsidiaries</b>		
IFCI Financial Services Ltd	2	-
<b>Interest received on investments</b>		
<b>Holding Company</b>		
IFCI Ltd	442	516
<b>Interest received on NCD</b>		
<b>Subsidiaries</b>		
StockHolding Document Management Services Limited	155	90
<b>Reimbursement of office expenses</b>		
<b>Holding Company</b>		
IFCI Ltd	3	-
<b>Reimbursement of office expenses</b>		
<b>Subsidiaries</b>		
SHCIL Services Ltd.	69	65
StockHolding Document Management Services Limited	128	126
	197	191
<b>Reimbursement of salary of deputed employees</b>		
<b>Subsidiaries</b>		
SHCIL Services Ltd.	75	59
StockHolding Document Management Services Limited	135	117
	210	176
<b>Sitting fees paid</b>		
<b>Holding Company</b>		
IFCI Ltd	3	3



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)		
Nature of Transaction	As at March 31, 2017	As at March 31, 2016
<b>Sitting fees received</b>		
<b>Subsidiaries</b>		
SHCIL Services Ltd.	6	5
StockHolding Document Management Services Limited	11	13
	17	18
<b>Training Income received</b>		
<b>Subsidiaries</b>		
SHCIL Services Ltd.	1	-
StockHolding Document Management Services Limited	1	3
	2	3
<b>Dividends Paid</b>		
<b>Holding Company</b>		
IFCI Ltd.	1,670	723
<b>Managerial Remuneration</b>		
<b>Key Management Personnel</b>		
Shri N. G. S. Ramesh	36	32
Shri L. Viswanathan	35	35
Shri Shashikant Nayak	26	26
	97	93
<b>Brokerage received</b>		
<b>Subsidiaries</b>		
SHCIL Services Ltd.	2,347	2,070
<b>AMC fees paid for sub-broking terminals</b>		
<b>Subsidiaries</b>		
SHCIL Services Ltd.	24	18
<b>Bank guarantee charges</b>		
<b>Subsidiaries</b>		
SHCIL Services Ltd.	6	10
<b>Client code modification charges</b>		
<b>Subsidiaries</b>		
SHCIL Services Ltd.	*	-
<b>Investments made</b>		
<b>Subsidiaries</b>		
StockHolding Document Management Services Limited	-	1,500
<b>Rent Paid</b>		
<b>Holding Company</b>		
IFCI Ltd	235	106
<b>Rent received</b>		
<b>Subsidiaries</b>		
SHCIL Services Ltd.	28	28
StockHolding Document Management Services Limited	94	94
	122	122

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

Nature of Transaction	As at March 31, 2017	As at March 31, 2016
<b>Document management fees paid</b>		
<b>Subsidiaries</b>		
StockHolding Document Management Services Limited	339	300
<b>Interest recovered on loans</b>		
<b>Key Management Personnel</b>		
Shri L.Viswanathan	-	*
<b>Outstanding Balances</b>		
<b>Trade &amp; other Receivable</b>		
<b>Fellow Subsidiaries</b>		
IFCI Venture Capital Funds Limited	1	1
IFCI Financial Services Limited	*	*
IFCI Infrastructure Development Limited	*	*
	1	1
<b>Subsidiaries</b>		
Stock Holding Document Management Services Ltd	658	376
SHCIL Services Ltd.	234	1,778
	892	2,154
<b>Trade &amp; other Receivable (interest on debentures/tax free bonds)</b>		
<b>Holding Company</b>		
IFCI Ltd	59	49
<b>Trade &amp; Other Payables **</b>		
<b>Holding Company</b>		
IFCI Ltd	1012	890
<b>Subsidiaries</b>		
Stock Holding Document Management Services Ltd	323	189
SHCIL Services Ltd.	169	(10)
	492	179
<b>Fellow Subsidiaries</b>		
IFCI Financial Services Limited	8	7
<b>Investments in tax free bonds</b>		
<b>Holding Company</b>		
IFCI Ltd	2,500	2,500
<b>Investments in Corporate Bonds</b>		
<b>Holding Company</b>		
IFCI Ltd	2,405	2,476
<b>Investment in NCD (Non Convertible Debentures)</b>		
<b>Subsidiaries</b>		
StockHolding Document Management Services Limited	1,508	1,487
<b>Earnest money deposit paid</b>		
IFCI Ltd	-	310

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)		
Nature of Transaction	As at March 31, 2017	As at March 31, 2016
<b>Margin Deposit Placed</b>		
<b>Subsidiaries</b>		
SHCIL Services Ltd.	200	200
<b>Margin money payable</b>		
<b>Subsidiaries</b>		
SHCIL Services Ltd.	378	560
<b>Inter Corporate Deposits given to Subsidiaries</b>		
<b>Subsidiaries</b>		
StockHolding Document Management Services Ltd.	1,467	1,457
<b>Security Deposit for Premises</b>		
<b>Holding Company</b>		
IFCI Ltd	57	57
<b>Investment in Equity shares</b>		
SHCIL services Ltd*	1,713	1,713
StockHolding Document Management Services Limited	3,860	3,860
*Previous year company converted its preference shares of 18,86,250 into 3,19,703 equity shares of face value of ₹ 10 each at a premium of ₹ 49/- each.	5,573	5,573
<b>Loan given</b>		
<b>Key Management Personnel</b>		
Shri L.Viswanathan		
Opening Balance	-	4
Given during the year	-	-
Repaid during the year	-	4
Closing balance	-	-
<b>Contingent Liability</b>		
<b>Bank guarantee provided to stock exchanges (backed by cash collateral )</b>		
<b>Subsidiaries</b>		
SHCIL Services Ltd.	3,000	3,600

\* denotes amounts of less than Rs 1 lakh

\*\* trade and other payables also includes Rs 1,012 lakhs (March 31, 2016 - ₹ 890 lakhs), due to holding company on account of settlement of trade transactions done on stock exchanges and paid on April 03, 2017 , the settlement date (previous year settlement date was April 1, 2016).

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 51 Segment Reporting

The segment information as per accounting standard (IND AS-108) on "Operating Segment" is given below

Primary Business Segments											(₹ in lakhs)
	Depository/Custodial Services		E stamping		Professional clearing Member		Others		Total		
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	
<b>A. SEGMENT REVENUE</b>											
External sales/ Income from operations	11,860	12,205	7,327	7,029	1,560	1,651	12,940	6,821	33,687	27,706	
Inter-segment Revenues	-	-	-	-	-	-	-	-	-	-	
TOTAL REVENUE	11,860	12,205	7,327	7,029	1,560	1,651	12,940	6,589	33,687	27,706	
<b>B. RESULT</b>											
Segment result	3,049	4,175	1,496	1,948	1,227	1,361	2,843	(645)	8,615	6,839	
Unallocated (Expenses) net of unallocated income									(4,399)	(3,630)	
Operating Profit									4,216	3,209	
Interest expense									(1)	(21)	
Interest income									1,805	1,804	
Net Profit									6,020	4,992	
Taxes									(453)	(926)	
Net Profit									5,567	4,066	
<b>Reconciliation of Revenue</b>											
Segment Revenue									33,687	27,706	
Add :											
Interest Income									1,805	1,804	
Unallocated income									-	-	
Total revenue									35,492	29,510	

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Primary Business Segments										(₹ in lakhs)
	Depository/Custodial Services		E stamping		Professional clearing Member		Others		Total	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	
Segment assets	69,063	43,099	21,756	20,037	17,954	16,958	7,424	6,936	116,197	
Unallocated assets	-	-	-	-	-	-	-	-	183,132	
<b>Total assets</b>									299,329	
									237,332	
Segment liabilities	4,645	14,487	15,957	14,473	4,234	4,554	40,930	6,619	65,766	
Unallocated liabilities	-	-	-	-	-	-	-	-	90,436	
<b>Total liabilities</b>									156,202	
									107,687	
Cost incurred during the year to acquire segment fixed assets	465	211	285	185	16	7	650	312	1,416	
									715	
Depreciation	376	340	311	318	11	12	589	581	1,287	
									1,251	
Non-cash expenses other than depreciation										
- doubtful advances written off	206	231	-	-	-	-	-	-	206	
- provision for bad & doubtful debts	147	(20)	-	-	-	-	-	-	147	
									(20)	

The accounting policies adopted for Operating 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.

C. Operating segments are as under:

- DP & Custody : Depository participant services cater to all individual and corporate clients & Custodial services : Clearing and Settlement services (cash segment) Electronic and Physical safe keeping services
- E stamping : Central Record Keeping Agency (CRA) authorised by Ministry of Finance, Government of India to design and implement an electronic method of stamp duty collection, it also includes collection of E-Registration and E-Court Fees.
- Professional clearing member - Clearing member of derivatives segment at various Exchanges.
- Others include Sub-broking services to the retail and institutional clients, Sale of bullion and other goods, distribution services and other allied services.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 52 First time adoption of Ind AS

#### A First Ind AS Financial statements

These are the company's first separate financial statements prepared in accordance with Ind AS applicable as at 31 March 2017.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is as follows:

#### i Optional exemptions availed

##### Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

##### Investment in subsidiaries, associates and joint ventures

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its investment in subsidiaries as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the company has elected to measure all of its investments in subsidiaries at their previous GAAP carrying value.

#### ii Mandatory exceptions applied

##### Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP except where Ind AS required a different basis for estimates as compared to the previous GAAP.

##### De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

##### Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### B Reconciliations of equity reported under previous GAAP to equity under Ind AS

		(₹ in lakhs)		
Sr. no	Particulars	Note no.	March 31, 2016	April 1, 2015
	<b>Equity as per previous GAAP</b>		58,614	55,288
	<b>Adjustments</b>			
1	Investments measured at amortised cost	B.1	232	151
2	Financial assets (Investments) measured at fair value through profit or loss (FVPL)	B.2	(12)	145
3	Financial assets (Investments) measured at fair value through other comprehensive income (FVOCI)	B.2	88,442	88,689
4	Proposed dividends and related tax accounted for as non adjusting events under Ind AS	B.3	1,140	887
5	Provision for expected credit losses on trade receivables	B.4	(39)	(40)
6	Impact of change in depreciation method	B.5	(1,773)	-
7	Adjustment for security deposits and employee loans	B.6	124	107
8	Tax effects of the adjustments		(19,188)	(19,917)
	<b>Equity as per Ind AS</b>		<b>127,540</b>	<b>125,310</b>

### Reconciliation of profit reported under previous GAAP to profit under Ind AS

Sr. no	Particulars	Note no.	For the year ended March 31, 2016
	<b>Net profit as per previous Indian GAAP</b>		5,227
1	Investments measured at amortised cost	B.1	87
2	Financial assets (Investments) measured at fair value through profit or loss (FVPL)	B.2	(157)
3	Provision for expected credit losses on trade receivables	B.4	1
4	Impact of change in depreciation method	B.5	(1,777)
5	Remeasurement gain/loss of defined benefit obligation transferred to OCI	B.2	28
6	Adjustment for security deposits and employee loans	B.6	11
7	Tax effects of the adjustments		646
	<b>Net profit after tax as per Ind AS</b>		<b>4,066</b>
8	Remeasurement gain/loss of defined benefit obligation transferred to OCI (Net of tax)	B.7	(18)
9	Financial assets (Investments) measured at fair value through other comprehensive income (FVOCI) (Net of tax)	B.2	(177)
	<b>Total comprehensive income as per Ind AS</b>		<b>3,871</b>

### Impact of Ind AS adoption on the statement of cash flows for the year ended March 31, 2016 -

All the adjustments on account of Ind AS are non - cash in nature and hence, there is no material impact on the cash flows in the cash flow statement.

#### Sr. no. Explanation to reconciliation:

##### B.1 Investments measured at amortised cost

**Previous GAAP-** Long-term investments are carried at cost less provision for diminution in value, which is other than temporary. Any premium paid on investments purchased is amortised over the life of the investments.

**Ind AS-** A financial instrument that is held within a business model to collect contractual cash flows and the contractual terms of which give rise on specified dates, to cash flows that are solely payments of principal and interest on the principal amount is measured at amortised cost. Interest on these investment is calculated on the basis of effective interest rate (EIR). Initial recognition of all financial assets is done at fair value.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Sr. no.	Explanation to reconciliation:
<b>B.2</b>	<b>Fair valuation of financial assets</b>
	<b>Previous GAAP</b> – Long term investments were carried at cost less provision for diminution (other than temporary) wherever applicable. Current investments were carried at lower of cost or fair value. All other financial assets were carried at cost.
	<b>Ind AS</b> – Financial assets are classified as fair value through other comprehensive income (FVOCI), Fair value through profit and loss (FVTPL) and amortised cost category. Initial recognition of all financial assets is done at fair value. The impacts on the date of transition have been recognised in the reserves and subsequently the fair value changes are recognised as per the applicable category.
	Forward contracts (derivatives) are recognised at fair value on initial recognition and subsequently at fair value through profit and loss.
	The gain or loss on disposal of financial assets under previous GAAP has been restated under Ind AS.
<b>B.3</b>	<b>Proposed dividends</b>
	<b>Previous GAAP</b> – Proposed dividends were recognised as an adjusting event occurring after the balance sheet date.
	<b>Ind AS</b> – Dividends are non-adjusting events after the balance sheet date and hence recognised as and when approved by the shareholders.
<b>B.4</b>	<b>Trade receivables ( Expected credit loss)</b>
	<b>Previous GAAP</b> - The Company has provided provision for impairment of trade receivables on specific amounts for incurred losses.
	<b>Ind AS</b> - Impairment losses has been determined based on expected loss model (ECL).
<b>B.5</b>	<b>Change in method of depreciation</b>
	<b>Previous GAAP</b> - Change in depreciation method, considered as a change in accounting policy, is given retrospective effect.
	<b>Ind AS</b> - Change in depreciation method, considered as change in estimates and provided prospective impact on the financial statements.
<b>B.6</b>	<b>Security deposits and employee loans</b>
	<b>Previous GAAP</b> - Interest free security deposits (that are refundable in cash on completion of the term agreement) are recorded at their transaction value. Employee loan provided at interest rate lower than market rate is recorded at contractual interest rate only.
	<b>Ind AS</b> - All financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits and employee loans under Ind AS. Difference between the fair value and transaction value of the security deposit and employee loans has been recognised as prepaid rent and deferred employee cost respectively.
<b>B.7</b>	<b>Remeasurements of post employment benefit obligations</b>
	<b>Previous GAAP</b> – Remeasurements i.e. actuarial gains/losses and the return on plan assets, excluding amounts included in the net interest expenses were recognised in the statement of profit and loss
	<b>Ind AS</b> – Remeasurements i.e. actuarial gains/losses and the return on plan assets, excluding amounts included in the net interest expenses shall be recognised in other comprehensive income

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

**53** Securities received from clients (for Professional Clearing Member segment) as collateral for margins are held by the company in its own name as a fiduciary capacity

**54 Corporate Social Responsibility**

During the year company spent Amounting to ₹ 117 Lakhs (Previous year ₹ 124 Lakhs) as required in Section 135 Companies Act, 2013 for Corporate Social Responsibility. The CSR activities include eradicating hunger, poverty promoting healthcare, education & sanitation, ensuring environmental sustainability etc.

**55 Disclosure of Specified Bank Notes (SBN's)**

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308 (E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8th, 2016 to December 30th, 2016, the denomination wise SBN and other notes as per the notification is given below:

(₹ in lakhs)			
Particulars	Specified Bank Notes (SBN's)	Other Denominations notes	Total
Closing cash in hand as on 8th November, 2016	493	14	507
(+) Permitted receipts	598	4,749	5,347
(-) Permitted payments	-	4	4
(-) Amount deposited in banks	1,091	4,588	5,679
Closing cash in hand as on 30th December, 2016	-	171	171

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

As per our report of even date

For and on behalf of

**Chaturvedi & Shah**

Chartered Accountants

Firm registration no : 101720W

For and on behalf of the Board

**Vitesh D. Gandhi**

Partner

Membership no : 110248

**Shashikant Nayak**

Company Secretary

FCS 7061

**L. Viswanathan**

Chief Financial Officer

EVP

**Ramesh N.G.S.**

Managing Director & CEO

DIN 06932731

Place : Mumbai

Date : May 05, 2017

**Chintaman Mahadeo Dixit**

Independent Director

DIN 00524318

**Gautam Sen**

Independent Director

DIN 01403762

**B. Baburao**

Director

DIN 00425793

**B. N. Nayak**

Director

DIN 00144147

Statement pursuant to sub-section (3) of Section 129 of the Companies Act, 2013, read with rule 5 of the Companies (Accounts) Rules, 2014

In the prescribed Form AOC-1 relating to subsidiary companies

Sr. No.	Particulars	Name of the Subsidiary Companies	
		SHCIL Services Limited	StockHolding Document Management Services Limited (formerly known as SHCIL Projects Limited)
1	Reporting currency	INR	INR
2	Exchange Rate	1.00	1.00
3	Share capital	Rs.6,08,97,030/-	Rs.37,00,00,000/-
4	Reserves & Surplus	Rs.466,688,684/-	Rs.239,719,974.38/-
5	Total Assets	Rs.1,456,169,744/-	Rs.1,249,955,555.61/-
6	Total Liabilities	Rs.92,85,84,030/-	Rs.640,235,581.23/-
7	Investments	Rs.182,008,174/-	Nil
8	Turnover	Rs.434,300,650/-	Rs.829,250,620.18/-
9	Profit before Taxation	Rs.94,153,687/-	Rs.149,161,632.72/-
10	Provision for taxation	Rs.29,594,972/-	Rs.52,233,714.42/-
11	Profit after taxation	Rs.64,558,715/-	Rs.96,927,918.30/-
12	Total comprehensive income after tax	Rs.64,147,125/-	Rs. 96,802,243.38/-
13	Proposed dividend	Rs.2.60/- per share	Rs.0.672/- per share
14	% of shareholding	100	100
15	Country	India	India

**Notes :**

1. The reporting period for all subsidiaries is March 31, 2017.
2. StockHolding does not have any associate companies / joint ventures.
3. Name of the subsidiaries which are yet to commence operations – Nil.

For and on behalf of the Board

**L. Viswanathan**  
EVP & CFO

**Shashikant L. Nayak**  
AVP & Company Secretary

**Ramesh N.G.S.**  
Managing Director & CEO

**B. Baburao**  
Director

Place : Mumbai  
Date : July 28, 2017

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## CONSOLIDATED FINANCIAL STATEMENTS

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## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying consolidated Ind AS financial statements of Stock Holding Corporation of India Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

#### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

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

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

We conducted our audit of comparative financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### 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 reports of other auditors, referred to in the Other Matters paragraph below, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs of the Group, as at March 31, 2017, and their consolidated profit and their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Emphasis of Matter

We draw attention to note 37 (A) (ii) & 39 of the consolidated Ind AS financial statements related to outcome of continuing litigation with a Bank, pending adjudication of the matter by the Honorable Supreme Court and also in view of the legal opinion obtained by the Holding Company, in the opinion of the management, no provision has been recognised in the Statement of Profit & Loss.

#### Our opinion is not modified in respect of this matter.

#### Other Matters

- i. We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs.27,061 lakhs as at March 31, 2017, total revenues of Rs.12,636 lakhs, and net cash flows (inflows) amounting to Rs.149 lakhs for the year

ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

- ii. This audit report is based on our audit of the financial statements for the year ended March 31, 2017 prepared by the Company as per Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended. The Company has prepared the aforesaid financial statements under another financial reporting framework; based on the Accounting Standards, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. We have issued a separate audit report dated 5th May, 2017 based on the audit of the financial statements prepared as per the Accounting Standards.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
  - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of these entities is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the subsidiary companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 37 and 39 to the consolidated Ind AS financial statements.
  - ii. The group did not have any material foreseeable losses on long-term contracts including derivative contracts as at March 31, 2017.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary companies incorporated in India.
  - iv. The Holding Company has provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Holding Company and respective group entities, as produced to us and based on the consideration of report of other auditors, referred to in the Other Matters paragraph above. Refer Note 54 to the consolidated Ind AS financial statements.
2. As required under section 143(5) of the Companies Act, 2013, we enclose herewith, as per Annexure B, our report for the Holding Company and its subsidiaries incorporated in India on the said directions issued by the Comptroller & Auditor General of India.

**For Chaturvedi & Shah**  
**Chartered Accountants**  
 Firm Registration no. 101720W

Place : Mumbai  
 Date : May 5, 2017

**Vitesh D. Gandhi**  
 Partner  
 Membership No.: 110248

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF STOCK HOLDING CORPORATION OF INDIA LIMITED

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of Stock Holding Corporation of India (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's and its subsidiaries internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its subsidiaries internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in the Other Matters paragraph, the Holding Company and its subsidiaries, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the these entities, considering the essential components of internal control stated in the Guidance Note.

### OTHER MATTERS

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to consolidated and standalone financial statements of 2 subsidiaries, is based on the corresponding reports of the auditors of such companies.

For **Chaturvedi & Shah**  
**Chartered Accountants**  
Firm Registration no. 101720W

Place : Mumbai  
Date : May 5, 2017

**Vitesh D. Gandhi**  
Partner  
Membership No.: 110248



## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF STOCK HOLDING CORPORATION OF INDIA LIMITED

(Referred to in Paragraph 2 under the heading “Report on legal and regulatory requirements” of our report of even date)

### I. In case of Stock Holding Corporation of India Limited

Sr. No.	Directions	Replies
1	Whether the Company has clear title / lease deeds for freehold and leasehold respectively? If not, please state the area of freehold and leasehold land for which title / lease deeds are not available?	Yes according to information and explanations and documentation given to us the Company has Clear title / lease deeds for leasehold land. As informed to us the Company has no freehold land.
2	Whether there are any cases of waiver / write off of debts / loans / interest etc. If yes, the reason there for and amount involved.	In respect of various trade receivables, the Company has waived off / written off amount of Rs.1469 lakhs, as Management of the Company is of the opinion that the same are non recoverable. The above has been done in line with policy as approved by the Board of Directors.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from the government or other authorities?	There are no inventories lying with any third party and as per the information furnished to us, there are no assets received as gifts from Government or other Authorities.

### II. In case of StockHolding Document Management Services Limited # (Previously Known as SHCIL Projects Limited)

Sr. No.	Directions	Replies
1	Whether the Company has clear title / lease deeds for freehold and leasehold respectively? If not, please state the area of freehold and leasehold land for which title / lease deeds are not available?	Not Applicable
2	Whether there are any cases of waiver / write off of debts / loans / interest etc. If yes, the reason there for and amount involved.	Long outstanding debtors aggregating to Rs.189.00 lakhs in respect of 32 trade receivables / parties were written off as bad debts by the management in line with the policy of the Company.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from the government or other authorities?	Not Applicable

### III. In case of SHCIL Services Limited #

Sr. No.	Directions	Replies
1	Whether the Company has clear title / lease deeds for freehold and leasehold respectively? If not, please state the area of freehold and leasehold land for which title / lease deeds are not available?	According to the information and explanations given to us, the Company has lease deed for leasehold property. The Company does not have any freehold property.
2	Whether there are any cases of waiver / write off of debts / loans / interest etc. If yes, the reason there for and amount involved.	According to the information and explanations given to us, and as explained in note 33(a) of the Financial Statements, the Company has written off excess stamp duty paid arising out of mismatch in stamp duty collections and payments over past years amounting to Rs.2,78,289 (Net). The Company has also written off in form of depreciation expenses certain Computers and mobile handsets (net value is Re. 1) which are not in good conditions. The Company has provided an amount of Rs.98,530 towards Doubtful Debts for various clients that includes the principal amount and fees. There are no other waivers or write off.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from the government or other authorities?	According to the information and explanations given to us, there are no inventories lying with any third party. As per the information furnished to us, there are no assets received as gifts from Government or other Authorities.

# In case of replies given to the directions issued under section 143(5) of the Subsidiaries, StockHolding Document Management Services Limited and SHCIL Services Limited, we have relied on the auditors’ report submitted by their respective statutory auditors.

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF STOCK HOLDING CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2017**

The preparation of consolidated financial statement of Stock Holding Corporation of India Limited for the year ended March 31, 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated May 5, 2017.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 143 (6) (a) read with section 129 (4) of the Act of the consolidated financial statements of Stock Holding Corporation of India Limited for the year ended 31 March 2017. We conducted a supplementary audit of the financial statement of Stock Holding Corporation of India Limited but did not conduct Supplementary audit of the financial statements of StockHolding Document Management Services Limited and SHCIL Services Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report.

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

Place : Mumbai  
Date : August 4, 2017

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

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(₹ in lakhs)				
	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
<b>I. Non Current Assets</b>				
a) Property Plant and Equipment	5	15,525	14,484	14,706
b) Capital work-in-progress (net of provision for impairment - ₹ 108 lakhs; March 31, 2016 ₹ 108 lakhs)		221	557	347
c) Other Intangible Assets	6	508	451	185
d) Intangible assets under development		11	16	12
<b>e) Financial Assets</b>				
(i) Investments	7	109,036	102,131	104,141
(ii) Loans	8	7,775	7,419	4,182
(iii) Other financial assets	9	25,302	23,276	18,560
f) Non Current Tax assets	10	3,136	2,905	1,997
g) Other non-current assets	11	357	666	864
		161,871	151,905	144,994
<b>II. Current Assets</b>				
a) Inventories	12	117	-	-
<b>b) Financial Assets</b>				
(i) Investments	13	13,862	3,157	4,742
(ii) Trade receivables	14	11,762	7,071	6,405
(iii) Cash and cash equivalent	15	63,294	29,699	28,213
(iv) Bank balances other than cash and cash equivalents		403	767	2,873
(v) Loans	16	4,308	5,555	5,341
(vi) Others	17	55,422	45,563	20,861
c) Other Current Assets	18	649	606	174
		149,817	92,418	68,609
<b>TOTAL</b>		<b>311,688</b>	<b>244,323</b>	<b>213,603</b>
<b>EQUITY AND LIABILITIES</b>				
<b>I. Equity</b>				
a) Share Capital	19	2,105	2,105	2,105
b) Other Equity		146,821	131,730	128,169
		148,926	133,835	130,274
<b>Liabilities</b>				
<b>II. Non Current Liabilities</b>				
a) Provisions	20	3,845	3,567	3,527
b) Deferred tax liabilities	21	20,965	18,985	19,149
c) Others	22	1,900	1,841	1,809
		26,710	24,393	24,485
<b>III. Current Liabilities</b>				
<b>a) Financial Liabilities</b>				
(i) Borrowings - Current	23	130	375	-
(ii) Trade payables	24	13,262	6,801	5,814
(iii) Other liabilities	25	110,220	71,678	42,848
b) Other current liabilities	26	11,961	6,867	9,998
c) Provisions	27	479	374	184
		136,052	86,095	58,844
<b>TOTAL</b>		<b>311,688</b>	<b>244,323</b>	<b>213,603</b>
Significant accounting policies and see accompanying notes to financial statement	1 to 61			

As per our report of even date  
For and on behalf of  
**Chaturvedi & Shah**  
Chartered Accountants  
Firm registration no : 101720W

**Vitesh D. Gandhi**  
Partner  
Membership no : 110248

**Shashikant Nayak**  
Company Secretary  
FCS 7061

Place : Mumbai  
Date : May 05, 2017

**Chintaman Mahadeo Dixit**  
Independent Director  
DIN 00524318

For and on behalf of the Board

**L. Viswanathan**  
Chief Financial Officer  
EVP

**Gautam Sen**  
Independent Director  
DIN 01403762

**Ramesh N.G.S.**  
Managing Director & CEO  
DIN 06932731

**Baburao**  
Director  
DIN 00425793

**B. N. Nayak**  
Director  
DIN 00144147

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

	Note	Year ended March 31, 2017	(₹ in lakhs) Year ended March 31, 2016
<b>I. INCOME :</b>			
Revenue from Operations	28	37,042	29,432
Other Income	29	7,659	6,078
Total Revenue		44,701	35,510
<b>II. EXPENDITURE:</b>			
Purchase of Stock in Trade		1,576	160
Change in Stock in Trade		(117)	-
Employee benefits expense	30	12,657	10,367
Finance costs	31	49	47
Sub Brokerage Expenses	32	4	4
Depreciation and amortisation expenses	5 & 6	2,019	2,144
Other expenses	33	20,062	15,756
Total expenses		36,250	28,478
<b>III. PROFIT BEFORE TAX</b>		8,451	7,032
Tax Expense			
- Current Tax		1,299	1,725
- Deferred Tax		(28)	(77)
		1,271	1,648
<b>IV. PROFIT FOR THE YEAR FROM CONTINUED OPERATION</b>		7,180	5,384
Profit From Discontinued Operation		-	29
Tax expenses of Discontinued Operation		-	10
Profit From Discontinued Operation (after tax)		-	19
<b>V. PROFIT FOR THE YEAR</b>		7,180	5,403
<b>VI. OTHER COMPREHENSIVE INCOME</b>			
OCI items not reclassified to profit and loss in subsequent periods:			
Remeasurement of net defined benefit liability		(128)	(39)
Fair value movement equity instruments designated at FVOCI		17,232	(251)
Income tax relating to items not reclassified to profit and loss in subsequent periods		(2,010)	87
Net OCI items not reclassified to profit and loss in subsequent periods		15,094	(203)
OCI items to be reclassified to profit and loss in subsequent periods:			
Fair value movement on debt instruments designated at FVOCI		-	-
Fair value movement reclassified to profit and loss		-	-
Income tax relating to items reclassified to profit and loss in subsequent periods		-	-
Net OCI items reclassified to profit and loss in subsequent periods		-	-
Other comprehensive income for the year, net of tax		15,094	(203)
<b>VII. TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		22,274	5,200
Total comprehensive income for the year attributable to:			
Non-controlling interest		10,500	2,451
Controlling interest		11,774	2,749
Earnings per equity share (For continuing operation) refer note 48			
Nominal value per share : Rs 10			
(1) Basic		34.10	25.57
(2) Diluted		34.10	25.57
Earnings per equity share (For discontinuing operation) refer note 48			
Nominal value per share : Rs 10			
(1) Basic			0.09
(2) Diluted			0.09
<b>Significant accounting policies and see accompanying notes to financial statement</b>	1 to 61		

As per our report of even date

For and on behalf of

**Chaturvedi & Shah**

Chartered Accountants

Firm registration no : 101720W

For and on behalf of the Board

**Vitesh D. Gandhi**  
Partner  
Membership no : 110248

**Shashikant Nayak**  
Company Secretary  
FCS 7061

**L. Viswanathan**  
Chief Financial Officer  
EVP

**Ramesh N.G.S.**  
Managing Director & CEO  
DIN 06932731

Place : Mumbai  
Date : May 05, 2017

**Chintaman Mahadeo Dixit**  
Independent Director  
DIN 00524318

**Gautam Sen**  
Independent Director  
DIN 01403762

**Baburao**  
Director  
DIN 00425793

**B. N. Nayak**  
Director  
DIN 00144147

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

### A Equity Share Capital

Period ended	Balance at the beginning of the reporting period	Changes in equity share capital during the period	Balance at the end of the reporting period
April 1, 2015	2,105	-	2,105
March 31, 2016	2,105	-	2,105
<b>March 31, 2017</b>	<b>2,105</b>	<b>-</b>	<b>2,105</b>

### B Other Equity

Particulars	Retained Earnings	Securities Premium account	Fair value movement equity instruments designated at FVOCI	General Reserve	Total
<b>Restated Balance at the beginning as on 1st April, 2015</b>	<b>113,279</b>	<b>527</b>	<b>-</b>	<b>14,363</b>	<b>128,169</b>
Retained Earnings - Transferred from current year P&L	5,403	-	-	-	5,403
Interim dividend	(631)	-	-	-	(631)
Defined Employee benefit cost	(18)	-	-	-	(18)
Proposed dividend	(737)	-	-	-	(737)
Dividend distribution tax	(279)	-	-	-	(279)
Transfer to General Reserve	(523)	-	-	-	(523)
Tax impact	-	-	74	-	74
Fair value movement equity instruments designated at FVOCI	-	-	(251)	-	(251)
Transferred from Surplus in Statement of Profit and Loss	-	-	-	523	523
<b>Closing balance as on 31st March, 2016</b>	<b>116,494</b>	<b>527</b>	<b>(177)</b>	<b>14,886</b>	<b>131,730</b>
<b>Particulars</b>	<b>Retained Earnings</b>	<b>Securities Premium account</b>	<b>Fair value movement equity instruments designated at FVOCI</b>	<b>General Reserve</b>	<b>Total</b>
<b>Restated Balance at the beginning as on 1st April, 2016</b>	<b>116,494</b>	<b>527</b>	<b>(177)</b>	<b>14,886</b>	<b>131,730</b>
Retained Earnings - Transferred from current year P&L	7,180	-	-	-	7,180
Interim dividend	(3,053)	-	-	-	(3,053)
Defined Employee benefit cost	(84)	-	-	-	(84)
Proposed dividends	(947)	-	-	-	(947)
Dividend distribution tax	(815)	-	-	-	(815)
Tax Impact	(2,370)	-	(2,052)	-	(4,422)
Fair value movement equity instruments designated at FVOCI	-	-	17,232	-	17,232
Transfer from/(to) OCI	2,199	-	(2,199)	-	-
<b>Closing balance as on 31st March, 2017</b>	<b>118,604</b>	<b>527</b>	<b>12,804</b>	<b>14,886</b>	<b>146,821</b>

As per our report of even date  
For and on behalf of  
**Chaturvedi & Shah**  
Chartered Accountants  
Firm registration no : 101720W

**Vitesh D. Gandhi**  
Partner  
Membership no : 110248

Place : Mumbai  
Date : May 05, 2017

**Shashikant Nayak**  
Company Secretary  
FCS 7061

**Chintaman Mahadeo Dixit**  
Independent Director  
DIN 00524318

For and on behalf of the Board

**L. Viswanathan**  
Chief Financial Officer  
EVP

**Gautam Sen**  
Independent Director  
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**Ramesh N.G.S.**  
Managing Director & CEO  
DIN 06932731

**Baburao**  
Director  
DIN 00425793

**B. N. Nayak**  
Director  
DIN 00144147

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lakhs)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	8,451	7,061
<b>Adjusted for :</b>		
Depreciation	2,019	2,144
(Profit) on sale of investments	(253)	36
(Profit)/Loss on sale of fixed assets	3	1
Dividend Income	(3,563)	(1,990)
Interest Income	(3,560)	(3,716)
Interest paid	49	47
Bad debts written off	395	270
Provision for doubtful debts /(written back)	194	31
Loss on valuation of stock-in-trade	-	7
Foreign Exchange loss	-	9
Sundry balances written back	(48)	(100)
Finance Cost	45	45
Fair value gain on investments measured at FVPL	(110)	-
Actuarial movements reclassified to OCI	(128)	(39)
Operating Profit before working capital changes	3,494	3,806
<b>Changes in working capital</b>		
<b>Adjustments for (increase) / decrease in operating assets :</b>		
(Increase)/decrease in trade receivables	(5,300)	(2,268)
(Increase)/decrease in stock in trade	(79)	3,573
(Increase)/decrease in loan and advances	241	(4,019)
(Increase)/ Decrease in other current assets	(664)	(1,503)
<b>Adjustments for increase / (decrease) in operating liabilities :</b>		
Increase/(decrease) in trade payables	6,090	92
Increase/(decrease) in provisions	313	329
Increase/(decrease) in other current liabilities	35,330	5,277
Increase/(decrease) in long term liabilities	58	56
Cash generated from operations	39,483	5,343
Direct Taxes (paid)/ refund received (net)	(3,948)	(2,642)
Net Cash from / (used in) operating activities	35,535	2,701
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets including capital advances	(2,212)	(2,723)
Proceeds from sale of fixed assets	15	8
Purchase of Investments	(2,284,760)	(476,055)
Proceeds from sale of investments	2,284,714	475,849
Bank deposits not considered as cash and cash equivalents :		
- matured (net)	(1,516)	(2,946)
Fixed deposit placed with companies	-	500
Decrease/ (Increase) in earmarked bank balances	2	-
Interest received	3,363	3,482
Dividend received	3,563	1,990
Net Cash from / (used in) investing activities	3,169	105

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	(₹ in lakhs)	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short term borrowings/ (repayments) (net)	(245)	375
Interest paid	(49)	(47)
Dividend Paid	(4,000)	(1,369)
Tax on Distributed Profit	(815)	(279)
Net cash (used in) financing activities	(5,109)	(1,320)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>33,595</b>	<b>1,486</b>
Cash and cash equivalents (Opening Balance)	29,699	28,213
Cash and cash equivalents (Closing Balance)	63,294	29,699
<b>Notes :</b>		
<b>(1) Cash and Cash equivalents</b>		
Balances with Banks	42,496	27,859
Cash and cheques on hand	803	811
Money lent on CBLO Transactions	19,995	1,029
Cash & Cash Equivalents considered for Cash flow	63,294	29,699
<b>(2) Other Bank Balances</b>	<b>403</b>	<b>767</b>
<b>Cash and Bank Balances as per note 15</b>	<b>63,697</b>	<b>30,466</b>
<b>Notes</b>		
i) The Company's bankers have sanctioned total fund-based limits of Rs.10,800 lakhs (March 31, 2016- Rs 11,295 lakhs) to finance working capital requirements. The limit of Rs.130 (March 31, 2016- Rs 375) were utilised as on March 31, 2017		
ii) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Ind AS- 7 on Statements of Cash Flows		

As per our report of even date

For and on behalf of

**Chaturvedi & Shah**

Chartered Accountants

Firm registration no : 101720W

For and on behalf of the Board

**Vitesh D. Gandhi**

Partner

Membership no : 110248

**Shashikant Nayak**

Company Secretary

FCS 7061

**L. Viswanathan**

Chief Financial Officer

EVP

**Ramesh N.G.S.**

Managing Director & CEO

DIN 06932731

Place : Mumbai

Date : May 05, 2017

**Chintaman Mahadeo Dixit**

Independent Director

DIN 00524318

**Gautam Sen**

Independent Director

DIN 01403762

**Baburao**

Director

DIN 00425793

**B. N. Nayak**

Director

DIN 00144147



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

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

### 1. Corporate information

Stock Holding Corporation of India Ltd. (SHCIL or Company) was promoted by the public financial institutions and incorporated as a limited company on July 28, 1986. Its registered office and principal place of business is 301, Centre Point, Dr. Babasaheb Ambedkar Road, Parel, Mumbai, India.

The financial statements of the Company have been prepared in accordance with Ind-AS as issued by the Ministry of Corporate Affairs (MCA). This is Company's first financial statements prepared in accordance with Ind-AS.

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.

StockHolding Document Management Services Limited (formerly SHCIL Projects Limited) was incorporated on August 10, 2006 and is a wholly owned subsidiary of Stock Holding Corporation of India Ltd (SHCIL) The Company provides physical custody services, digitization services and sale of software products & services.

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

With effect from March 28, 2014, Stock Holding Corporation of India Limited (SHCIL) became a subsidiary of IFCI Ltd. & hence IFCI Ltd. is the Ultimate Holding Company for SHCIL Services Ltd. and for StockHolding Document Management Services Ltd from the said date.

### 2. Summary of significant accounting policies

#### 2.1. Overall consideration

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

#### 2.2. Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements have been prepared using the historical cost basis except for certain assets and liabilities where fair value model has been used, e.g. derivative financial instruments, certain financial assets and liabilities measured at fair value, etc.

These financial statements, for the year ended March 31, 2017, are the first financial statements the Group Companies have prepared in accordance with Ind-AS. Till the year ended March 31, 2016, the Group Companies prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Group Companies have prepared financial statements which comply with Ind-AS applicable for year ending on March 31, 2017 together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Group Companies opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind-AS. An explanation of how the transition to Ind-AS has affected the Company's equity and its net profits is provided in note number 59.

The financial statements are presented in Indian National Rupees (INR) and all values are rounded to the nearest lakhs, except when otherwise indicated.

#### Use of Estimates

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

### 2.3. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2017. Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group

### 2.4. Current / non-current classification

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

### 2.5. Foreign currency translation

#### Functional and presentation currency

The financial statements are presented in INR, which is also the functional currency for the Company.

#### Foreign currency transactions and balances

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

### 2.6. Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

The principal or the most advantageous market must be accessible by the Company.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

### 2.7. Segment reporting

The Chief Operational Decision Maker monitor the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources.

For management purposes, the Company uses the same measurement policies as those used in its financial statements, except for certain items not included in determining the operating profit of the operating segments, as follows:

- post-employment benefit expenses
- revenue and costs from investment property.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

### 2.8. Revenue

Revenue arises from the sale of goods and the rendering of services. It is measured at the fair value of consideration received or receivable, excluding sales taxes, and reduced by trade discounts allowed.

The Group Companies applies the revenue recognition criteria set out below to each separately identifiable component of the sales transaction. The consideration received from these multiple-component transactions is allocated to each separately identifiable component in proportion to its relative fair value.

#### (a) Sale of Goods

Revenue from sale of goods is recognized on transfer of all significant risks and rewards of ownership to the buyer (net of sales tax, sales return and trade discount).

#### (b) Rendering of services

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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

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 lodgment/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.

Commission (including commission on consignment sale) and brokerage income recognised on accrual basis.

Commission income on initial public offer (IPO), follow on public offer (FPO) and interest on delayed payment Charges collected on cheques dishonoured/bounced are recognized on actual basis are being booked on receipt basis.

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.

### (c) Interest and dividends

Interest income, for all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

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

### (d) Lease income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature unless another systematic basis is more representative of the time pattern of the user's benefit.

## 2.9. Property, plant and equipment

Items of property, plant and equipment (PP&E) are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation on PP&E is charged under the straight line method over the useful life of the assets as specified in Schedule II to the Companies Act, 2013 except for the below tabulated class of assets wherein a lesser useful life has been estimated due to rapid advancement in technology:

Asset Class	Useful Life adopted	Useful Life as per Companies Act, 2013
Computer servers and networks	4 years	6 years
Office Equipment – Mobiles	2 years	5 years
Vehicles	3 years	8 years
Building	58 years	60 years

The Group, based on technical assessment made by technical expert and management estimate, depreciates the assets over estimated useful lives.

The leasehold land and leasehold improvements will be depreciated over the period of lease.

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

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

Depreciation is charged on a pro-rata basis from / upto the month of acquisition /sale or disposal.

Assets costing less than Rs. 5,000/- individually are depreciated fully in the year in which such assets are purchased by our subsidiary StockHolding Document Management Services Limited.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

### Capital work in progress

All directly attributable expenditure, including interest cost during the asset construction period, which are necessary to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management as at the balance sheet date are accumulated and presented as Capital Work-In-Progress. Assets under construction are not depreciated.

### 2.10. Intangible assets

#### (a) Initial recognition of other intangible assets

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

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

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

#### (b) Subsequent measurement

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

Asset	Useful life
Software	3 years

Amortisation has been included within 'depreciation and amortisation expense'.

Subsequent expenditures on the maintenance of intangible assets are expensed as incurred.

When an intangible asset is disposed off, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

The Group, based on technical assessment made by technical expert and management estimate, depreciates the building over estimated useful lives.

### 2.11. Leases

#### Group as a lessee

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### Finance leases

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

### Operating leases

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

### 2.12. Impairment of assets

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

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Cash-generating units (determined by the company's management as equivalent to its operating segments) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

### 2.13. Financial instruments

#### Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the group Companies becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, canceled or expires.

#### Initial recognition and measurement

All financial assets are recognised initially at fair value. Financial assets not recorded at fair value through profit or loss are recognised at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)
- Derivatives and equity instruments at fair value through profit or loss (FVTPL)

#### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company and is generally applied to trade and other receivables. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

### Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if both of the following criterias are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income (recognised using the EIR method), impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L.

### Equity investments at FVOCI

The Company measures all equity investments at fair value subsequently. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### Derivatives and Equity investments at FVTPL

Changes in the fair value of derivatives and equity investments at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss.

### De-recognition

A financial asset is derecognised only when

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

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

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

### Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may at initial recognition elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL, if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### Impairment of Financial Assets

The Group Companies assess impairment based on Expected Credit Losses (ECL) model for the following:

- Financial assets measured at amortised cost;



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

- Financial assets that are debt instruments measured at fair value through other comprehensive income (FVTOCI);

The Group Companies follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Group Companies does not require to track changes in credit risk. Rather, it recognises impairment loss allowance based on life time ECLs at each reporting date, right from its initial recognition.

The Group Companies use a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Group Companies determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, life time ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L).

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

### Group Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group Companies financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. The Company has classified derivative financial instruments and guarantees as fair value through profit or loss.

Gains or losses on such liabilities are recognised in the profit or loss. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

#### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to interest-bearing loans and borrowings.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

### Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

### De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### 2.14. Income taxes

Tax on income for the current period is determined on the basis of estimated tax income and tax credit computed in accordance with the provision of relevant tax laws and on the expected outcomes of assessments/appeals.

Current income tax relating to item recognised directly in equity, shall be recognised in equity and not in the statement of profit and loss. Management periodically evaluates position taken in tax returns with respect to situation in which applicable tax regulations or subject to interpretation and establishes provisions where appropriate.

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

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

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

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

Deferred tax liabilities are generally recognised in full, although Ind-AS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Company does not recognise deferred tax on temporary differences relating to its investments in subsidiaries.

### 2.15. Equity, reserves and dividend payments

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

- remeasurement of net defined benefit liability – comprises the actuarial losses from changes in demographic and financial assumptions and the return on plan assets
- reserves for financial instruments measured at FVOCI
- tax impact related to the above

Retained earnings includes all current and prior period retained profits.

Final dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a General meeting prior to reporting date, except interim dividend which is approved in Board meeting.

### 2.16. Inventories

Inventories are carried in financial statements lower, cost or net realisable value.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

### 2.17. Cash and cash equivalents

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

### 2.18. Post-employment benefits and short-term employee benefits

#### Post-employment benefit plans

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

#### Defined contribution plans

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

#### Defined benefit plans

Retirement Benefit in the form of gratuity is considered as defined benefit obligation (DBO) 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. Actuarial gain or losses if any are immediately recognised in the statement of Profit & Loss.

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

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

#### Short-term employee benefits

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

### 2.19. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and as realisable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

### 2.20. Contingent liabilities and commitments

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events. Contingent liability is not recognised as it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured reliably. Contingent Liabilities are not recognised but are disclosed in the financial statements.

### 2.21. Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. A contingent asset is not recognised however disclosed in the financial statements.

### 2.22. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the Year attributable to equity shareholders by the weighted average number of equity shares outstanding during the Year. For the purpose of calculating diluted earnings per share, the net profit or loss for the Year attributable to equity shareholders

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

and the weighted average number of shares outstanding during the Year is adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

### Financial risk management

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

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

### Market risk

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

### Interest rate risk

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

### Credit risk

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

The company continuously monitors defaults of customers and other counter parties, identified by the company, and incorporates this information into its credit risk controls. The company's policy is to deal only with credit worthy customers.

### Liquidity risk

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

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements. The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables significantly exceed the current cash outflow requirements.

### Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss, over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalization of such asset is added to the cost of the assets.

## 3. Significant accounting judgments, estimates and assumptions

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

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

### Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

be utilised. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

### Useful lives of depreciable assets

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

### Impairment of non-financial assets

The Group Companies assess at each reporting date whether there is an indication that an asset maybe impaired. If any indication exists, or when annual impairment testing is required, the Group Companies estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's (Cash Generating Unit) fair value less costs of disposal or its value in use. It is determined for an individual asset, unless the assets dose not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an assets or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable value.

In assessing value in use, the estimated future cash flow is discounted to their present value using a pre-tax discount rate that's reflect current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transaction can be identified, an appropriate valuation model is used. These calculations are corroborated by valuations multiples or other available fair value indicators.

### Defined benefit obligation (DBO)

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

### Fair value measurement

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

## 4. First-time adoption of Ind-AS

### Exemptions applied

Ind-AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind-AS. The Group Companies has applied the following exemptions:

### Property, plant and equipment

Since there is no change in the functional currency, the Group Companies has elected to continue with the carrying value for all of its PP&E and investment property as recognised in its Indian GAAP financial as deemed cost at the transition date.

All items of PP&E including investment property were carried in the balance sheet prepared in accordance with Indian GAAP at historical cost. The Group Companies has elected to regard those values of PP&E and investment property as deemed cost at the date of transition.

### Investments in subsidiaries, joint ventures and associates

In the separate financial statements of SHCIL, investments in subsidiaries can be measured at transition date:

- (a) at cost (determined in accordance with Ind-AS 27); or
- (b) at deemed cost (fair value or previous GAAP carrying amount).

SHCIL has adopted the deemed cost (previous GAAP carrying amount) exemption for investment in subsidiaries.

This being the first time adoption of Ind AS financial statements, there may be changes in accounting policies, management estimates, assumptions, judgments and interpretations in the subsequent reporting periods. In the opinion of the management such changes will not materially affect the financial position of the Group Companies.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

### 5 Property Plant and Equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2017

(₹ In Lakhs)									
Particulars	Leasehold Land	Buildings*	Plant & Machinery	Computers	Furniture & Fixtures	Office Equipment	Vehicles	Lease hold Improvements	Total
<b>Gross carrying value as of April 1, 2016</b>	128	7,037	5,991	1,445	1,167	478	206	17	16,469
Additions	-	-	1,211	1,202	145	125	17	143	2,843
Deletions	-	2	145	102	64	67	44	-	424
<b>Gross carrying value as of March 31, 2017</b>	<b>128</b>	<b>7,035</b>	<b>7,057</b>	<b>2,545</b>	<b>1,248</b>	<b>536</b>	<b>179</b>	<b>160</b>	<b>18,888</b>
<b>Accumulated depreciation as of April 1, 2016</b>	<b>2</b>	<b>352</b>	<b>575</b>	<b>496</b>	<b>247</b>	<b>234</b>	<b>76</b>	<b>3</b>	<b>1,985</b>
Depreciation	2	134	668	493	257	146	68	19	1,787
Accumulated depreciation on deletions	-	-	138	102	61	67	41	-	409
<b>Accumulated depreciation as of March 31, 2017</b>	<b>4</b>	<b>486</b>	<b>1,105</b>	<b>887</b>	<b>443</b>	<b>313</b>	<b>103</b>	<b>22</b>	<b>3,363</b>
<b>Carrying value as of March 31, 2017</b>	<b>124</b>	<b>6,549</b>	<b>5,952</b>	<b>1,658</b>	<b>805</b>	<b>223</b>	<b>76</b>	<b>138</b>	<b>15,525</b>

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2016:

(₹ In Lakhs)									
Particulars	Leasehold Land	Buildings*	Plant & Machinery	Computers	Furniture & Fixtures	Office Equipment	Vehicles	Lease hold Improvements	Total
<b>Gross carrying value as of April 1, 2015</b>	128	7,037	4,823	1,136	1,123	340	112	7	14,706
Additions	-	-	1,176	328	46	138	102	10	1,800
Deletions	-	-	8	19	2	-	8	-	37
<b>Gross carrying value as of March 31, 2016</b>	<b>128</b>	<b>7,037</b>	<b>5,991</b>	<b>1,445</b>	<b>1,167</b>	<b>478</b>	<b>206</b>	<b>17</b>	<b>16,469</b>
<b>Accumulated depreciation as of April 1, 2015</b>	-	-	-	-	-	-	-	-	-
Depreciation	2	352	575	515	248	234	84	3	2,013
Accumulated Depreciation on deletions	-	-	-	19	1	-	8	-	28
<b>Accumulated depreciation as of March 31, 2016</b>	<b>2</b>	<b>352</b>	<b>575</b>	<b>496</b>	<b>247</b>	<b>234</b>	<b>76</b>	<b>3</b>	<b>1,985</b>
<b>Carrying value as of March 31, 2016</b>	<b>126</b>	<b>6,685</b>	<b>5,416</b>	<b>949</b>	<b>920</b>	<b>244</b>	<b>130</b>	<b>14</b>	<b>14,484</b>

Note:\*1. Buildings includes Rs.408/- being the cost of 8 shares held in a Co-op Housing society.

2. There are no adjustments to Gross block on account of foreign exchange fluctuations or borrowing costs
3. 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

### 6 Other Intangible Assets

Following are the changes in the carrying value of Other Intangible Assets for the year ended March 31, 2017:

(₹ In Lakhs)		
Particulars	Computer Software	Total
Gross carrying value as of April 1, 2016	582	582
Additions	289	289
Deletions	4	4
<b>Gross carrying value as of March 31, 2017</b>	<b>867</b>	<b>867</b>
Accumulated depreciation as of April 1, 2016	131	131
Depreciation	232	232
Accumulated depreciation on deletions	4	4
<b>Accumulated depreciation as of March 31, 2017</b>	<b>359</b>	<b>359</b>
<b>Carrying value as of March 31, 2017</b>	<b>508</b>	<b>508</b>

Following are the changes in the carrying value of Other Intangible Assets for the year ended March 31, 2016:

(₹ In Lakhs)		
Particulars	Computer Software	Total
Gross carrying value as of April 1, 2015	185	185
Additions	397	397
Deletions	-	-
<b>Gross carrying value as of March 31, 2016</b>	<b>582</b>	<b>582</b>
Accumulated depreciation as of April 1, 2015	-	-
Depreciation	131	131
Accumulated depreciation on deletions	-	-
<b>Accumulated depreciation as of March 31, 2016</b>	<b>131</b>	<b>131</b>
<b>Carrying value as of March 31, 2016</b>	<b>451</b>	<b>451</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

### 7 Non- Current Investments

(Rs in Lakhs)				
	Face Value (Rs)	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>Equity Shares (Trade - Fully paid-up)</b>				
<b>Other Companies - Unquoted</b>				
22,000,000 (March 31, 2016 - 22,50,000) National Stock Exchange of India Ltd. ****	1	96,000	88,875	89,100
- (March 31, 2016 - 87,000) Bombay Stock Exchange Ltd. ****	2	-	244	244
		96,000	89,119	89,344
<b>Equity Shares (Non trade - Fully paid-up)</b>				
<b>Quoted</b>				
43,500 (March 31, 2016 - 87,000) Bombay Stock Exchange Ltd. ****	2	425	-	-
6,600 (March 31, 2016 - 6,600) Bank Of India***	10	9	6	9
1,300 (March 31, 2016 - 1300) Bharti Airtel Ltd.***	5	5	5	-
2,800 (March 31, 2016 - 2,800) Cairn India Ltd***	10	9	4	6
3,937 (March 31, 2016 - 3,937) Coal India Ltd***	10	12	11	14
- (March 31, 2016 - 5,700) Crompton Greaves Limited	2	-	3	4
- (March 31, 2016 - 6,200) Engineers India Limited	5	-	10	7
32,015 (March 31, 2016 - 32,015) Indian Overseas Bank ***	10	9	10	14
1,975 (March 31, 2016 - 1,975) National Thermal Power Corporation Ltd.***	10	3	3	3
9,800 (March 31, 2016 - 4,900) Power Finance Corporation Ltd***	10	14	8	9
- (March 31, 2016 - 376) Mphasis Ltd	10	-	2	1
9,519 (March 31, 2016 - 9,519) Shipping Corporation of India Ltd.***	10	7	6	4
2,075 (March 31, 2016 - 2,075) Steel Authority of India Ltd***	10	1	1	1
1,600 (March 31, 2016 - 1,600) Tech Mahindra Ltd***	5	7	8	5
- (March 31, 2016 - 2,300) Titan Company Ltd***	10	-	8	5
590 (March 31, 2016 - 590) Cummins India Ltd.***	2	6	5	-
- (March 31, 2016 - 185) Maruti Suzuki India Ltd.***	5	-	7	-
6,000 (March 31, 2016 - 3,000) Rural Electrification Corporation Limited.***	10	11	5	5
656 (March 31, 2016 - 300) Yes Bank Ltd.***	10	10	3	-
- (March 31, 2016 - 380) UltraTech Cement Ltd.***	10	-	12	5
1,450 (March 31, 2016 - Nil) Siemens Ltd.	2	18	-	-
2,442 (March 31, 2016 - Nil) Bharti Infratel Ltd.	10	8	-	-
1,265 (March 31, 2016 - Nil) RBL Bank Ltd.	10	6	-	-
4,512 (March 31, 2016 - Nil) Fortis Healthcare Ltd.	10	8	-	-
- (March 31, 2016 - 5700) Crompton Greaves Consumer Electricals Limited	2	-	7	-
		568	124	92
<b>Government Securities</b>				
<b>Quoted</b>				
- (March 31, 2016 - 10,00,000) 6.35% GS 2020	100	-	979	1,932
- (March 31, 2016 - Nil) 6.20% Maharashtra SDL 2015	100	-	-	*
- (March 31, 2016 - Nil) 7.95% MP GS 2016	100	-	-	21
- (March 31, 2016 - Nil) 7.17% Maharashtra SDL 2017	100	-	-	9
- (March 31, 2016 - Nil) 6.20% Karnataka 2015	100	-	-	4
- (March 31, 2016 - Nil) 7.17% Andhra SDL 2017	100	-	-	8
- (March 31, 2016 - Nil) 7.17% Kerela SDL 2017	100	-	-	8
- (March 31, 2016 - Nil) 8.35% Maharashtra GS 2017	100	-	-	10
- (March 31, 2016 - Nil) 12.30% GS 2016	100	-	-	16
- (March 31, 2016 - Nil) 7.77%Karnataka 2015	100	-	-	21
- (March 31, 2016 - Nil) 8.07% GS 2017	100	-	-	71

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

(Rs in Lakhs)				
	Face Value (Rs)	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
- (March 31, 2016 - 5,00,000) 8.60% GS 2028	100	-	559	-
25,000 (March 31, 2016 - 25,000) 11.60% GS 2020**	100	29	30	30
23,400 (March 31, 2016 - 23,400) 10.03% G.S. 2019**	100	25	25	26
30,500 (March 31, 2016 - 30,500) 6.05% GOVT STOCK 2019**	100	30	29	29
47,000 (March 31, 2016 - 47,000) 10.25% GS 2021**	100	52	53	53
1,000 (March 31, 2016 - 1,000) 10.70% GS 2020**	100	1	1	1
500,000 (March 31, 2016 - 5,00,000) 7.16% GOVT STOCK 2023**	100	470	465	460
- (March 31, 2016 - 5,00,000) 8.28% GOVT STOCK 2027	100	-	482	481
- (March 31, 2016 - 5,00,000) 8.24% GOVT STOCK 2027	100	-	493	492
1,000,000 (March 31, 2016 - Nil) 7.59% GOVT STOCK 2026**	100	1,054	-	-
1,000,000 (March 31, 2016 - Nil) 364 DTB (04-JAN-2018) 2018**	100	955	-	-
500,000 (March 31, 2016 - Nil) 6.97% GOVT STOCK 2026**	100	507	-	-
		<b>3,123</b>	<b>3,116</b>	<b>3,672</b>
<b>PSU/Corporate Bonds</b>				
<b>Quoted</b>				
- (March 31, 2016 - 3) 9.25% Power Grid Corporation 2017	12,50,000	-	41	42
- (March 31, 2016 - Nil) 7.50% Bank of India 2015	10,00,000	-	-	54
- (March 31, 2016 - Nil) 7.45% State Bank of India 2015	10,00,000	-	-	43
- (March 31, 2016 - Nil) 7.60% Power Finance Corporation 2015	10,00,000	-	-	31
- (March 31, 2016 - Nil) 8.00% HDFC NCD 2016	10,00,000	-	-	10
- (March 31, 2016 - Nil) 8.78% Power Finance Corporation Ltd 2016	10,00,000	-	-	21
141,593 (March 31, 2016 - 1,47,594) 9.80% IFCI 2019	1,000	1,462	1,524	2,581
98,883 (March 31, 2016 - 99,990) 9.35% IFCI 2020	1,000	1,000	1,012	1,012
		<b>2,462</b>	<b>2,577</b>	<b>3,794</b>
<b>Tax Free Secured Redeemable Non Convertible Bonds</b>				
<b>Quoted</b>				
- (March 31, 2016 - Nil) 8.20% National Highway Authority of India 2022		-	-	207
10,875 (March 31, 2016 - 10,875) 8.00% Indian Railway Finance Corporation Ltd.2022	1,000	113	113	113
100 (March 31, 2016 - 100) 7.21% Indian Railway Finance Corporation Ltd. 2022	10,00,000	1,033	1,033	1,033
50,000 (March 31, 2016 - 50,000) 8.01% Rural Electrification Corporation Ltd. 2023	1,000	513	513	513
50,000 (March 31, 2016 - 50,000) 8.14% Housing and Urban Development Corporation Ltd 2023	1,000	518	518	518
16,105 (March 31, 2016 - 16,105) 8.18% NHPC Limited 2023	1,000	174	174	174
15,832 (March 31, 2016 - 15,832) 8.41% NTPC Limited 2023	1,000	162	162	162
6,384 (March 31, 2016 - 6,384) 8.25% National Housing Bank 2024	5,000	320	320	320
250 (March 31, 2016 - 250) 8.39% IFCI Ltd 2024	10,00,000	2,500	2,500	2,500
32,389 (March 31, 2016 - 32,389) 8.18% Power Finance Corporation Ltd 2023	1,000	334	334	334
		<b>5,667</b>	<b>5,667</b>	<b>5,874</b>
<b>Non Convertible Debenture</b>				
<b>Quoted</b>				
1,975 (March 31, 2016 - 1,975) 8.49% NTPC Ltd 2025	12.5	*	*	*
carried forward		<b>107,820</b>	<b>100,603</b>	<b>102,776</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

		(Rs in Lakhs)		
	Face Value (Rs)	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
brought forward		107,820	100,603	102,776
<b>Mutual Funds</b>				
<b>Unquoted</b>				
- (March 31, 2016 - 43,02,704) IDBI Dynamic Bond Fund Growth		-	568	546
- (March 31, 2016 - 20,00,000) IDBI Debt Opportunities Fund Growth Option		-	245	224
- (March 31, 2016 - Nil) IDBI Diversified Equity Fund Direct Plan-Growth		-	-	169
10,00,000 (March 31, 2016 - 10,00,000) Baroda Pioneer Credit Opportunities Fund - Plan B Growth		129	114	103
58,641 (March 31, 2016 - 58,641) TATA Balance Fund Direct Plan - Growth		115	98	102
10,00,000 (March 31, 2016 - 10,00,000) Union KBC Capital Protection Oriented Fund Series 6		104	99	101
10,11,182 (March 31, 2016 - 10,11,182) LIC Nomura MF Banking & Financial Services Fund - Direct Growth		113	81	20
44,562 (March 31, 2016 - 13,828) Religare Invesco Medium Term Bond Fund - Direct Plan - Growth		755	215	-
- (March 31, 2016 - 9,40,380) L&T Arbitrage Opportunities Fund- Direct Growth		-	108	100
		1,216	1,528	1,365
		109,036	102,131	104,141
Aggregate amount of quoted investments		11,821	11,484	13,432
Market value of quoted investments		11,803	11,749	13,143
Aggregate amount of unquoted investments		97,215	90,647	90,709

\* denotes amounts less than Rs 1 lakh.

\*\* security deposited as margin with CCIL.

\*\*\* equity share deposited as margin with SHCIL Services Limited as on 31 Mar 2016

\*\*\*\* BSE shares are under one year lock-in-period. During the year, face value of share changed from rupee 1 to rupee 2

\*\*\*\*\* During the year, the Company got bonus of 10:1 and stock got split in the ratio of 1:10

**Financial Assets**

Financial Assets		(₹ in lakhs)	
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
8 Non-current - Loans			
Staff loans - considered good	100	121	153
Staff loans - considered doubtful	4	4	4
Less: Provision for staff loans	(4)	(4)	(4)
Security and other deposits - considered good (refer note no.39)	7,675	7,298	4,029
Security and other deposits - considered doubtful	26	26	26
Less: Provision for deposits	(26)	(26)	(26)
	7,775	7,419	4,182

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

	(₹ in lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>9 Other non current financial assets</b>			
Long Term deposits with banks with original maturity period more than 12 months *	22,977	20,951	15,735
Fixed deposits with companies	2,325	2,325	2,825
	<b>25,302</b>	<b>23,276</b>	<b>18,560</b>
* Fixed deposits with banks aggregating to Rs.5726 lakhs (As at March 31, 2016 - Rs.4720 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 Rs.15259 lakhs (As at March 31, 2016 - Rs. 14745 lakhs) deposited with the Stock Exchanges and State Governments as margin deposit. Rs.105 lakhs is lien with VAT authorities (As at March 31, 2016 - Rs. 15 lakhs)			
<b>10 Non - current tax assets (net)</b>			
Advance payment of tax and tax deducted at source (net of provision for taxation Rs 31,024 lakhs, March 31, 2016 Rs 27,139 lakhs)	3,136	2,840	1,932
Mat credit	-	65	65
	<b>3,136</b>	<b>2,905</b>	<b>1,997</b>
<b>11 Other non-current assets</b>			
Capital Advances	243	553	553
Prepayments	114	113	308
Other non-current assets	-	-	3
	<b>357</b>	<b>666</b>	<b>864</b>
<b>12 Inventories</b>			
Software	117	-	-
	<b>117</b>	<b>-</b>	<b>-</b>

### 13 Current Investments

	Face Value (Rs)	(Rs in Lakhs)		
		As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>Current portion of long-term investments</b>				
<b>PSU / Corporate Bonds</b>				
<b>Quoted</b>				
- (March 31, 2016 - 2) 8.78% Power Finance Corporation Ltd 2016	1,000,000	-	21	-
3 (March 31, 2016 - Nil) 9.25% Power Grid Corporation 2017	1,250,000	40	-	-
		<b>40</b>	<b>21</b>	<b>-</b>
<b>Current portion of long-term investments</b>				
<b>Government Securities</b>				
<b>Quoted</b>				
- (March 31, 2016 - 20,000) 7.95% MP GS 2016	100	-	21	-
- (March 31, 2016 - 10,000) 8.35% Maharashtra GS 2017	100	-	10	-
- (March 31, 2016 - 69,000) 8.07% GS 2017 **	100	-	71	-
- (March 31, 2016 - 9,000) 7.17% Maharashtra SDL 2017	100	-	9	-
- (March 31, 2016 - 8,000) 7.17% Andhra SDL 2017	100	-	8	-
- (March 31, 2016 - 8,000) 7.17% Kerela SDL 2017	100	-	8	-
- (March 31, 2016 - 15,000) 12.30% GS 2016	100	-	16	-
		<b>-</b>	<b>143</b>	<b>-</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

	Face Value (Rs)	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(Rs in Lakhs)				
<b>Current Investments</b>				
<b>Equity Shares</b>				
<b>Quoted</b>				
- (March 31,2016 -12000)Steel Authority Of India Ltd.	10	-	5	-
- (March 31,2016 -Nil)HDFC Bank Ltd	2	-	-	3,580
- (March 31,2016 -26000)NTPC Ltd.	10	-	33	38
		-	38	3,618
<b>Current Investments</b>				
<b>Mutual Funds Liquid Investment</b>				
<b>Unquoted</b>				
- (March 31,2016 - 1,32,058) LIC MF Liquid Fund - DIRECT - Dividend Plan-		-	1,450	-
27,810 (March 31,2016 - 94 ) LIC Nomura Liquid Fund		306	1	360
24,053 (March 31,2016 - 23,502) SBI Premier Liquid Fund		241	236	255
24,825 (March 31,2016 - 23,679) HDFC Mutual Fund		253	241	282
260,058 (March 31,2016 - 248,041) ICICI Mutual Fund		260	248	222
252,283 (March 31,2016 - 240,653) Birla Sunlife Cash Plus		253	241	-
24,100 (March 31,2016 - 24,061) IDBI Mutual Fund		242	241	-
- (March 31,2016 - 926)Tata Liquid Fund		-	10	-
- (March 31,2016 - 341)Kotak Liquid Fund		-	10	-
19,178,861 (March 31,2016 - Nil) JM High Liquidity - Dir - Dly Dividend		2,000	-	-
225,653 (March 31,2016 - 25807) Baroda Pioneer Liquid Fund - Plan B - Dir - Dly Dividend		2,261	259	5
199,818 (March 31,2016 - Nil) Indiabulls Liquid Fund Collection A/c		2,000	-	-
199,701 (March 31,2016 - Nil) IDFC Cash Fund - Dir - Dly- Dividend		2,000	-	-
196,749 (March 31,2016 - 1,793) UTI - Liquid Cash Plan - Dir - Dly Dividend		2,006	18	-
199,366 (March 31,2016 - Nil) UTI Money Market - Dir- Sly - Dividend		2,000	-	-
		13,822	2,955	1,124
		13,862	3,157	4,742
Aggregate amount of quoted investments		40	202	3,618
Market value of quoted investments		38	198	3,618
Aggregate amount of unquoted investments		13,822	2,955	1,124

\*\* security deposited as margin with CCIL.

## Financial assets - Current

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(₹ in lakhs)			
<b>14 Trade receivables *</b>			
<b>(Unsecured)</b>			
Outstanding for a period exceeding six months			
Considered good	2691	1071	682
Considered doubtful	1067	1016	886
	3758	2087	1568
Less : Provision for receivables	1083	1019	902
	2675	1068	666
Outstanding for a period less than six months			
Considered good	9137	6038	5779
Considered doubtful	297	164	281
	9434	6202	6060
Less : Provision for receivables	347	199	321
	9087	6003	5739
	11762	7071	6405

\* refer note 50

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

	(₹ in lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>15 Cash and Cash equivalents</b>			
Balances with banks - In current accounts	40,290	25,622	23,268
Balances with banks - In deposit accounts with original maturity less than 3 months	2,206	2,237	2,805
Cheques in hand	110	18	40
Cash and stamps in hand	693	793	1,361
Money lent on CBLO transactions	19,995	1,029	739
	<b>63,294</b>	<b>29,699</b>	<b>28,213</b>
<b>Bank balances other than cash and cash equivalents</b>			
Bank deposit accounts (more than 3 months but less than 12 months maturity) *	400	762	2,868
Earmarked balances with banks	3	5	5
	<b>403</b>	<b>767</b>	<b>2,873</b>
* Other Bank Balances in deposit accounts includes fixed deposits with banks aggregating to Rs.Nil lakhs (As at March 31, 2016 - Rs.229 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 Rs.300 lakhs (As at March 31, 2016 - Rs. 533 lakhs) deposited with the Stock Exchanges as margin deposits.			
<b>16 Loans</b>			
Advances receivable - considered good	4,137	5,405	5,189
Advances receivable in cash or in kind - considered doubtful - current	36	28	38
less: provision for doubtful advances - current	(36)	(28)	(38)
Staff loans - considered good	88	104	117
Security and other deposits - considered good	83	46	35
	<b>4,308</b>	<b>5,555</b>	<b>5,341</b>
<b>17 Financial assets - others</b>			
Unbilled revenue	2,564	1,904	382
Amounts due on settlement from Clearing House	17,004	41,467	19,596
Amounts recoverable from Reserve Bank of India towards Relief Bonds redemption (net)	-	-	8
Advance to SHCIL Employees Group Gratuity Fund	-	7	5
Amounts recoverable from government towards stamp duty payments	1,480	883	476
Derivative assets - current	-	-	78
Amounts due on settlement from Clients and Brokers	34,374	1,302	316
	<b>55,422</b>	<b>45,563</b>	<b>20,861</b>
<b>18 Other current assets</b>			
Prepayments - current	649	606	174
	<b>649</b>	<b>606</b>	<b>174</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

	(₹ in lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>19 Share Capital</b>			
<b>Authorised</b>			
50,000,000 Equity shares of ₹ 10/- each	5,000	5,000	5,000
<b>Issued, Subscribed and Fully Paid</b>			
21,054,400 Equity shares of ₹ 10/- each fully paid up	2,105	2,105	2,105
	2,105	2,105	2,105

a) The number of shares outstanding at the beginning April 01, 2015 and for the year ended March 31, 2016 and March 31, 2017 are the same.

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

The company has only one class of equity shares having a par value of Rs 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) Equity shares held by holding company**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Name of shareholder : <b>IFCI Ltd</b>			
Number of shares held	11,130,000	11,130,000	11,130,000
Percentage of holding	52.86	52.86	52.86

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Name of shareholder : <b>IFCI Ltd</b>			
Number of shares held	11,130,000	11,130,000	11,130,000
Percentage of holding	52.86	52.86	52.86
Name of shareholder : <b>Administrator of the Specified Undertaking of the Unit Trust of India</b>			
Number of shares held	3,570,000	3,570,000	3,570,000
Percentage of holding	16.96	16.96	16.96
Name of shareholder : <b>Life Insurance Corporation Of India</b>			
Number of shares held	3,150,000	3,150,000	3,150,000
Percentage of holding	14.96	14.96	14.96

**e) 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 buy-back of shares.

f) The Board has proposed a dividend of Rs. 6.85 per equity share (68.5%) for the financial year 2016-17, subject to approval of shareholders in the Annual General Meeting. The dividend shall be subject to dividend distribution tax to be paid by the company.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

	(₹ in lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>20 Provisions</b>			
Provision for employee benefits			
- compensated absences	1,167	1,006	966
- gratuity	117	-	-
Provision for claims (refer note 42)	2,561	2,561	2,561
	<b>3,845</b>	<b>3,567</b>	<b>3,527</b>
<b>21 Deferred tax liabilities (net)</b>			
<b>Deferred tax liabilities</b>			
Fair value of investments	21,839	19,813	19,936
Depreciation	1,222	1,045	951
	<b>23,061</b>	<b>20,858</b>	<b>20,887</b>
<b>Deferred Tax Assets</b>			
Provision for doubtful debts/advances	514	450	435
Provision for impairment of assets	37	37	37
Provision for claims	887	886	870
Mark to market loss on stock in trade	-	3	-
Employee benefits	657	495	394
Others	1	2	2
	<b>2,096</b>	<b>1,873</b>	<b>1,738</b>
<b>Net Deferred tax liabilities</b>	<b>20,965</b>	<b>18,985</b>	<b>19,149</b>
<b>22 Other non current Liabilities</b>			
Advance depository participant charges	44	66	92
Other advances - non current	1,856	1,775	1,717
	<b>1,900</b>	<b>1,841</b>	<b>1,809</b>
<b>Financial liabilities</b>			
<b>23 Borrowings</b>			
Bank overdraft - Secured *	130	375	-
	<b>130</b>	<b>375</b>	<b>-</b>
* With IDBI Bank secured by an exclusive charge on entire present and future current assets of the company including cash and cash equivalents			
<b>24 Trade Payables</b>			
Dues to micro and small enterprises (refer note 40)	19	-	-
Other than micro and small enterprises	6,223	1,663	2,107
Margin money from clients	4,855	3,312	2,104
Provision for expenses	2,165	1,826	1,603
	<b>13,262</b>	<b>6,801</b>	<b>5,814</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017**

(₹ in lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>25 Other Financial Liabilities</b>			
Unclaimed Dividend	3	5	5
Unclaimed redemption proceeds and interest on Relief and Saving Bonds	2,144	2,230	2,068
Amounts due on settlement to Clearing House	9,296	10,075	12,212
Amounts due on settlement to Clients and Brokers	52,068	44,501	19,881
Amounts payable to Government on account of stamp duty collection	5,821	8,913	6,548
Amounts payable to Reserve Bank of India on account of distribution of Relief Bonds/Inflation indexed bonds (net)	37,733	3,563	-
Other creditors for capital expenses	278	132	446
Other Liabilities			
- Provision for expenses	1,284	832	241
-Employee benefits payable	1,486	841	1,237
-Other	107	586	210
	110,220	71,678	42,848
<b>26 Other current liabilities</b>			
Advance depository participant charges	738	964	1,204
Advances from customers	10,672	5,466	8,614
Statutory dues including provident fund and taxes	551	437	180
	11,961	6,867	9,998
<b>27 Short-Term Provisions</b>			
Provision for employee benefits			
Provision for gratuity	303	165	19
Provision for compensated absences	176	209	165
	479	374	184

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

		(Rs.in lakhs)
	Year ended March 31, 2017	Year ended March 31, 2016
<b>28 Revenue from operations</b>		
Custodial Services	167	103
Depository Participant Services	11,693	12,089
Commission and brokerage	14,929	11,692
Derivatives clearing services	237	229
Document management income	8,184	4,902
Sale of goods	1,530	168
Other operating revenue	302	249
	<b>37,042</b>	<b>29,432</b>
<b>29 Other income</b>		
Interest ( Gross)		
- Govt. securities & bonds	983	1,199
- Deposits with banks	2,249	2,421
- Others	199	61
- Interest on Income Tax Refund	137	-
Dividend on long term investments	3,059	1,800
Dividend on current investments	504	190
Profit on sale of current investments (net) measured at FVPL	48	50
Profit on sale of non current investments (net) measured at FVPL	206	85
Fair value gain on investments measured at FVPL	110	-
Sundry balances written back (net)	48	100
Miscellaneous income	116	172
	<b>7,659</b>	<b>6,078</b>
<b>30 Employee benefits expense</b>		
Salaries, allowances and bonus	10,854	9,013
Contribution to provident and other funds	873	503
Employee costs - Gratuity	257	282
Staff welfare expenses	673	569
	<b>12,657</b>	<b>10,367</b>
<b>31 Finance costs</b>		
Interest on bank overdraft	47	28
Interest on CBLO borrowings	-	4
Interest expense - others	2	15
	<b>49</b>	<b>47</b>
<b>32 Sub - brokerage expenses</b>		
Sub - brokerage expenses	4	4
	<b>4</b>	<b>4</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017**

	Year ended March 31, 2017	Year ended March 31, 2016
<b>33 Other expenses</b>		
Outsourcing expenses	4,664	2,632
Feet on Street	868	190
Depository participant/custodian fees	1,228	912
Software expenses	829	837
Rent	1,399	1,211
Rates and taxes	236	428
Electricity charges	909	869
Insurance charges	166	137
Repairs and maintenance		
-Buildings	503	314
-Plant & machinery	1,088	758
-Others	115	97
Fuel Expenses	22	-
Traveling & conveyance	554	526
Postage & courier	316	306
Telephone & communication	752	693
Printing & stationery charges	459	407
Legal & professional	1,329	966
Audit fees (refer note 45)	41	38
Technical know-how fees	703	692
Corporate Social Responsibility (refer note 54)	149	142
Claims paid	1	79
Bad debts written off	395	270
Provision for doubtful debts/ advances	191	31
Loss on sale/discarded fixed assets	3	1
Loss on sale of non current investments measured at FVPL	-	95
Advertisement & publicity	422	573
Commission and brokerage to selling agents	1,690	1,573
Other miscellaneous expenses *	1,030	979
	<b>20,062</b>	<b>15,756</b>
* includes Rs. 13 lakh compounding fees imposed by Company Law Board		

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

### 34 Fair value measurements Financial instruments by category

	March 31, 2017						March 31, 2016						(Rs. in lakhs)	
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost		
Financial assets: Non-current														
Non current investments														
Trade investments - Other companies - unquoted	-	96,425	-	-	-	-	-	89,119	-	-	89,344	-		
Non trade quoted equity shares	-	143	-	-	-	-	-	124	-	-	94	-		
Quoted government securities	-	-	3,123	-	-	-	-	-	3,117	-	-	-	3,672	
Quoted PSU / corporate bonds	-	-	2,462	-	-	-	-	-	2,577	-	-	-	3,792	
Quoted tax free secured redeemable non convertible bonds	-	-	5,667	-	-	-	-	-	5,667	-	-	-	5,874	
Mutual funds - unquoted	1,216	-	-	1,527	-	-	1,527	-	-	1,365	-	-	-	
Loans and deposits	-	-	7,775	-	-	-	-	-	7,419	-	-	-	4,182	
Other non current financial assets	-	-	25,302	-	-	-	-	-	23,276	-	-	-	18,560	
Financial assets: Current														
Current investments														
Quoted PSU / corporate bonds	-	-	40	-	-	-	-	-	21	-	-	-	-	
Quoted government securities	-	-	-	-	-	-	-	-	143	-	-	-	-	
Quoted equity shares	-	-	-	38	-	-	38	-	-	3,618	-	-	-	
Mutual funds - unquoted	13,822	-	-	2,955	-	-	2,955	-	-	1,124	-	-	-	
Trade and other receivables	-	-	11,762	-	-	-	-	-	7,071	-	-	-	6,405	
Cash and cash equivalents	-	-	63,294	-	-	-	-	-	29,699	-	-	-	28,213	
Bank balances other than above	-	-	403	-	-	-	-	-	767	-	-	-	2,873	
Loans - current	-	-	4,308	-	-	-	-	-	5,555	-	-	-	5,341	
Other current financial assets	-	-	55,422	-	-	-	-	-	45,563	-	-	-	20,861	
<b>Total financial assets</b>	<b>15,038</b>	<b>96,568</b>	<b>179,558</b>	<b>4,520</b>	<b>89,243</b>	<b>130,875</b>	<b>4,520</b>	<b>89,243</b>	<b>130,875</b>	<b>6,107</b>	<b>89,438</b>	<b>99,773</b>		
Financial liabilities: Non-current														
Other non current financial liabilities	-	-	1,900	-	-	-	-	-	1,841	-	-	-	1,809	
Financial liabilities: Current														
Trade payables	-	-	13,262	-	-	-	-	-	6,801	-	-	-	5,814	
Borrowings	-	-	130	-	-	-	-	-	375	-	-	-	-	
Other current financial liabilities	-	-	110,220	-	-	-	-	-	71,678	-	-	-	42,848	
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>125,512</b>	<b>-</b>	<b>-</b>	<b>80,695</b>	<b>-</b>	<b>-</b>	<b>80,695</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,471</b>	

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

### I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

#### Financial assets and liabilities measured at fair value - recurring fair value measurements (Rs. in lakhs)

	March 31, 2017			March 31, 2016			April 1, 2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets:</b>									
<b>Non-current investments measured at FVTPL:</b>									
(NC) Mutual funds - unquoted	1,216	-	-	1,527	-	-	1,365	-	-
<b>Non-current investments measured at fair value through other comprehensive income (FVOCI):</b>									
(NC) Trade investments - Other companies - unquoted	425	-	96,000	-	-	89,119	-	-	89,344
(NC) Non trade quoted equity shares	143	-	-	124	-	-	94	-	-
<b>Current investments measured at FVTPL:</b>									
Mutual funds - unquoted	13,822	-	-	2,955	-	-	1,124	-	-
(C) Quoted equity shares	-	-	-	38	-	-	3,618	-	-
<b>Total financial assets</b>	<b>15,606</b>	<b>-</b>	<b>96,000</b>	<b>4,643</b>	<b>-</b>	<b>89,119</b>	<b>6,201</b>	<b>-</b>	<b>89,344</b>

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Instruments in the level 2 category for the Group include interest rate swaps and forward exchange contract derivatives.

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

There is transfer between fair value hierarchy from level 3 to level 1 as BSE shares were listed on stock exchange during the financial year 16-17.

#### Valuation Techniques

Valuation of equity instruments of National stock exchange has been arrived on the basis of comparable prices.

Valuation of derivative contracts have been arrived on the basis of forward rates available in the market for the balance maturity of the instrument.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

### II. Fair value of financial assets and liabilities measured at amortised cost

(Rs. in lakhs)

	March 31, 2017		March 31, 2016		April 1, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets: Non-current						
Non current investments						
Quoted government securities	3,123	3,160	3,117	3,119	3,672	3,699
Quoted PSU / corporate bonds	2,462	2,592	2,577	2,635	3,792	3,611
Quoted tax free secured redeemable non convertible bonds	5,667	5,946	5,667	5,848	5,874	5,454
Loans - non current	7,775	7,775	7,419	7,419	4,182	4,182
Other non current financial assets	25,302	25,302	23,276	23,276	18,560	18,560
Current Investments						
Quoted Govt Securities	-	-	143	140	-	-
Quoted PSU and Corporate Bonds	40	38	21	20	-	-
<b>Total financial assets</b>	<b>44,370</b>	<b>44,813</b>	<b>42,220</b>	<b>42,457</b>	<b>36,079</b>	<b>35,506</b>
Financial liabilities: Non-current						
Other non current financial liabilities	3,845	3,845	3,567	3,567	3,527	3,527
<b>Total financial liabilities</b>	<b>3,845</b>	<b>3,845</b>	<b>3,567</b>	<b>3,567</b>	<b>3,527</b>	<b>3,527</b>

Fair Value of Quoted government securities, Quoted PSU / corporate bonds, Quoted tax free secured redeemable non convertible bonds have been arrived on the basis of their quoted prices of recognised stock exchange. All these items have been categorised as level 1 in fair value hierarchy

Fair Value of Staff loans, security and other deposits and fixed deposits with banks and others has been arrived on the basis of the discounted cash flows using a lending rate, as there is no significant change in the rates the same values are considered to be fair values of this assets. These items have been categorised as level 3 due to use of unobservable inputs.

Carrying amount of trade and other receivable, cash and cash equivalents, trade payables, Amounts due on settlement to Clients and Brokers, Amounts payable to Government on account of stamp duty collection, Amounts due on settlement to Clearing House, Unclaimed Dividend, Unclaimed redemption proceeds and interest on Relief and Saving Bonds and trade payables, borrowings and other financial liabilities are considered to be same as their fair values due to their short term nature. All these items except cash and cash equivalents have been categorised as level 3 in fair value hierarchy.

### 35. Financial Risk Management

#### Credit Risk:

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Group is exposed to credit risk from investments measured at amortised cost, staff loans, security and other deposits, deposits with banks and others parties, trade and other receivables.

The Group periodically assesses the financial reliability of the counter party, taking into account the financial condition, current economic trends, and analysis of historical bad debts and aging of accounts receivable. Individual limits are set accordingly.

Investments at amortised cost are placed in government securities and high quality corporate and tax free bonds which is not having any significant credit risk. Inter corporate deposits and loans are mostly placed with group companies and hence the risk of credit loss is negligible. Staff loans are recovered through regular salary payments and in case of resignation and retirement, the same is recovered from full & final settlement of the employees.

Security and other deposits are reassessed at every reporting dates and are mostly placed for leases, which can be adjusted against rental payments.

Trade Receivable: The Group trades with recognized and credit worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis for recovery.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

### Reconciliation of Loss Allowance

(Rs. in lakhs)		
Particulars	March 2017	March 2016
Opening Balance	1,218	1,223
Credit/(Utilized) during the year	212	(5)
Closing Balance	1,430	1,218

### Price Risk:

The Group's investment in equity shares (listed and non-listed) and mutual funds are exposed to market price risk arising from uncertainties about future values of the investment securities. The Group manages the price risk through diversification and by placing limits on individual and total investments in equity instruments and mutual funds. The investments are mostly placed in A rated securities and mutual funds whose investments are made in such kind of securities. The respective investment committees of group companies review and approves all investment decisions.

(Rs. in lakhs)				
Particulars	Impact on profit and loss after tax		Impact on other comprehensive income after tax	
	March 2017	March 2016	March 2017	March 2016
Increase in Market index by 5%	46	59	3,640	3,364
Decrease in Market index by 5%	(46)	(59)	(3,640)	(3,364)

### 36 Capital Management

The Group's capital includes issued share capital and all other distributable reserves. The primary objective of the Group's Capital Management is to maximise shareholder value and to maintain an optimal capital structure to reduce the cost of capital. The Group does not have any long term borrowings. All its capital needs are met by internal accruals i.e. surplus balances of previous years, by effective management of its working capital and external short term borrowings. As at the balance sheet date, the Group's share capital, and distributable reserves are:

(Rs. in lakhs)			
Particulars	March 2017	March 2016	March 2015
Share Capital	2,105	2,105	2,105
Distributable reserves *	73,433	62,476	57,782
Working Capital	13,765	6,323	9,765
External Current Borrowing	130	375	-

\* Distributable reserves are excluding unrealised gains and losses

### 37 Contingent Liabilities

(Rs.in lakhs)		
	Year ended March 31, 2017	Year ended March 31, 2016
A) Claims against the Company not acknowledged as debts		
i) Income Tax demand against which the Company has preferred appeals/ Demand from Traces for TDS	1,087	790
ii) Claims by a bank not acknowledged by the Company (refer note 39 below)	amount unascertained	amount unascertained
iii) Other claims not acknowledged as debt	18	22

The Company is a party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings to have any adverse effect on its financial conditions, results of operations or cash flows. Further, claims by parties in respect of which the Management have been legally advised that the same are frivolous and not tenable, have not been considered as contingent liabilities as the possibility of an outflow of resources embodying economic benefit is highly remote.

#### B) Bank Guarantees

	Year ended March 31, 2017	Year ended March 31, 2016
i) provided to stock exchanges (backed by counter guarantees, cash collateral and securities)	1,000	1,000
ii) provided to stock exchanges (backed by cash collateral ) on behalf of subsidiary SHCIL Services Ltd	2,000	1,770
iii) other Bank Guarantees	3,540	2,334

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

	Year ended March 31, 2017	Year ended March 31, 2016
<b>38 Capital and other commitments :</b>		
Estimated amount of contracts to be executed on capital account, not provided for	<b>667</b>	843

**39** The Company had during the year 2000-01 undertaken a transaction of Rs.2,445 lakh 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, issued a notice of demand against the Company under Section 138 of the Negotiable Instrument Act, 1881. The Bank also filed an application in the Debt Recovery Tribunal (DRT) for recovery of the amount along with compound interest from the Company and the client. The Company disputed the claim of the Bank. The Bank's application to the DRT was dismissed and only the client was held liable. The Bank and the client had filed an appeal in the Debt Recovery Appellate Tribunal (DRAT) against the order of DRT. The appeals were allowed vide the DRAT order dated September 23, 2011, which stated that the amount would carry compound interest from August 1, 2001 @ 19% p.a. with quarterly rests till realisation and the Bank was entitled to realize the sum from both the client and the Company. The Company filed a Revision Application in High Court, Calcutta on November 30, 2011 which was admitted but no interim relief was granted. Hence, the Company filed a Special Leave Petition (SLP) in the Supreme Court for stay of the High Court Order for not granting interim relief of staying the DRAT order, the Order of the DRAT and the recovery certificate and notice of demand issued by Presiding Officer and recovery officer of DRT respectively. The Supreme Court vide its order dated April 23, 2012 granted stay on the recovery proceedings and requested the Calcutta High Court to dispose off the Revision Application within a period of four months and the Company to deposit Rs.3,000 lakh with the Calcutta High Court Registry within a period of 4 weeks from the date of order by way of a short term deposit in a nationalized bank. Accordingly, the Company had deposited the money with the Calcutta High Court, Registry. The Revision application was dismissed. The Company filed Special Leave Petition (SLP) in the Supreme Court in May 2015. The Supreme Court vide its order dated May 14, 2015 stayed the operation of the execution proceedings and the Company to deposit with the Registrar, Supreme Court of India, a fixed deposit receipt in the name of the Company and endorsed in favour of the Registrar an amount of not less than Rs.3,000 lakh. Accordingly, the Company made the deposit. The amount of Rs.6,000 lakh, deposited by the Company in the High Court (Rs.3,000 lakh) and Supreme Court (Rs.3,000 lakh) is shown under the heading "Non current - Loans" under the sub-heading "Security and other deposits" in the Statement of Balance Sheet as on March 31, 2016. The bank was granted liberty to withdraw Rs.3,000 lakh along with interest that had been lying as deposit before the High Court of Kolkata which is subject to final decision in the SLP. Accordingly, an amount of Rs.38,04,44,259.69/- was released to the Bank. Further by an order dated October 12, 2015, the Supreme Court directed the bank to withdraw an additional amount of Rs.1,500 lakh along with accrued interest from the money deposited with the Supreme Court. Accordingly, an amount of Rs.15,45,06,971/- was released to the Bank. The case has been converted from Special Leave Petition to a Civil Appeal by the Hon'ble Supreme Court. The amounts released to the Bank is subject to the final decision in the matter. In view of the nature of dispute, the amount of contingent liability has not been ascertained. Pending final adjudication of the matter by the Honorable Supreme Court and also in view of the legal opinion obtained by the Company, in the opinion of the management, no provision is required to be made in the statement of Profit and Loss for financial year 2016-17.

**40** An amount of Rs. 19 lakhs 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 said information is based on the records maintained by the Company of its suppliers.

**41 Amount due on settlement (net) represents amounts receivable from / (payable to) Clearing house, Clients and Brokers, as under:**

	Year ended March 31, 2017		Year ended March 31, 2016	
	Due to	Due from	Due to	Due from
Clearing House	<b>9,296</b>	<b>17,004</b>	10,075	41,467
Clients	<b>51,462</b>	<b>34,374</b>	43,623	1,302
Brokers	<b>606</b>	-	878	-
	<b>61,364</b>	<b>51,378</b>	54,576	42,769
Net Receivable/ Payable	<b>9,986</b>		11,807	

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

### 42 Employee Benefits:

A) Defined Contribution Plan	Year ended March 31, 2017	Year ended March 31, 2016
Contribution to Employees' Provident Fund	541	449
Contribution to Employees' Superannuation Fund	288	36

### B) Defined Benefit Plans

#### 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:

	(Rs. in lakhs)	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>Actuarial Assumptions:</b>		
a) Discount Rate	7.27%-7.71%	7.86%-7.95%
b) Rate of Return on Plan Assets	7.27%-7.71%	7.86%-7.95%
c) Salary Escalation	5%	5%
<b>i) Change in Benefit Obligation</b>		
Liability at the beginning of the Year	2,129	1,881
Interest Cost	167	178
Current Service Cost	185	161
Past Service Cost- Vested Benefit	-	-
Benefit Paid	(126)	(97)
Actuarial (gain)/loss on obligations	1	2
Actuarial (gain)/loss on obligations - due to change in Financial Assumption	120	16
Actuarial (gain)/loss on obligations - due to Experience	(3)	(13)
Liability at the end of the Year	2,474	2,128
<b>ii) Fair value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the Year	1,965	1,877
Expected Return on Plan Assets	155	149
Contributions	69	32
Benefit Paid	(126)	(97)
Actuarial gain/(loss) on Plan Assets	(8)	4
Fair Value of Plan Assets at the end of the Year	2,055	1,965
<b>iii) Actual Return on Plan Assets</b>		
Expected Return on Plan Assets	152	147
Actuarial gain/(loss) on Plan Assets	(8)	4
Actual Return on Plan Assets	144	151
<b>iv) Amount Recognised in the Balance Sheet :</b>		
Fair Value of Plan Assets at the end of the Year	(2,422)	(2,064)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

	(Rs. in lakhs)	
	Year ended March 31, 2017	Year ended March 31, 2016
Liability at the end of the Year	2009	1932
Funded Status	(413)	(132)
Amount Recognised in the Balance Sheet	(413)	(132)
<b>v) Expenses Recognised in the Income Statement :</b>		
Current Service Cost	185	161
Interest Cost	167	178
Expected Return on Plan Assets	(155)	(149)
Actuarial Gain or Loss	126	2
Expense Recognised in P& L	324	192

\* denotes amounts of less than Rs 1 lakh

### vi) Net asset/ liability recognised in the balance sheet (including experience adjustment)\*\*

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
Defined benefit obligation at the end of the Year	2,474	2,128	1,870	1,482	1,623
Funded Status	(413)	(132)	7	223	(87)
Experience Adjustment on plan liability Gain/ (Loss)	(3)	(13)	(37)	(200)	(71)
Actuarial Gain/(Loss) due to change of assumptions	120	16	(11,036)	10,458	(27,139)

### vii) Sensitivity analysis

#### a) Holding company - SHCIL

	March 31, 2017	March 31, 2016
Projected Benefit Obligation on Current Assumptions	2,428	2,096
Delta Effect +1% Change in Rate of Discounting	(196)	(169)
Delta Effect -1% Change in Rate of Discounting	227	195
Delta Effect +1% Change in Rate of Salary Increase	138	121
Delta Effect -1% Change in Rate of Salary Increase	(129)	(112)
Delta Effect +1% Change in Rate of Employee turnover	74	76
Delta Effect -1% Change in Rate of Employee turnover	(82)	(84)

#### b) Subsidiary company - Stockholding DMS

	March 31, 2017	March 31, 2016
Projected Benefit Obligation on Current Assumptions		
Delta Effect +1% Change in Rate of Discounting	(4)	(2)
Delta Effect -1% Change in Rate of Discounting	4	3
Delta Effect +1% Change in Rate of Salary Increase	4	3
Delta Effect -1% Change in Rate of Salary Increase	(4)	(2)
Delta Effect +1% Change in Rate of Employee turnover	1	1
Delta Effect -1% Change in Rate of Employee turnover	(1)	(1)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

### c) Subsidiary company - SHCIL Services Limited

	March 31, 2017			March 31, 2016	
		DBO	Change in DBO (%)	DBO	Change in DBO (%)
Discount rate varied by 0.5%	+0.5%	19	-7%	15	-7%
	-0.5%	21	7%	17	7%
Salary growth rate varied by 0.5%	+0.5%	21	8%	18	10%
	-0.5%	19	-7%	15	-7%
Withdrawal rate (W.R) varied by 20%	W.R X 120%	20	2%	17	2%
	W.R X 80%	20	-1%	16	-2%

### 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.

### 43 The movement in provision for claims is as under :

(Rs. in lakhs)

	Year ended March 31, 2017	Year ended March 31, 2016
Opening Balance	2,561	2,561
Additions during the year	-	-
Closing Balance	2,561	2,561

### 44 Managerial Remuneration

MD & CEO		
Salary and allowances *	93	87
Contribution to provident fund and other funds	5	5
Perquisites (estimated monetary value)	8	7
	106	99

\* Includes Incentive to Managing Director & CEO Rs 18.95 lakhs (March 31, 2016 - Rs 16.83 lakhs) paid during the year as approved by the Board of Directors.

### 45 Auditor's Remuneration (excluding service tax)

As Auditor :		
Audit fees	29	31
Tax Audit fees	3	3
In other capacity :		
Certification and other charges	7	2
Out of Pocket Expenses	2	2
	41	38

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

#### A) Operating Leases taken by the Company

Office premises are obtained on operating lease and are renewable/ cancellable at mutual consent. There are no restrictions imposed by lease agreements, lease terms are based on individual agreements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

	(Rs. in lakhs)	
	Year ended March 31, 2017	Year ended March 31, 2016
Lease payment recognised in profit and loss for the Year	1,399	1211
B) StockHolding DMS Ltd., has taken various premises on leave and license basis. The leave and license agreements are not cancellable and range between 1 year to 9 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) Future Minimum Lease Payments under non-cancellable operating lease for the period		
(a) Not later than one year	91	105
(b) Later than one year but not later than 5 years	124	130
(c) More than 5 years	69	26
ii) The lease payments for the entire lease period are fixed at the time of entering into the lease agreement and are renegotiated towards the end of the lease period in case of renewals.		

	(Rs. in lakhs)	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>47 Expenditure in foreign currency</b>		
Traveling expenses	15	12
Others	62	23
Capital expenditure	-	76
<b>Total</b>	<b>77</b>	<b>111</b>

	(Rs. in lakhs)	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>48 Earnings Per Share</b>		
Profit for the year as per Statement of Profit and Loss	7,180	5,384
No. of Shares at the beginning of the year	21,054,400	21,054,400
No. of Shares at the end of the year	21,054,400	21,054,400
Weighted average number of shares outstanding during the Year (Nos)	21,054,400	21,054,400
<b>Earning per share (For continued operation) Rs.</b>		
Basic / Diluted	34.10	25.57
Profit from discontinued operation as per Statement of Profit and Loss	-	19.00
<b>Earning per share (For discontinued operation) Rs.</b>		
Basic / Diluted	-	0.09

	Year ended March 31, 2017	Year ended March 31, 2016
<b>49 Foreign Currency Exposure</b>		
Particulars of unhedged foreign currency exposures as at the balance sheet date		
Trade payables	USD 62,719	USD 54,314
		GBP 4,000

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

### 50 Related Parties

#### a. List of Related Parties

##### Ultimate Holding Company/Holding Company

IFCI Limited

##### Fellow Subsidiaries

IFCI Venture Capital Funds Limited

IFCI Infrastructure Development Limited

IFCI Financial Services Limited

##### Key Management Personnel

Shri Ramesh N. G. S., Managing Director & CEO

Shri L. Viswanathan, Chief Financial Officer (CFO)

Shri Shashikant Nayak, Company Secretary (CS)

Shri Nitin Jog, Managing Director & CEO, SHCIL Services Limited

Shri Manoj Kabra, Chief Financial Officer (CFO), SHCIL Services Limited

Shri Mitul Palankar, Company Secretary (CS), SHCIL Services Limited

Shri Sanjeev Vivrekar, Managing Director & CEO, Stockholding Document Management Services Limited

Ms. Jyoti Katira, Chief Financial Officer (CFO), Stockholding Document Management Services Limited

Ms. Jajvalya Raghavan, Company Secretary (CS), Stockholding Document Management Services Limited

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

(Rs. in lakhs)

Particulars	Year ended March 31, 2017				Year ended March 31, 2016			
	Holding Company	Fellow Subsidiaries	Key management personnel	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Key management personnel	Ultimate Holding Company
Service charges received	16	2	-	-	20	3	-	-
Income: Physical custody, digitisation, software sales & related software services	-	-	-	*	-	-	-	9
Commission Paid	-	2	-	-	-	-	-	-
Interest received on investments	442	-	-	-	516	-	-	-
Sitting fees paid	3	-	-	-	3	-	-	-
Dividends paid	1,670	-	-	-	723	-	-	-
Reimbursement of Expenses	3	-	-	-	-	-	-	-
Managerial Remuneration	-	-	229	-	-	-	214	-
Brokerage received	-	-	-	2	-	-	-	1
Rent Paid	235	-	-	-	106	-	-	-
<b>Outstanding balances</b>								
Trade and other Receivables	-	1	-	*	-	1	-	24
Trade and other Receivables (interest on Debentures/tax free bonds)	59	-	-	-	49	-	-	-
Trade and other Payables **	1,012	8	-	-	890	7	-	-
Investments in tax free bonds	2,500	-	-	-	2,500	-	-	-
Investments in Corporate Bonds	2,405	-	-	-	2,476	-	-	-
Earnest Money deposit	-	-	-	-	310	-	-	-
Security Deposit paid	57	-	-	-	57	-	-	-



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

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

(Rs. in lakhs)

Nature of Transaction	Year ended March 31, 2017	Year ended March 31, 2016
<b>Service Charges received</b>		
<b>Holding Company</b>		
IFCI Ltd	16	20
<b>Fellow Subsidiaries</b>		
IFCI Venture Capital Funds Limited	2	3
IFCI Infrastructure Development Limited	*	*
<b>Income: Physical custody, digitisation, software sales &amp; related software services</b>		
<b>Ultimate Holding Company</b>		
IFCI Ltd	*	9
<b>Commission Paid</b>		
<b>Fellow Subsidiaries</b>		
IFCI Financial Services Limited	2	0
<b>Interest received on investments</b>		
<b>Holding Company</b>		
IFCI Ltd	442	516
<b>Sitting fees paid</b>		
<b>Holding Company</b>		
IFCI Ltd	3	3
<b>Dividend paid</b>		
<b>Holding Company</b>		
IFCI Ltd	1, 670	723
<b>Reimbursement of expenses</b>		
<b>Holding Company</b>		
IFCI Ltd	3	-
<b>Managerial Remuneration</b>		
<b>Key Management Personnel</b>		
Shri N. G. S. Ramesh	36	32
Shri L.Viswanathan	35	35
Shri Shashikant Nayak	26	26
Shri Nitin Jog	36	36
Shri Manoj Kabra	18	16
Shri Mitul Palankar	15	14
Shri Sanjeev Vivrekar	34	30
Ms. Jyoti Katira	20	18
Ms. Jajvalya Raghavan	9	7
<b>Brokerage received</b>		
<b>Ultimate Holding Company</b>		
IFCI Ltd	2	1
<b>Rent Paid</b>		
<b>Holding Company</b>		
IFCI Ltd	235	106

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

	Year ended March 31, 2017	Year ended March 31, 2016
<b>Outstanding Balances</b>		
<b>Trade &amp; other Receivable</b>		
<b>Holding Company</b>		
IFCI Ltd	*	-
<b>Fellow Subsidiaries</b>		
IFCI Venture Capital Funds Limited	1	1
IFCI Financial Services Limited	*	*
IFCI Infrastructure Development Limited	*	*
<b>Ultimate Holding Company</b>		
IFCI Ltd	*	24
<b>Trade and other Receivables (interest on Debentures/tax free bonds)</b>		
<b>Holding Company</b>		
IFCI Ltd	59	49
<b>Trade &amp; Other Payables</b>		
<b>Holding Company</b>		
IFCI Ltd	1,012	890
<b>Fellow Subsidiaries</b>		
IFCI Financial Services Limited	8	7
<b>Investments in tax free bonds</b>		
<b>Holding Company</b>		
IFCI Ltd	2,500	2,500
<b>Investments in Corporate Bonds</b>		
<b>Holding Company</b>		
IFCI Ltd	2,405	2,476
<b>Earnest Money Deposit</b>		
<b>Holding Company</b>		
IFCI Ltd	-	310
<b>Security Deposit Paid</b>		
<b>Holding Company</b>		
IFCI Ltd	57	57

\*denotes amount less than Rs. 1 lakh

\*\* trade and other payables also includes Rs 1,012 lakhs (March 31, 2016 - Rs.890 lakhs), due to holding company on account of settlement of trade transactions done on stock exchanges and paid on April 03, 2017, the settlement date (previous year settlement date was April 1, 2016).

## 51 Segment Reporting

The segment information as per accounting standard (Ind AS -108) on "Operating Segment" is given below

	Primary Business Segments										(Rs. in lakhs)	
	Depository/Custodial Services		Estamping		Professional Clearing Member		Document Custody & Digitisation Services		Others		Total	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
<b>A. SEGMENT REVENUE</b>												
External sales/ Income from operations	11,860	12,205	7,327	7,051	1,560	1,651	8,254	4,976	14,182	8,109	43,183	33,992
Inter-segment Revenues	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>11,860</b>	<b>12,205</b>	<b>7,327</b>	<b>7,051</b>	<b>1,560</b>	<b>1,651</b>	<b>8,254</b>	<b>4,976</b>	<b>14,182</b>	<b>8,109</b>	<b>43,183</b>	<b>33,992</b>
<b>B. RESULT</b>												
Segment result	3,049	4,684	1,496	1,734	1,227	1,372	1,799	1,535	4,006	657	11,577	9,982
Unallocated (Expenses) net of unallocated income											(4,595)	(4,421)
Operating Profit											6,982	5,561
Interest expense											(49)	(47)
Interest income											1,518	1,547
Net Profit											8,451	7,061
Taxes											(1,271)	(1,658)
<b>Net Profit</b>											<b>7,180</b>	<b>5,403</b>
<b>Reconciliation of Revenue</b>												
Segment Revenue											43,183	33,992
Add :												
Interest Income											1,518	1,547
Unallocated income											-	-
<b>Total revenue</b>											<b>44,701</b>	<b>35,539</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

	Primary Business Segments						(Rs. in lakhs)	
	Depository/Custodial Services	Estamping		Professional Clearing Member		Document Custody & Digitisation Services		Total
	Year ended March 31, 2017	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	
OTHER INFORMATION								
Segment assets	69,059	21,756	14,177	17,954	22,385	11,710	10,548	127,907
Unallocated assets								183,781
<b>Total assets</b>								311,688
Segment liabilities	4,645	15,957	10,665	4,234	4,690	5,720	4,550	71,485
Unallocated liabilities								91,277
<b>Total liabilities</b>								162,762
Cost incurred during the year to acquire segment fixed assets	465	285	185	16	7	1,397	1,344	2,878
Depreciation	376	311	318	11	12	570	498	1,918
Non-cash expenses other than depreciation								
- doubtful advances written off	395	-	-	-	-	-	-	395
- provision for bad & doubtful debts	191	-	-	-	-	-	-	191

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.

### C. Operating segments are as under:

DP & Custody : Depository participant services cater to all individual and corporate clients & Custodial services : Clearing and Settlement services (cash segment) Electronic and Physical safe keeping services

Estamping : Central Record Keeping Agency (CRA) authorised by Ministry of Finance, Government of India to design and implement an electronic method of stampduty collection, it also includes collection of E-Registration and E-Court Fees.

Professional clearing member - Clearing member of derivatives segment at various Exchanges.

Document Custody and Digitisation Services : Providing physical document custody and digitisation services

Others include Sub-broking services to the retail and institutional clients, Sale of bullion and other goods, distribution services and other allied services.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

### 52 In respect of one subsidiary, the following prior period adjustment has been done:

(Rs. in lakhs)		
Prior Period Adjustment	Year ended March 31, 2017	Year ended March 31, 2016
(a) Prior Period Income	-	14
(b) Prior Period Expense		
Provision for Bonus 14-15	-	5
Net Prior Period Adjustment	-	9

### 53 Balances appearing under trade payables, trade receivables, loans and advances, other current liabilities and other current assets are subject to confirmation and consequential adjustment, if any.

### 54 Corporate Social Responsibility (CSR) amount which has been spent towards various schemes as prescribed under Section 135 at the Companies Act, 2013 are as under. The CSR activities include eradicating hunger, poverty promoting healthcare, education & sanitation, ensuring environmental sustainability etc.

Name of Company	Year ended March 31, 2017	Year ended March 31, 2016
Stock Holding Corporation of India Limited	117	124
SHCIL Services Limited	19	18
StockHolding Document Management Services Ltd.	13	-

### 55 Disclosure of Specified Bank Notes (SBN's)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308 (E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8th, 2016 to December 30th, 2016, the denomination wise SBN and other notes as per the notification is given below:

(Rs in lakhs)			
Particulars	SBN's	Other Denominations notes	Total
Closing cash in hand as on 8th November, 2016	493	14	507
(+) Permitted receipts	598	4,753	5,351
(-) Permitted payments	-	8	8
(-) Amount deposited in banks	1,091	4,588	5,679
Closing cash in hand as on 30th December, 2016	-	171	171

### 56 In case of SHCIL SERVICES LIMITED:

(a) During the Year ended March 2017 the Company has written back certain payables for which no claim was received amounting to Rs. 8 lakhs. The above has been done in line with policy as approved by the Board of Directors. The Company has also written off excess stamp duty paid arising out of mismatch & rounding off in stamp duty collections & payments over last 10 years amounting to Rs. 3 lakh (net). The Company has also provided an amount of Rs. 1 lakh towards Doubtful Debts for various clients that includes the principal amount & fees.

(b) During the year ended March 31, 2017, Penalty of Rs. 1 lakh has been levied by NSE for certain violations. In previous year the amount is Nil.

### 57 Statement of Net Assets, Share in profit or loss, Other Comprehensive Income (OCI) and Total comprehensive Income of Group in subsidiaries

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 Limited	India	100%
Stockholding Document Management Services Limited	India	100%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

(Rs. in lakhs)

Name of the entity in the Group	As a % Net Assets	Amount	% of Share in profit or loss	Amount	% of Share in total comprehensive income	Share in total comprehensive income
<b>Parent</b>						
Stock Holding Corporation of India Limited	90	134,286	70	5,035	90	20,126
<b>Subsidiaries</b>						
<b>SHCIL Services Limited</b>	4	5,355	13	898	4	902
Stockholding Document Management Services Limited	6	9,285	17	1,247	6	1,246
<b>TOTAL</b>	<b>100</b>	<b>148,926</b>	<b>100</b>	<b>7,180</b>	<b>100</b>	<b>22,274</b>

## 58. Income tax expense

(Rs. in lakhs)

	March 31, 2017	March 31, 2016
<b>(a) Income tax expense</b>		
Current tax	1,299	1,735
Deferred Tax	(28)	(77)
<b>Total of Tax Expense</b>	<b>1,271</b>	<b>1,658</b>
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate</b>		
	March 31, 2017	March 31, 2016
Profit from continuing operations before income tax expense	8,451	7,061
<b>Tax at the tax rate of 34.608%</b>	<b>2,925</b>	<b>2,444</b>
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Donations	25	24
Difference of tax rates on investments	(51)	-
Dividend received on investments	(1,203)	(657)
Interest on tax free bonds	(156)	(159)
Set off of c/f Long-term Capital losses	(165)	-
Others	(29)	(15)
Tax rate difference of fair value investments	(36)	8
Tax effects of items not allowed as deduction	263	225
Tax effects of items allowed as deduction	(302)	(212)
<b>Tax expenses</b>	<b>1,271</b>	<b>1,658</b>

## 59 First time adoption of Ind AS

## A First Ind AS Financial statements

These are the Group's first separate financial statements prepared in accordance with Ind AS applicable as at March 31, 2017.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 01, 2015 (the date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is as follows:

### i Optional exemptions availed

#### Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

### ii Mandatory exceptions applied

#### Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP except where Ind AS required a different basis for estimates as compared to the previous GAAP.

#### De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

#### Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

## B Reconciliations of equity reported under previous GAAP to equity under Ind AS

(Rs. in lakhs)

Sr.no	Particulars	Note no.	March 31, 2016	April 01, 2015
	<b>Equity as per previous GAAP</b>		65,108	60,414
	<b>Adjustments</b>			
1	Investments measured at amortised cost	B.1	166	115
2	Financial assets (Investments) measured at fair value through profit or loss (FVPL)	B.2	(12)	145
3	Financial assets (Investments) measured at fair value through other comprehensive income (FVOCI)	B.2	88,438	88,689
4	Proposed dividends and related tax accounted for as non adjusting events under Ind AS	B.3	1,144	887
5	Provision for expected credit losses on trade receivables	B.4	(39)	(40)
6	Impact of change in depreciation method	B.5	(1,777)	-
7	Adjustment for security deposits and employee loans	B.6	(8)	(19)
8	Tax effects of the adjustments		(19,185)	(19,917)
	<b>Equity as per Ind AS</b>		<b>133,835</b>	<b>130,274</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

### Reconciliation of profit reported under previous GAAP to profit under Ind AS

Sr.no.	Particulars	Note no.	For the year ended March 31, 2016
	<b>Net profit as per previous Indian GAAP</b>		6,599
1	Investments measured at amortised cost	B.1	47
2	Financial assets (Investments) measured at fair value through profit or loss (FVPL)	B.2	(157)
3	Provision for expected credit losses on trade receivables	B.4	1
4	Impact of change in depreciation method	B.5	(1,777)
5	Remeasurement gain/loss of defined benefit obligation transferred to OCI	B.2	39
6	Adjustment for security deposits and employee loans	B.6	11
7	Tax effects of the adjustments		640
	<b>Net profit after tax as per Ind AS</b>		5,403
8	Remeasurement gain/loss of defined benefit obligation transferred to OCI (Net of tax)	B.7	(39)
9	Financial assets (Investments) measured at fair value through other comprehensive income (FVOCI) (Net of tax)	B.2	(164)
	<b>Total comprehensive income as per Ind AS</b>		5,200

Impact of Ind AS adoption on the statement of cash flows for the year ended March 31, 2016 -

All the adjustments on account of Ind AS are non - cash in nature and hence, there is no material impact on the cash flows in the cash flow statement.

### Sr. no. Explanation to reconciliation:

#### B.1 Investments measured at amortised cost

**Previous GAAP-** Long-term investments are carried at cost less provision for diminution in value, which is other than temporary. Any premium paid on investments purchased is amortised over the life of the investments.

**Ind AS-** A financial instrument that is held within a business model to collect contractual cash flows and the contractual terms of which give rise on specified dates, to cash flows that are solely payments of principal and interest on the principal amount is measured at amortised cost. Interest on these investment is calculated on the basis of effective interest rate (EIR). Initial recognition of all financial assets is done at fair value.

#### B.2 Fair valuation of financial assets

**Previous GAAP –** Long term investments were carried at cost less provision for diminution (other than temporary) wherever applicable. Current investments were carried at lower of cost or fair value. All other financial assets were carried at cost.

**Ind AS –** Financial assets are classified as fair value through other comprehensive income (FVOCI), Fair value through profit and loss (FVTPL) and amortised cost category. Initial recognition of all financial assets is done at fair value. The impacts on the date of transition have been recognised in the reserves and subsequently the fair value changes are recognised as per the applicable category.

Forward contracts (derivatives) are recognised at fair value on initial recognition and subsequently at fair value through profit and loss.

The gain or loss on disposal of financial assets under previous GAAP has been restated under Ind AS.

#### B.3 Proposed dividends

**Previous GAAP –** Proposed dividends were recognised as an adjusting event occurring after the balance sheet date.

**Ind AS –** Dividends are non-adjusting events after the balance sheet date and hence recognised as and when approved by the shareholders.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2017

### B.4 Trade receivables ( Expected credit loss)

**Previous GAAP** - The Company has provided provision for impairment of trade receivables on specific amounts for incurred losses.

**Ind AS** - Impairment losses has been determined based on expected loss model (ECL).

### B.5 Change in method of depreciation

**Previous GAAP**- Change in depreciation method, considered as a change in accounting policy, is given retrospective effect.

**Ind AS**- Change in depreciation method, considered as change in estimates and provided prospective impact on the financial statements.

### B.6 Security deposits and employee loans

**Previous GAAP**- Interest free security deposits (that are refundable in cash on completion of the term agreement) are recorded at their transaction value. Employee loan provided at interest rate lower than market rate is recorded at contractual interest rate only.

**Ind AS**- All financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits and employee loans under Ind AS. Difference between the fair value and transaction value of the security deposit and employee loans has been recognised as prepaid rent and deferred employee cost respectively.

### B.7 Remeasurements of post employment benefit obligations

**Previous GAAP** – Remeasurements i.e. actuarial gains/losses and the return on plan assets, excluding amounts included in the net interest expenses were recognised in the statement of profit and loss

**Ind AS** – Remeasurements i.e. actuarial gains/losses and the return on plan assets, excluding amounts included in the net interest expenses shall be recognised in other comprehensive income

**60** Securities received from clients (for Professional Clearing Member segment) as collateral for margins are held by the company in its own name as a fiduciary capacity.

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

As per our report of even date

For and on behalf of

**Chaturvedi & Shah**

Chartered Accountants

Firm registration no : 101720W

For and on behalf of the Board

**Vitesh D. Gandhi**

Partner

Membership no : 110248

**Shashikant Nayak**

Company Secretary

FCS 7061

**L. Viswanathan**

Chief Financial Officer

EVP

**Ramesh N.G.S.**

Managing Director & CEO

DIN 06932731

Place : Mumbai

Date : May 05, 2017

**Chintaman Mahadeo Dixit**

Independent Director

DIN 00524318

**Gautam Sen**

Independent Director

DIN 01403762

**Baburao**

Director

DIN 00425793

**B. N. Nayak**

Director

DIN 00144147

## OFFICES / BRANCHES

Sr. No	NAME	ADDRESS	PHONE
<b>ANDHRAPRADESH-TELANGANA</b>			
1	Dilsukh nagar	2nd Floor, Shop No 7&8, Dno 17-85/C/106 Main Road Annapurna Shopping Complex Dilsukh Nagar, Hyderabad - 500060	040-24151197
2	Guntur	Second floor, Raghu Mansions, 4th line 1st cross Road, Opp. Sankar Villas Brodipet Guntur - 522002	0863-6642898
3	Himayat nagar	3-6-269, G6 AND G7 MYM Money Centre Opp. Telugu Academy, Himayatnagar, Hyderabad - 500029	040-23261526
4	Ameerpet	G6-G10, East Block, Swarna Jayanthi Commercial Complex Next to Huda Maitrivanam Ameerpet Hyderabad - 500038	040-66664666/7/8
5	Kakinada	2nd Floor Ayyapa Towers, D. No. 5-1-61/1, Main Road, Suryaraopeta Kakinada - 533001	0884-2347773
6	Kukatpally	Plot no 138, Kalyan Sri Sai niketan, Behind Margadarshi Chitfund Bhagnagar colony, Opp KPHB colony Kukatpally, Hyderabad - 500072	040-66203220
7	Kurnul	Flat No A10, 11, 1st Flr, 40-383 Bhupal Residency, Park Rd, Kurnool - 518001	08518-278738
8	Nellore	H No 16/1102 Ground Flr. Moon Land Apartments K V Agraharam Pogathota Nellore - 524001	0861 - 2343480
9	Nizamabad	Kavitha Complex Block E 1st Floor Godown Road Nizamabad - 503001	0846-232233
10	Rajahmundry	7-28-32, 2Ndfloor Jupudy Complex T. Nagar Rajahmundry - 533101	0883 - 2439476
11	Secunderabad	G9-G10 Gr Floor Bhuvana Towers (CMR Building) Near Manju theatre S D Road, Secunderabad - 500003	040-27803394
12	Tirupati	Flat No 10 1st Flr Sridevi Complex Tilak Road Tirupati - 517501	0877-2220202
13	Vijaywada	D No 27-14-47 Opp Buckingham Post Office Rajagopalchari Street Governerpet Vijaywada - 520002	0866- 6666898/ 2579002
14	Vishakapatnam	D. No. 38-15-153/SF C6 2nd Floor, Pavan Enclave Daba Gardens Vishakapatnam - 530020	0891- 2752070
15	Warangal	Shop No-16, Mayuri Bvss Complex H.no - 5-9-36/37, Lashkar Bazar Hanamkonda Main Road , Warangal - 506001	0870-6565113
<b>DELHI-NCR-HARYANA-UTTARANCHAL</b>			
16	Ajmer	C/o. Ajmer Auto Agencies Third Floor, Krishna Tower Opp. City Power House Jaipur Road, Ajmer-305001	0145-2431290/ 2630648
17	Alwar	1st floor, 38A, Lajpat Nagar Scheme No. 2 Near Bhagat Singh Circle Alwar-301001	0144-2348459
18	Ambala	5502, 1st Surya Tower Opp. Nigar Cinema Nicholsons Road, Ambala - 133001	0171-2645366
19	Bhikaji cama	Gr Flr Shop Gf13 Bld No 3 Ansal Chambers I Bhikaji Cama Place New Delhi - 110066	011-26193385
20	Bikaner	Chugh Mansion 1st Floor Opp DRM Office Near Railway Stadium Bikaner - 334001	0151- 2540131
21	Dehradun	59/3, 1st Floor, Rajpur Road, Above IDBI Bank, Dehradun. - 248001	0135-2652558, 6454102
22	Nehru place	IFCI Tower "A" Wing , 5th Floor , 61 Nehru Place, New Delhi - 110019	011 - 26425334/ 35/36/37
23	Pitampura	504, 5th Floor, B-08, GDITL Tower Netaji Subhash Place Opp. Wazirpur Depot Pitampura - Delhi - 110034	011 -27357134/37
24	Janpath	68/22nd Floor Above Mehra Sons Jewellers Janpath New Delhi - 110001	011-23324909/01
25	Milap	8A, Milap Bldg, Gr Floor, Bahadur Shah Zafar Marg, New Delhi-110002	011 - 23359517 / 23359518 / 43546863 / 43546864

## OFFICES / BRANCHES

Sr. No	NAME	ADDRESS	PHONE
26	Janakpuri	103, 1st Floor Suneja Tower - 1 Janakpuri District Centre Janakpuri, New Delhi - 110058	011 - 25507314/16
27	Karkardooma	401, 4th Floor Ashish Corporate Tower Community Centre Karkardooma Delhi - 110092	011-22375747 /44
28	Ghaziabad	118/3, 1st Floor Beside Opulent Mall, Above Idbi Bank, Model Town East-Ghaziabad - 201001	0120-2796097
29	Gurgaon	251, Central Arcade 1st Floor, Opposite Sahara Mall, DLF Phase II, Gurgaon, Haryana - 122002	0124-2387956
30	Haldwani	L-2 Durga Center Bhotia Parao Nanital Road, Haldwani - 263139	05946-282392/93
31	Haridwar	1st Floor, Kumar Complex Ranipur Mor Chandr Acharya Chowk, Haridwar - 249407	01334-265941
32	Jaipur(1)	300-A, 2nd Flr JSE Building, JLN Marg, Malviya Nagar, Jaipur - 302017	0141 -2729047 /48/49/50/52
33	Jaipur(2)	Sangam Tower, 2nd Floor Off No. 213 Church Road, Jaipur - 302001	0141-2387104
34	Jodhpur	1st Floor, 54 Gulab Bhavan Chopasani Road Near Kankariya Building Jodhpur - 342003	0291-2636609
35	Karnal	1st Floor,16,Mahila Ashram Complex Above Gift Gallery Behind Main Bus Stand Karnal - 132001	0184-2253875
36	Kota	1st Floor, Mewara Plaza 344, Shopping Centre Rawatbhata-Gumanpura Road Kota-324007	0744-2360863
37	Noida	P/5 ,206 2nd Floor Ocean Plaza P-5 Sector-18 Noida U P - 201301	0121-2516368/69
38	Sriganganagar	53-B, 3rd Floor, Opp. Bakshi Computer centre, Nr. Ravindra Path Main Road, Sriganganaga, Rajasthan - 335001	0154-2440993
39	Udaipur	11-12, Ground Floor, Anand Plaza, Near Ayad Bridge, University Rd Udaipur - 313001	0294 - 2429575
<b>GUJARAT</b>			
40	Adajan	H-207, Manthan Nr. Gujarat Gas Circle, Above Central Bank of India Adajan Surat - 395009	0261-2788995/96
41	Ahmedabad-C.G.Road	403, IFCI Bhawan, 4th Floor Near Lal Bungalow, C.G.Road, Ahmedabad - 380006	079-26467032
42	Ahmedabad-Motera	209, Shukan Mall Near Visat Petrol Pump Motera, Sabarmati Ahmedabad - 380005	079-27502790
43	Anand	204 Nathwani Chambers, Near Patel Market, Sardargunj, Anand - 388001	02692-266611
44	Ahmedabad-Ashram Road	106, Sukhsagar Complex, Nr. Fortune Landmark Hotel, Ashram Road, Usamanpura Ahmedabad - 380013	079-27556730
45	Baroda	305-308, Paradise Complex 3rd Floor, Sayajigunj Baroda - 390005	0265-2361062
46	Bharuch	119/A, 1st Floor Bluechip Complex Sevashram Road Bharuch - 392001	02642 - 268633/34
47	Bhavnagar	G-2 Vasundhara Complex 1st Floor,Opp.Dakshinamurty School, Waghawadi Road, Bhavnagar - 364002	0278-2471113 /14
48	Ellora Park-Baroda	G3 Siddhivinayak Complex Near Bank of India Ellora Park Baroda - 390023	0265-2393384
49	Gandhidham	Office No. 206, Sindhu - II,Plot No.302, Ward 12-B, Gandhidham (Kutch) - 370201	02836-226585
50	Gandhinagar	Plot No. 447, 2nd Floor, Sector 16, GH 5, Nr. Pragna Petrol Pump, Gandhinagar - 382016	079-23248579 /80
51	Jamnagar	Off. No. 6 to 8, Madhav Darshan Complex, Opp. Cricket Bungalow, Gurudwara Road, Jamnagar - 361001	0288 - 2770125
52	Junagadh	34,35, Platinum Complex, Jayshree Talkies Road, Kalwa Chowk, Junagadh - 362001	0285-2629748

## OFFICES / BRANCHES

Sr. No	NAME	ADDRESS	PHONE
53	Ahmedabad-Maninagar	4th Floor, Vrajprabha Complex ,Opp. Rly Crossing Maninagar (West) Ahmedabad - 380008	079-25462717
54	Mehsana	Om Complex 2nd Flr, Radhanpur Cross Road, Nr. Petrol Pump, Mehsana - 384002	02762-232622
55	Navsari	2288/101 1st Floor Nanuvishnudham Swami Vivekanand Road, Kansarawad Navsari - 396445	02637-249403
56	Porbandar	Purusharth, Ground Floor, Behind Aroon Photo Studio M.G. Road Porbandar - 360575	0286 -2215884
57	Rajkot-Kalawad	Shree Sadguru Complex 1st Flr, Opp. Tirupati Petrol Pump, Kalawad Road, Rajkot - 360005	0281-2478004
58	Rajkot- Sadar Bazar	Orbit Complex, Ground Floor, Nr. Sadar Police Chowky, Sadar Bazar, Rajkot - 360001	0281 2474959
59	Surat	311, Shyam Chambers, Opp. Sub Jail, Ring Road, Surat - 395002	0261-2460481
60	Visnagar	48, Sukhnavas Complex 1st Flr Station Road, Visnagar - 384315	02765-227620
61	Baroda-Warasiya Ring Road	FF5, Ananya Avenue Near Motinagar Char Rasta Warasiya Ring Road Baroda - 390006	0265 - 2531029
<b>KARNATAKA</b>			
62	Bagalkot	TP No. 159/1 A/8, Ward No.10 Behind Kalburgi Hospital Mahaveer Road, Bagalkot - 587101	08354-220100
63	Bangalore- J. C. Road	Bangalore Stock Exchange Ltd. Stock Exchange Towers 51, 1 Cross, J. C. Road Bangalore - 560027	080-22995236
64	Belgaum	Basavkrupa 1,Club Road Opp. Civil Hospital, Near Hansraj Super Market, Belgaum - 590002	0831-2469817 /8 18
65	Bellary	Door No. 342/1 A/1 Chiranjivi Nilaya, Shubha Mahal, Gandhi Nagar, Bellary - 583101	08392-277664
66	Davangere	1st Floor Above Mahalakshmi Book Depot Akkanahadevi Rd., PJ Extension Davangere - 577002	08192- 236964/65
67	Dharwad	Sri Ranga Towers, Ground Floor, Ramnagar Cross, P. B. Road, Dharwad - 580001	0836-2435635
68	Gulbarga	G1 & G2, Shrushti Arcade Gr. Floor Opp. St. Mary Church Court Rd., Off SB Temple Rd., Gulbarga - 585102	08472-279710/11
69	Hassan	1st Floor Sowrabha Complex, Opp. Axis Bank, B.M. Road, Hassan - 573201	08172-232117/18
70	Hubli	1st Floor, Varsha Complex Behind Bhavani Arcade Opp. Basava Vana, Near Old Bus Stand, Hubli - 580029	0836 - 2253112/ 113
71	Bangalore-Jayanagar	Shop No 7, 1st Floor 44 , 33Rd Cross, Jayanagar, 4th Block Bangalore - 560011	080-26991062
72	Karkala	Shop No. 12, D. No. 127/23, 1st Floor, Sharada Palace Market Road, Karkala - 574104	08258-234650
73	Bangalore - Koramangala	No 103, 1st Floor Mighkhb Colony,17th Main 5th Block, Koramangala Bangalore - 560034	080-25529149
74	Kundapur	Door No. 433/1/51, I Floor Near Manunath Nursinghome Mastikatte Main Road, Kundapur - 576201	08254-234557/58
75	Bangalore-Malleswaram	No 10, 1st Floor, 3rd Cross, Near Hallimane Malleswaram Bangalore - 560003	080 -23560525
76	Mangalore	Shop No. 6 & 7 2nd Floor Manasa Tower, M. G. Road, Kodialbail, Mangalore - 575003	0824- 2494986
77	Mysore	442/3 & 4 1st Floor, Chamaraja Double Road, Ramaswamy Circle, Mysore - 570024	0821-2333860

## OFFICES / BRANCHES

Sr. No	NAME	ADDRESS	PHONE
78	Raichur	Shreyansh Tower 1st Floor M. G. Road, Near Bank of Maharashtra Raichur - 584101	08532-225049
79	Shimoga	1st Floor, Sangappa Complex Garden Area, 3rd Cross Beside State Bank of Hyderabad Shimoga-Karnataka - 577201	08182 -227785
80	Udipi	3rd Floor Shriram Arcade Opp Head Post Office Udupi - 576101	0820-2535404
<b>MAHARASHTRA-MP-CHATTISGARH</b>			
81	Amravati	Block No 82, Gulshan Tower, Nr. Panchsheel Talkies, Jaistambh Chowk Amravati - 445001	07232-244884
82	Aurangabad	Ragbhir Chambers, 1st Floor, Above Idbi Bank Vidya Nagar, Jalna Road, Aurangabad, Maharashtra - 431005	0240 - 2453631
83	Bhilai	Room No. 8, 2nd Floor Chauhan Estate G. E. Road Supela Bhilai Chattisgarh - 490023	0788 - 2295355
84	Bhopal	Plot No. 11, 1st Floor Alankar Complex MP Nagar Bhopal - 462011	0755-4221321, 42 20338
85	Bilaspur	Shop No B1, 1st Flr, Navin Plaza ,Telipara, Bus Stand Rd, Bilaspur, Chattisgarh - 495001	07752- 412039
86	Chandrapur	2nd Floor, Raghuvanshi Complex, Near Azad Garden, Main Road, Chandrapur - 442 402	07172-274202
87	Chinchwad	218/219, Kohinoor Arcade, Sector No. 24, Old Mumbai-Pune Highway, Nigdi, Pune - 411 044	020- 27654837/ 27640742
88	Gwalior	J-76 A, Ground Floor Patel Nagar, City Center Gwalior (MP) - 474011	0751-4077783, 40 65111
89	Ichalkaranji	545/1 Murgunde Building Shahu Corner Road Near Sakharape Hospital Ichalkaranji - 416115	0230-2421595/94
90	Indore	220-221, Dm Tower, Race Course Road Indore - 452003	0731-4026910 -15
91	Jabalpur	7, Ankita Complex, 2nd Fl Opp. Prabhu Vandana Talkies, Civic Centre Jabalpur - 482002	0761 - 4014944
92	Jalgaon	C/O Shree Mahavir Sahakari Bank Ltd.87, Polan Peth Dana Bazar, Jalgaon - 425001	0257-2222690
93	Kolhapur	Ayodhya Towers 4th Floor, 511 Near Dabolkar Corner Stn. Road, Kolhapur - 416001	0231-2663123/24
94	Nagpur-Dhantoli	3rd Floor Saraf Court Opp Yeshwant Stadium Dhantoli, Nagpur - 4400 12	0712 -6611595
95	Nagpur- C. A. Road	1st Flr Vishnu Complex Opp Rahate Hospital C A Road Nagpur - 44000 8	0712-6643469
96	Nanded	Shop No 6 Kothari Comple Shivaji Nagar Nanded - 431602	02462-232962
97	Nasik	F8, 1st Flr Suyojit Sanku Adjacent to Rajiv Gandhi Bhavan (NMC) Sharapur Rd., Nasik - 422002	0253 -2571869
98	Pune	Unit No.102, 1st Floor, Kamayani, V. M. Joshi Marg Off J.M. Road, Pune - 411005	020-25520418
99	Pune Camp	5/33 Agarkar Nagar Boat Club Road, Near Alankar Theatre Pune - 411001	020-26050115
100	Raipur	222-223, Rishabh Complex M.G. Road, Near Raipur, Chattisgarh - 492001	0771 - 2534212
101	Sangli	Gomtesh Padmavati 111/112 Mahaveer Nagar Sangli - 416416	0233- 2623252
102	Ujjain	104, Siddhivinayak Trade Cente Opp. Shaheed Park, Freeganj Ujjain - MP - 456010	0734-4014174
103	Yavatmal	Shop No-18,19,20,21 1st Floor, Super Bazar SBI Square, Yavatmal - 445001	07232-244884

## OFFICES / BRANCHES

Sr. No	NAME	ADDRESS	PHONE
<b>MUMBAI-GOA</b>			
104	Andheri	No 4. Parsian Apartments, V.p. Road, Next to Zoroastrian Co-Op. Bank Off. S.V. Road, Andheri (w) - 400058	022-26230910
105	Borivali	Shop. No.10,Ground Floor Madhumilan Co-Op Hsg. Soc. Mangal Kunj, S. V. Road, Borivali (West) - 400092	022 -28332104
106	Chembur	Plot No. 60/A Ramesh Niwas, Road No. 20, Near State Bank of India Chembur - 400071	022-25288358
107	Dadar	169/C Neelkanth Niwas, Purandare Park Society, Dr. Ambedkar Road, Dadar TT 400014	022-24151706
108	Dombivili	Office No.6, Shri Suyash Chs,Near Madhuban Talkies Ursekarwadi Dombivli (East) - 421201	0251- 2861196
109	Fort	12/14, UTI Building Bank Street Cross Lane Near Old Custom House Fort - 400023	022-22622677
110	Ghatkopar	Vishwanagar Co-Op Hsg Soc. Ground Floor, Junction Off R. B. Mehta Road & Hingwala Lane, Ghatkopar (E) 400077	022 -25137653
111	Goregaon	Unique Towers,G-2,Gr.flr Opp.kamath Club, S V Road Goregaon West 400062	022-28787336
112	Kalyan	Shcil, Gala No.110, Vasant Vihar Complex, Chandulal Joshi Compound, Opp. Railway Stn., Kalyan (w) - 421301	0251-2315421/22
113	Mahalaxmi	Rewa Apts.'B' Ground Flr Behind BOI Opp. Cadbury House Bhulabhai Desai Rd., Mahalaxmi, 400026	022-23538225
114	Mittal tower	Raheja Chamber, Office No.15,Gr Flr, Nariman Point 400021	022 -22884685/87
115	Mulund	Shop No.2 Koteswar Apts R.H.B. Rd., Opp. ICICI Bank Mulund West 400080	022-25907618
116	Parel	Shop No 8 Bayside Arcade Dr. B. Ambedkar. Road, Parel 400012	022-24115313
117	Thane	Shop No.5, Laxmi Niwas Ch Vishnu Nagar, Opp. Thane Bharat Sahakari Bank, Naupada Thane (w) - 400602	022-25451752 /25453791
118	Vashi	Block No. 2, Ground Floor Sector 2,Nr Abhyudya Bank Opp.shanti Centre Vashi, Navi Mumbai - 400703	022-27897167/70
119	Vikhroli	25, Gr Floor, Hazari Baug,Station Road, Vikhroli West 400083	022-25779282
120	Vile parle	104 Shyam Kamal A Wing 1st Flr. Opp. Vileparle Rly Stn. Vileparle East 400057	022- 26161101/26105363
121	Panjim	2nd Floor, Tamba Building Dr. Atmaram Borkar Road Panaji - Goa - 403001	0832-2421497
<b>PUNJAB-JANDK-CHANDIGARH</b>			
122	Amritsar	S. C. O - 4 , 1st Floor, Deep Complex, Court Road, Amritsar, Punjab - 143001	0183-2402227
123	Bhatinda	MC 4373, 1st Floor, Opp Indian Overseas Bank Kikar Bazar Bhatinda - 151005	0164-2235846
124	Chandigarh	Deepak Towers, 2nd Floor, SCO 154/155, Sector 17 C, Chandigarh - 160017	0172-2542807
125	Jalander	1st Floor, SCO 33, Multani Tower, Puda Complex Opp. Tehsil Complex Jalander,Punjab - 144001	0181-2243974
126	Jammu	83 A/D Extn Near Police Lines Gandhi Nagar Jammu - 180004	0191-2455058
127	Ludhiana	Cabin No. 501, SCO 18, 5th Floor, Opp. LSE FG Market Ludhiana - 141001	0161-2422157
128	Moga	531/09 NIFD Campus New Town Opp. D. M. College Moga Punjab - 142001	01636-233278
129	Mohali	S C F 33 1st Floor Phase 5 Mohali Punjab - 160059	0172-2272123



## OFFICES / BRANCHES

Sr. No	NAME	ADDRESS	PHONE
130	Panchkula	SCO-64, 1st Floor Sector-11 Panchkula - 134112	0172-4635063
131	Patiala	No. 6 & 7 Leela Bhavani Market Patiala - 147001	0175-2201890
132	Phagwara	SCF 31, 1st Floor, Near Arjun Mall, Guru Hargobind Nagar Market, Phagwara, Punjab - 144401	01824-262725
133	Shimla	201 P. C. Chambers Near, Ritz Cinema Road The Mall Shimla - 171001	0177-2803737
134	Solan	Platinum Mall Ground Frl South Enclave Bye Pass Saproon Solan - 1732 11	01792-225464/65
<b>TAMILNADU-KERALA</b>			
135	Adyar-chennai	Gokul Arcade 1st Flr No 2 Sardar Patel Rd Adyar (Nr Adyar Signal Stop) Chennai - 600020	044-24420602
136	Anna nagar	W 101, 1st Floor, 46-48 li Avenue Anna Nagar Chennai - 600040	044 -26280154
137	Calicut	Metro Towers, 19/2084, B-20 1st Floor, P. V. Swamy Road, Chalappuram P. O. Calicut - 673002	0495-2300373
138	Chennai- Moore Street	Justice Basheer Ahmed Sayeed Bldg, 3rd Floor 45 Moore Street Second Line Beach Chennai - 600001	044 -25340725
139	Chennai- Porur	Arutjothi Towers Plot No 2&9 1st Flr Mount Poonamalle High Rd Sakthi Nagar Porur Chennai - 600116	044-22520191
140	Chennai- Tambaram	Shop No. 8 & 9 No. 68/22A Kakkan Street Tambaram West Chennai - 600045	044-22260569
141	Chennai- Mylapore	Shop No: 1B, Ground Floor, 4/180 Tnhb Complex, Luz Corner, Mylapore, Chennai - 600004	044- 43536409
142	Chennai - T Nagar	202 2nd Floor, Challa Mall Complex 11 And 11/A, Sir Theagaraya Rd T Nagar Chennai - 600017	044-24328380
143	Coimbatore	U 101, 1st Floor, Raheja Centre, No 1073/74, Avinashi Road Coimbatore - 641018	0422-200947
144	Erode	156 A, 1st Floor, Parimalam Complex, Mettur Road, Erode - 638003	0424 - 2213823
145	Kannur	2nd Floor K V R Towers South Bazar Kannur - 670002	0497- 2712333
146	Karaikudi	A.C.A. Complex , 1st Floor, Door No. 30/1C, Sekkalai Road, Karaikudi - 630001	04565-232180
147	Karur	128-A Vanitha Towers 1st Floor Kovai Road Karur - 639002	04324-240628
148	Kochi	Safeena Mansion , Gr Floor Ravipuram Junction , Kanoos Theatre, M G Road Kochi - 682016	0484 -2363022
149	Kollam	E II 24/25 2nd Floor Commercial Complex East Block Bishop Jerome Nagar, Chinnakada Kollam - 691001	0474 2768158
150	Kottayam	2nd Floor, Korattaiyil Complex, Opposite Public Library, Sashtri Road Kottayam - 686001	0481- 2303670
151	Madurai	C-1, 3rd Floor A R Plaza 16/17 North Veli Street Madurai - 625001	0452-2342174
152	Pondicherry	201, 1st Floor Mission Street Pondicherry - 605001	0413-2331751
153	Salem	Shop No: 5/1, 1st Floor, Sri Lakshmi Complex, No 76 Cherry Road, Opp To Govt Arts College - 636007	0427-2418648
154	Trichur	Pooma Complex 3rd Floor M. G. Road Trichur - 680001	0487 2445657
155	Trichy	Ramanathan Arcade, 1st Floor, No: 16, K.C Road Thennur, Trichy - 620017	0431 - 2750927
156	Trivandrum	Sowbhagya, T. C. 3/2730-2, Palace View Lane, Pattom Palace P. O. Trivandrum - 695004	0471-2543133
157	Tuticorin	Anbu Medical Complex 1st Floor, 285/8 D, Wgc Road Tuticorin - 628002	0461-2327638
<b>UTTARPRADESH-BIHAR</b>			
158	Agra	6, Awagarh House M G Road Civil Lines Agra - 282002	0562-2524126
159	Allahabad	Lda Centre, Ground Floor, 2 S.p.marg, Civil Lines Allahabad - 211001	0532-2560088

**OFFICES / BRANCHES**

Sr. No	NAME	ADDRESS	PHONE
160	Bhagalpur	2nd Floor ,Angar Complex Patal Babu Road Bhagalpur - 812001	0641-2409406
161	Gorakhpur	Office No. 16,17,18, 3rd Floor The Mall , Cross Road, Bank Road , Gorakhpur - 273001	0551-2341809
162	Kanpur	Ground Flr,Krishna Tower 15/63 Civil Lines Kanpur - 208001	0512-2306138
163	Lucknow	36/15 ,1st Floor,Above India Bulls,Saprumarg, Opp Rohit Bhawan, Lucknow - 226001	0522-2286193
164	Meerut	T - 306, Ganga Plaza, Begum Bridge Road Meerut Uttar Pradesh - 250001	0121-2656274/ 2655167
165	Mugalsarai	3rd Floor 952 Gt Road Subash Nagar Near Subhash Park Mugalsarai Chandauli - 232101	05412-257542
166	Muzaffarpur	Domapokhar Bank Road Near Sutapatty Shyam Mandir Marg Muzaffarpur - 842001	0621 - 2246222
167	Patna	301-305, Ashiana Plaza Budh Marg Patna - 800001	0612-2231167 /3292768
168	Varanasi	Kuber Complex,4th Floor D-58/2 Rath Yatra Varanasi - 221010	0542-2226818
169	Varanasi 2	Hashmi Complex,S 2/639-18, Nr. Inter College Club Road, Kachahari Varanasi - 221002	0542-2280302
<b>WESTBENGAL-ORISSA-JHARKND-NE</b>			
170	Agartala	1st Floor,88, Motor Stand Road,Opp. Petrol Pump,Po.agartala Agartala Tripura West - 799001	0381- 2300089
171	Bhubaneshwar	No.101, 1st Floor Tkr Business Center Plot No.2132/4711 Vivekand Marg,Po Old Town - 751002	0674-2391713
172	Bokaro steel city	Shantiniketan Building 2nd Floor ISB Shop Area Main Road Bistupur Jamshedpur - 831001	0657- 2420437
173	Calcutta- A.G. Towers	A.G. Towers 6th Floor, 125/1, Park Street, Calcutta - 700017	033-22262081
174	Calcutta- RNM House	RNM House, 3rd Floor 3B Lal Bazar Street Calcutta - 700001	033-22420777
175	Cuttack	1st Floor Plot No-3027/3401 Opp. Kedarson, Dolamundai Cuttack - 753001	0671-2411837
176	Dhanbad	201,Shanti Bhawan, Bank More Dhanbad - 826001	0326-2300185
177	Guwahati	Blue Dart Complex Maniram Dewan Lane Jadav Bora Complex G S Road, Ulubari Guwahati - 781007	0361-2460587
178	Haldia	Akash Ganga Commercial Complex Unit No 3/17 3rd Floor,Durgachalk Haldia, Dist. Purbamidnapor - 721602	03224-272067
179	Hazaribagh	Above Central Bank of India Bodom Bazar Malviya Marg Hazaribagh - 825301	06546-222847
180	Jamshedpur	Shantiniketan Building 2nd Floor Isb Shop Area Main Road Bistupur Jamshedpur - 831001	0657- 2420437
181	Jorhat	K D Building 1st Floor Rupahi Ali Garali Jorhat - 785001	0376-23000368
182	Naihati	Surya Kiran Apartment Ground Floor,212, R B C Road,Post Naihati, 24 Pgs(North),West Bengal - 743165	033 25023076
183	Ranchi	5, Arjan Place 3Rd Floor Main Road Ranchi - 834001	0651 - 2331632
184	Rourkela	Plot No:307/2050, Behind Pani Market Comple Udit Nagar Rourkela - 769012	0661-2500051
185	Silchar	N. N. Dutta Road Near Guruduwara Cachar Slicher Assam - 788001	03842-230120/26
186	Tinsukia	Shyam Kunj Complex Opp Hero Honda Show Room Chirwayapatty Rd Tinsukia - 786125	0374 - 2336010

# PHOTO GALLERY



MD & CEO with Sr. Officials & employees at a conference on “Digital Transformation of StockHolding” held at North Point, Khandala from 29-31 July 2017.



# PHOTO GALLERY

## ❧ BUSINESS AWARDS ❧ (2016-17)



## PHOTO GALLERY



Winning team of SSL in inter group (women) Cricket Tournament held at Vashi Sports Club, Navi Mumbai

Winning team of SSL in inter group (men) Cricket Tournament held at Vashi Sports Club, Navi Mumbai



Runner up team of StockHolding in inter group (women) Cricket Tournament held at Vashi Sports Club, Navi Mumbai

Runner up team of SDMS in inter group (men) Cricket Tournament held at Vashi Sports Club, Navi Mumbai





## PHOTO GALLERY



**SHCIL Foundation's initiative towards strengthening the tribal girl children education drive in Bolangir District of Odisha.**



**Ambulance donated by StockHolding to TATA Medical Centre, Kolkala under CSR initiatives.**

**Books and book racks donated by StockHolding to the library at Patamda Inter College, East Singhbhum, Jharkhand for poor and needy children of the school.**



## NOTES





Shri Ramesh NGS - MD & CEO (sitting in center) along with Shri R. H. Mewawala - EVP & COO, Shri L. Viswanathan - EVP & CFO (sitting from right to left)

Shri Shashikant L. Nayak - AVP & Company Secretary, Shri Sanjeev Vivrekar - MD & CEO - StockHolding Document Management Services Limited, Shri Manoj Borkar - Sr. Vice President, Shri Umesh Punde - Sr. Vice President, Shri Nitin Jog - MD & CEO -SHCIL Services Limited (standing left to right)

## Products and Services

### Institutional

- ◆ Custodian of Securities
- ◆ Fund Accounting Services
- ◆ Constituent Subsidiary General Ledger (CSGL)
- ◆ Pension Fund Administration
- ◆ Document Management Services (DMS)#

### Retail

- ◆ Demat
- ◆ Broking\*
- ◆ E-stamping, e-Registration & e-Court Fee
- ◆ Distribution of
  - Mutual Funds, FDs & Bonds, IPOs
  - Loan Products
  - Gold & Silver - Coins & Bars
- ◆ Professional Clearing Member
- ◆ National Pension System
- ◆ GoldRush (Gold Accumulation Plan)

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