



Digital Transformation in times of VUCA

ANNUAL REPORT
2017-2018

❧ BOARD OF STOCKHOLDING ❧



E. Sankara Rao
Non-Executive Chairman



B. N. Nayak
Director



Vipin Anand
Director



B. Baburao
Director



Hemant Rokade
Director



Prakash P. Mallya
Independent Director



M. V. Nair
Independent Director



M. S. Sundara Rajan
Independent Director



C. M. Dixit
Independent 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 (as on July 27, 2018)

E. Sankara Rao	Chairman (Non Executive)
B. N. Nayak	Director
B. Baburao	Director
Vipin Anand	Director
Hemant G. Rokade	Director
Prakash P. Mallya	Independent Director
M. S. Sundara Rajan	Independent Director
M. V. Nair	Independent Director
C. M. Dixit	Independent Director
Gautam Sen	Independent Director
Jaya Balachandran	Independent Director
Ramesh N.G.S.	Managing Director & CEO
Shashikant L. Nayak	VP & 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. Babasaheb Ambedkar Road, Parel, Mumbai 400 012. Tel: 022-61779400-09. CIN no.U67190MH1986GOI040506 Web: www.stockholding.com

PERFORMANCE HIGHLIGHTS

(ON STANDALONE BASIS)

(₹ in crores)

	2017-18	2016-17
Earnings		
Income from Operations	335	275
Interest & Dividend Income	89	71
Other Income	10	9
Total Income	434	355
Expenses		
Operating Expenses	346	281
Interest & Financial Charges	0.02	0.01
Profit before Depreciation	88	74
Depreciation	16	14
Profit before Tax and Exceptional Item	72	60
Provision for Tax	8	5
Provision for Deferred Tax	-2	-1
Profit after Tax	66	56
Other Comprehensive Income	784	151
Total Comprehensive Income	850	207
Assets Employed		
Net Fixed Assets	102	111
Non Current Financial Assets	2617	1485
Other Non Current Assets	31	26
Inventories	0	1
Current Financial Assets	733	1364
Other Current Assets	19	6
Non Current Liabilities and provisions	501	264
Less: Current Financial Liabilities	585	1175
Less : Other Current Liabilities and provisions	166	123
Total Assets	2250	1431
Financed by		
Share Capital	21	21
Reserves & Surplus	2229	1410
Secured loans	0	0
Total Funds	2250	1431
Key Indicators		
EPS (₹)	31	26
Dividend (%)	79%	213.50%
Networth	2250	1431
Book Value per Share (₹)	1069	680

DIRECTORS' REPORT

To the Members

Your Directors are pleased to present the Thirty-first Annual Report of your Corporation along with the Audited Statement of Accounts for the financial year ended March 31, 2018.

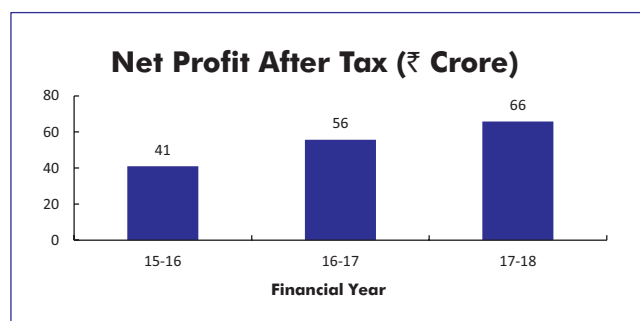
FINANCIAL PERFORMANCE

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.

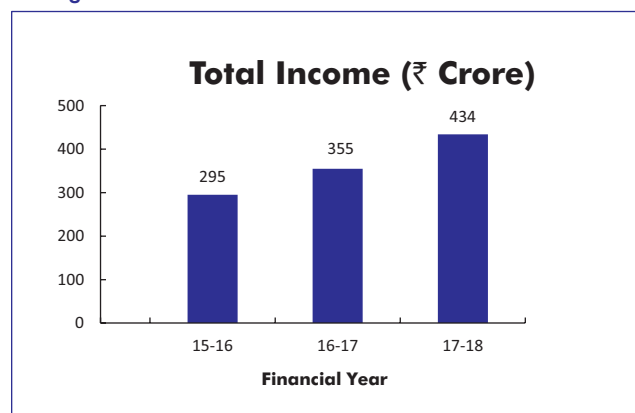
During the year, your Corporation earned Profit After Tax (PAT) of ₹ 66 Crore as against PAT of ₹ 56 Crore in 2016-17. The Board of Directors has approved the appropriation of net profit as given under.

(₹ in crore)		
Particulars	March 31, 2018	March 31, 2017
Profit before Depreciation	88	74
Depreciation	16	14
Profit before Tax and Exceptional Item	72	60
Provision for tax	8	5
Provision for Deferred Tax	-2	-1
Profit after Tax	66	56
Other comprehensive income (net of tax)	784	151
Surplus Brought Forward	1256	1121
Profit available for appropriation	2106	1328
FVOCI balance movement	0	-22
Tax impact on investment sold	0	-24
Transfer from OCI	0	+22
Interim Dividend at ₹ 5.40 per share (previous year ₹ 14.50 per share)	11	31
Proposed Final Dividend at ₹ 2.50 per share (previous year ₹ 6.85 per share)	15	9
Tax on Dividend	5	8
Transferred to General Reserves	13	0
Surplus Carried Forward	2062	1256

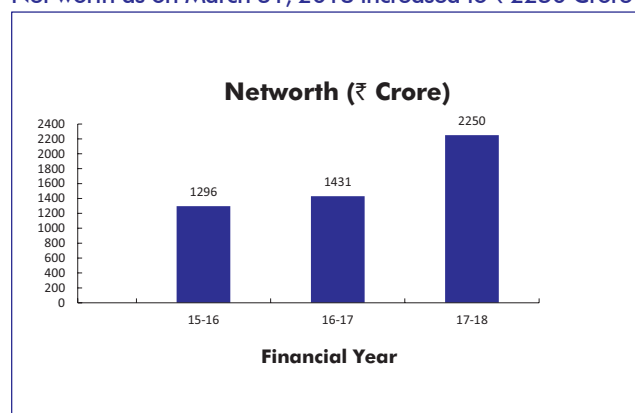
Your Corporation recorded a net profit of ₹ 66 crore during 2017-18



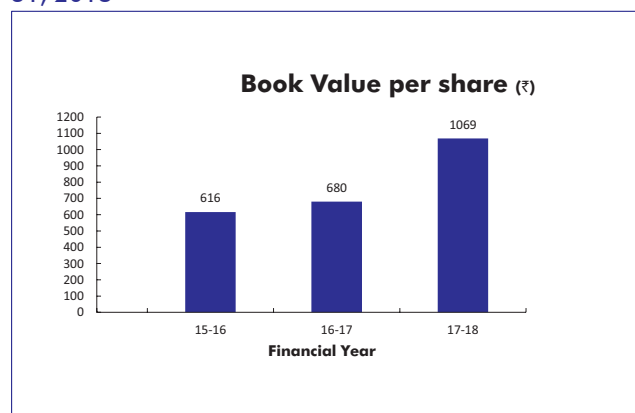
Your Corporation recorded total income of ₹ 434 crore during 2017-18



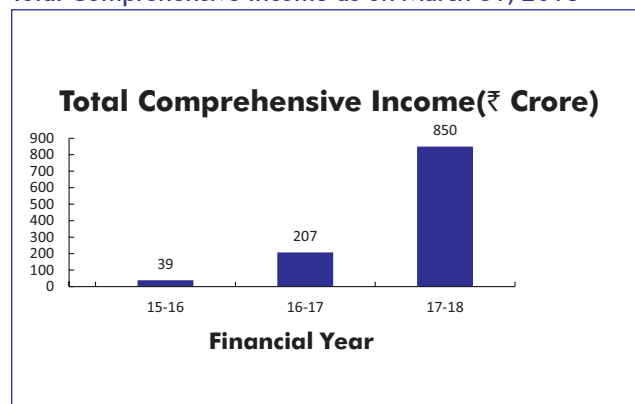
Net worth as on March 31, 2018 increased to ₹ 2250 Crore



Book value per share increased to ₹ 1069 as on March 31, 2018



Total Comprehensive Income as on March 31, 2018



Dividend

The Board of Directors are pleased to recommend for approval of the shareholders a final dividend of ₹ 2.50 per equity share (25%) for the financial year 2017-18. Total dividend for the year together with interim dividend of ₹ 5.40 per equity share (54%) paid earlier would be ₹ 7.90 per share (79%) for the financial year 2017-18. This dividend shall be subject to dividend distribution tax to be paid by your Corporation.

Economic and capital market developments

Global growth is projected to remain stable at 3.9% in 2018 and 2019 [higher than 3.7% in 2017], despite a looming trade war between the US and China. The risks from inward-looking policies of some countries to trade prospects and trade war may not spiral out of control, plunging world into broader crisis. Growth is expected to keep a steady pace globally this year and next, buoyed by stronger trade and US fiscal stimulus that will fade by the early 2020s, while increased tariffs could damage market confidence and output. IMF raised its US growth forecast by 0.2 percentage point for both years, to 2.9% for 2018 and 2.7% for 2019.

Recently, the Federal Reserve raised the federal funds rate to a range of 1.75% to 2% and signalled that two additional increases were on the way in 2018 and three more in 2019, as officials expressed confidence that the United States economy was strong enough for borrowing costs to rise without choking the economic growth. The move is expected to ripple through the economy, nudging consumer and business borrowing costs higher, especially for variable-rate loans such as adjustable-rate mortgages and credit cards.

For now, the International Monetary Fund (IMF) maintained that an increased export demand was contributing to slight growth forecast upgrades for the euro area and Britain for 2018, while the IMF kept its forecasts unchanged for Japan, China, India, Russia and Mexico. The IMF remains bullish on India's growth potential with a growth rate of 7.3 per cent in 2018 that rises to 7.5 per cent in 2019 though trimmed from 7.4% and 7.8% projected in April 2016 with medium-term prospects remaining positive. India's economic growth will accelerate in the current and next fiscal years, consolidating the country's position as the world's fastest-growing major economy and opening a wider gap with China, which is projected to slow. India has made progress on structural reforms in the recent past and the implementation of the goods and services tax will help reduce internal barriers to trade, increase efficiency and improve tax compliance. The corporate debt overhang and associated banking sector credit quality concerns have exerted a drag on investment in India and recapitalisation will improve the banking sector's ability to support growth but more measures are needed.

Inflation based on wholesale prices slipped marginally to 2.47 per cent in March 2018 on account of falling prices of food items, especially vegetables and pulses. On the basis of Wholesale Price Index (WPI), inflation was 2.48 per cent in February 2018 and 5.11 per cent in March 2017. Indian Rupee which witnessed volatility during FY18 and closed at ₹ 65.14 against USD after depreciating 0.52% during 2017-18.

The Indian capital market witnessed a rise of 10.86% during FY18 as BSE Sensex increased from 29738 to 32969. NSE Nifty also registered a rise of 9.69%, while gradually rising from 9221 to 10114 during the year. The market witnessed a net inflow of FII/FPI funds to the extent of ₹ 1,44,682 crore. Combined turnover of the cash segment of both the exchanges (i.e. BSE and NSE) increased by 37.39% during the year, while the combined turnover of the derivative segment has risen by 74.82%.

Operations Review

Your Corporation continued to offer services to institutions as Custodian of Securities. Your Corporation for the 2nd consecutive year was top rated in the client survey for Custodians conducted by a London based Global magazine 'Global Custody'. Your Corporation was successively awarded NSDL Star Performer Award for Highest Asset Value under Custody.



Shri R. Anand, VP (Head of Custody), Shri Vineet Potnis, AVP & Smt. Sheela Kothavale, AVP along with their team at the 32nd Depository Participant Conference held by NSDL, receiving trophy for Highest Value of Assets under Custody for the year 2017.

Your Corporation has received awards from Pension Sector Regulator - PFRDA as the Best Service Provider in three segments, "All Citizens Sector", "Corporate Sector" and "Public Sector".



Shri Hemant G Contactor, Chairman - PFRDA handing over the award as the Best Point of Presence (PoP) to Shri Vivek Khurana, Divisional Manager (e-stamping & Govt. Business) and Shri Madhusudan Das, Product Head-NPS.

Your Corporation has received several industry recognitions, accolades and accreditations from various market participants. In recognition of your Corporation's marketing and brand building it has been awarded as a Prestigious Brand of Asia by ERTC Media.



Honourable Minister of State for Heavy Industries and Public Enterprises, Government of India, Shri Babul Supriyo felicitating Stockholding as an iconic brand and as an icon of indigenous excellence by Economic Times on 29-June-2018. Also seen in the picture are Ms. Sunita Quadros- Business Head, ET EDGE, Shri Ramesh N.G.S. - MD & CEO, Shri Balaji Patro - Sr. Manager, Shri Vineet Potnis - AVP and Smt. Sarla Menon, AVP (left to right).

Your Corporation as a part of its strategies to service Foreign Investors continues to explore and enter into various strategic tie-ups / understanding with various professional entities. Your Corporation in a first of its kind hosted a comprehensive webinar on Alternate Investment Fund (AIF) titled as 'Footprints in AIF: The new frontier' comprising of specialist speakers from tax firm, legal firm & a Global trustee company.

As a thought leadership & Global networking initiative, your Corporation participated as Gold sponsors in the Global Custody Forum in December' 2017 in London. Your Corporation having the Gold level sponsorship at the event had exposure in the forum as a speaker and an exhibitor. Your Corporation also participated as sponsors & exhibitors in other Global conferences like the MENA Securities Forum & the EMEA Investors Summit 2018, both held in Dubai, UAE.



Shri R.H. Mewawala, Executive Vice President delivering the keynote address at the Global Custody Forum, London, UK.

Your Corporation has extended its Professional Clearing Membership (PCM) besides equity segment (future & option) to Commodities segment of Multi Commodities Exchange of India (MCX).

Your Corporation services the retail clientele for Depository Participant and Sub-broking, e-Stamping, Distribution of Investment and loan products, Bullion and Insurance products. Your Corporation is extending its online & mobile channels for its retail clients.

During the year, your Corporation has rolled out composite account opening form covering all retail products, availability of customer care team between 8 a.m. to 8 p.m., centralisation at Main Operations office of back office processes like transaction processing, account opening and KYC processing so that branches focus on business generation. Your Corporation has also been appointed as Repository Participant (RP) in CDSL Commodity Repository Limited (CCRL). Your Corporation continues to offer GoldRush - a Gold Accumulation Plan (GAP) which is also available in online mode. Your Corporation has a tie up with MMTC Pamp India Pvt Ltd for distribution of Bullion coins. Your Corporation proposes to shortly launch exclusive online platform for selling bullion coins wherein customer can directly buy coins from Stockholding website.

Data Analytics also have been deployed to profile customers and build lead generations capabilities to boost sales mobilisations through cross-sale and up-sale opportunities. Your corporation has in place an Alternate Sales Channel for mass acquisition of Demat, Broking Accounts and also to encash upon cross-selling and up-selling opportunities of Third Party Products like Insurance, Mutual Fund, Fixed Deposits, Bonds etc. The Team Leaders and Business Development Officers of the Channel are exclusively deployed for interacting with existing retail clientele for add-on business. They also tap new clients to promote our products and services.

Your Corporation is authorised by the Insurance Regulatory and Development Authority of India (IRDAI) to act as a Corporate Agent for procuring or soliciting insurance business of Life, General and Health. Currently the Corporation is the Corporate Agent of Life Insurance Corporation of India, ICICI Prudential Insurance Company Limited, SBI Life Insurance Co. Ltd for life insurance products, the New India Assurance Co. Ltd, ICICI Lombard General Insurance Ltd, Bajaj Allianz General Insurance Co. Ltd for General Insurance Products and Star Life and Allied Insurance Co. Ltd, Religare Health Insurance Co. Ltd and Apollo Munich Health Insurance Co. Ltd for health insurance products. The business is procured and serviced by IRDAI certified employees.

Your Corporation's marketing reach has been extended to all regions of India through advertisement campaigns in conventional print and electronic media as well as various digital and social media. Such campaigns were rolled out on various TV channels and Radio stations during the last fiscal. The marketing advertisements appeared in several magazines, souvenirs, journals, popular websites, Google and Facebook.

During the financial year 2017-18, e-Stamping agreement with the State of Bihar and Union Territory of Andaman Nicobar was signed. Your Corporation has now presence in 21 States / Union Territories for e-Stamping service, in 4 States for e-Registration services and in 6 States for e-Court services.

The facility of online e-Stamping has been implemented in the State of Gujarat and Chattisgarh. Your Corporation has introduced the facility for home delivery of e-Stamp certificate in Delhi. Consolidated agreement for e-Stamping, e-Registration and e-Court has been executed with the State of Bihar.



Honourable Justice Indira Banerjee, Chief Justice High Court of Madras and Shri Edappadi K Palaniswami - Honourable Chief Minister of Tamil Nadu (4th & 5th from left) inaugurating e-Court fees in Tamil Nadu. Also seen in the picture (left to right) are Shri J Kumaragurabaran - IGR, Government of Tamil Nadu, Shri Vijay Narayan, AG for Tamil Nadu, Honourable Shri Justice Sivagnanam, Madras High Court, Shri C Ve. Shanmugam - Honourable Minister for Law, Courts, Prisons, Mines & Minerals, Dr. Girija Vaidyanathan - Chief Secretary, Government of Tamil Nadu, Dr. Niranjan Mardi - Additional Chief Secretary - Home.

Human Wealth Development & Training

Your Corporation is committed to creating a healthy and employee-friendly organisational culture which nurtures talent and potential of its employees. The Corporation has put in place a robust Rewards and Recognition plan to acknowledge good work. The Star Performer Awards incentivises employees for exceptional performance.

In order to enhance the skills, capabilities and knowledge levels of employees, training programmes were conducted on topics such as Lean Management, Business Analytics, Managerial Effectiveness, Sales Effectiveness, Digital Transformation, etc. Employees of the Corporation were also administered a sales competency test to gauge their sales capabilities and behavioural skills. At the Regional level, Training on Technical & Fundamental Analysis and Insurance product were conducted at various locations across the country.



Shri L. Viswanathan, EVP & Group CFO addressing at Regional Meet - Eastern Region held at Dooars. Also seen in the picture are Shri Amit Dassi - Head of Retail, Smt. Meera Ranganathan - Channel Head, Shri Kaushik Bhattacharya - Regional Manager (East) and Shri Manish Agarwal (left to right).

Off-site training programme on Performance Excellence and Team Building was conducted for exceptional performers and for selected support departments of

the Corporation. A Leadership Funnel programme was conducted for officers from the senior and middle management cadres to enhance their leadership skills and to identify future potential leaders. Officers were nominated to various external conferences and conclaves on capital markets, commodity derivatives, branding, etc.



Shri R H Mewawala (EVP), Shri Jagdish Thakur (SVP & CFO) and Shri Umesh Punde (SVP), first batch of employees, being felicitated on completion of 30 years of service on 16th May 2018 (right to left).

The Corporation has a policy of Succession Planning in place, to create a leadership pipeline. High potential employees are identified, based on their performance.

To encourage employee engagement, an online interactive communiqué 'Namaste' is circulated on the Corporation's intranet platform. It also includes a knowledge centre for sharing of market trends, branding and advertising, product information, etc.

Fire incident at StockHolding, Mahape premises

Your Corporation has its Main Operations Office situated at Mahape, Navi Mumbai. The said premises also houses StockHolding's two wholly owned subsidiaries viz., SHCIL Services Limited (SSL) and StockHolding Document Management Services Limited (SDMS).

There was an unexpected localised fire breakout at SHCIL House, Mahape on 11th December, 2017 in the basement level (only Bay 4) of SHCIL Document Management Services Limited.

Due to the emanating smoke from the localized area (bay 4 of the basement) of SDMS, all the employees (StockHolding, SDMS and SSL) were evacuated immediately from the premises. There were no injury or loss of life due to this incident. The bay 4 contained documents stored in corrugated cardboard boxes. Generally, the documents stored in low end type of storage i.e. corrugated cardboard boxes are digitized.

The other bay's (robotics & metallic storage) were not affected. The majority volume of documents stored in facility at Mahape are in fire-resistant Robotic Metal Containers and Compactor/Bins which were not affected by fire. High value and critical documents of clients are also stored in Compactors and Robotic Metal Container Storage which are also safe.

The Data Center and Information Technology Dept were not affected and were fully functional. As per the business continuity plan, all the business functions of your Corporation viz; Custodial services, retail services (Demat, Sub Broking etc), e-Stamping services etc were fully functional/ operational. As regards SSL, other subsidiary of your Corporation, all the functions were operational.

StockHolding DMS has worked tirelessly to ensure that minimal inconvenience is caused to the clients during the time of crisis. Your Corporation is in the process of carrying out renovation and repairs & structural restoration for its Mahape Premises.

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 for equity segment. SSL has acquired membership of MCX for Commodities segment. 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.

Your Corporation has recently incorporated a wholly owned subsidiary viz., StockHolding Securities IFSC Limited registered under the jurisdiction of the Registrar of Companies, Gujarat (CIN no. U65990GJ2018GOI103278) with an authorized share capital of ₹ 15 Crore. Your Corporation will commence its business operations at International Financial Services Centre (IFSC) initially with Professional Clearing Member (PCM) services.

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.

Transfer of equity shares of your Corporation to Investor Education and Protection Fund (IEPF)

Ministry of Corporate Affairs (MCA) had notified Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 dated September 5, 2016. Thereafter, MCA amended the rules vide notification dated February 28, 2017. As per the amended rules, the shares of those shareholders whose dividends are unpaid / unclaimed for a consecutive period of 7 years are required to be credited to the Demat account of IEPF within a period of 30 days of such shares becoming due to

be transferred to IEPF. MCA vide its circular dated October 16, 2017 had extended the due date for transfer of such shares in favour of IEPF to October 31, 2017. Based on the unpaid / unclaimed dividend data, 1000 shares of your Corporation were transferred well within the stipulated period of 30 days from the due date to the demat account of IEPF.

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, 2018, 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, 2018 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)

Shri E. Sankara Rao is the Non Executive Chairman of your Corporation. 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 at its meeting held on May 4, 2018, the Board approved the appointment of Shri Vipin Anand and Shri Hemant G. Rokade as Additional Directors to represent LIC of India and General Insurers' (Public Sector) Association of India (GIPSA) respectively.

Shri Vipin Anand and Shri Hemant Rokade, Directors will be appointed as Directors liable to retire by rotation at the ensuing Annual General Meeting (AGM). Further, Shri E. Sankara Rao, Non Executive Chairman and Shri B. N.

Nayak, Director will retire at the ensuing Annual General Meeting (AGM) and being eligible offers themselves for reappointment.

During the financial year 2017-18, Shri Sanjeev Kaushik, Shri Segar Sampathkumar and Shri P. H. Kutumbe demitted office on August 23, 2017, September 30, 2017 and March 5, 2018 respectively. The Board appreciates the valuable contribution made by them during their association with the Corporation.

Based on the recommendations of the Nomination and Remuneration Committee at its meeting held on March 22, 2018, the Board at its meeting held on March 23, 2018 have approved the appointment of Shri Jagdish Thakur as Chief Financial Officer (CFO) of your Corporation w.e.f. April 1, 2018. Shri L. Viswanathan, EVP has been redesignated as Group CFO w.e.f. April 1, 2018 and Shri R. H. Mewawala, EVP has been redesignated as Vice Chairman of StockHolding Document Management Services Limited (SDMS) w.e.f. April 1, 2018.

Accordingly, Shri Ramesh N.G.S. – MD & CEO, Shri Jagdish Thakur – SVP & CFO and Shri Shashikant L. Nayak –VP & 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, eight 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 Committee. 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 March 22, 2018.

Audit Committee

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

Nomination and Remuneration Policy

The salient features of the Nomination and Remuneration policy as per Section 178 (3) of the Act have been disclosed

in the Corporate Governance Report which forms part of the Directors' Report. The policy is also placed on the website of your Corporation www.stockholding.com.

Corporate Social Responsibility Policy

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 '1' 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. The policy is also placed on the website of your Corporation www.stockholding.com.



StockHolding under its CSR initiative had undertaken the construction of stage and shed for the women inmates of Yerwada prison, Pune. Late Shri Manoj M. Borkar, Nodal officer of StockHolding, Ms. Pawar - in charge of women prison, Ms. Chandni Lamba - SHCIL Foundation Trustee (extreme left) and a volunteer of Sosva are also seen at the inauguration function.

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.

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 July 19, 2017 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 2017-18.

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 do not contain any qualifications, reservations or adverse remarks. The Secretarial Auditor's Report forms part of this report and is given at Annexure '2'.

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 were 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 '3' 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.38 (standalone) and 39 (consolidated) of the Notes to the Accounts.

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 its 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 www.stockholding.com.

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."

The disclosures required to be made under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 are given below :

Number of complaints of sexual harassment received in the financial year 2017-18	NIL
Number of complaints disposed off during the financial year 2017-18	Not Applicable
Number of cases pending for more than ninety days	Not Applicable
Number of workshops or awareness programs against sexual harassment carried out	Awareness program was conducted through a web-based training module to sensitize employees towards the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013
Nature of action taken by the employer	Not Applicable

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 has taken steps towards conservation of energy and uses latest technologies for improving productivity and quality of its services. Your Corporation replaces old and obsolete equipments with energy efficient equipments on an ongoing basis.

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.

Your Corporation is using energy efficient electrical lighting system, majority of its air conditioning systems are VRF/VRV system which are energy efficient. 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 – ₹ 138 lakh (previous year – ₹ 72 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

E. Sankara Rao

Date: July 27, 2018

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.;
- Any other area under Schedule VII of Section 135 of the Companies Act, 2013.

The CSR activities of your Corporation also ensures that at least 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 Trust, a public charitable trust registered under Section 12 (A) of the Income Tax Act, 1961. The Trust carries out certain activities directly and also indirectly by way of donations to credible NGOs registered under Section 80G of the Income Tax Act, 1961.

2. Composition of the CSR Committee

As on March 31, 2018, your Corporation's CSR Committee of Directors comprised of the following members.

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

Shri Segar Sampathkumar, Director ceased to be a member of the Committee w.e.f. September 30, 2017.

The Board at its meeting held on May 9, 2018 had reconstituted the CSR Committee which now comprises of the following members.

- Shri M. V. Nair, Independent Director - Chairman
- Shri C.M. Dixit, Independent Director
- Smt. Jaya Balachandran, Independent Director
- Shri Hemant G. Rokade, Director

3. Average net profit of the Company for last three financial years ₹ 4933 lakhs.

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

The Corporation is required to spend ₹ 99,00,000/-

5. Details of CSR spent for the financial year:

- a. Total amount to be spent for the financial year : ₹ 99,00,000/-
- 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 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	ITI Mankhurd The courses in electrical, wireman and fitter streams have been provided to underprivileged children of remand home.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Chembur, Mumbai (Maharashtra)	15,00,000/-	15,00,000/-	15,00,000/-	Through SHCIL Foundation Trust
2	Patamda college Previously SHCIL Foundation Trust had established the library for the college and now the funds are utilized for setting up a computer lab.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Patamda Jharkhand	7,70,000/-	7,70,000/-	22,70,000	Through SHCIL Foundation Trust
3	Swadhar The project was for Akshardeep reading class for the children belonging to deprived and under privileged class.	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	6,50,000/-	6,50,000/-	29,20,000	Through SHCIL Foundation Trust
4	Shri Sai Trust The project involved toilet construction in two municipal schools.	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.	Karjat, Neral, Maharashtra	7,50,000/-	7,50,000/-	36,70,000	Through SHCIL Foundation Trust

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	SOSVA Training and Promotion Institute The project was for shed construction for carrying out vocational and life skill development of under trial women prisoners.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Pune Yervada Women Prison, Maharashtra	15,50,000/-	15,50,000/-	52,20,000/-	Through SHCIL Foundation Trust
6	Swadhar The project was for education / residential expenses for under privileged 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	15,55,000/-	15,55,000/-	67,75,000/-	Through SHCIL Foundation Trust
7	Akshaya Patra The project was for providing midday meals to under privileged children of municipal schools in the tribal belt.	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.	Karjat, Thane, Maharashtra	5,00,000/-	5,00,000/-	72,75,000/-	Through SHCIL Foundation Trust
8	Suadha The project was for regular health & medical camps for under privileged children in the tribal belt.	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.	Tribal belt of Karjat, Thane, Maharashtra	1,50,000/-	1,50,000/-	74,25,000/-	Through SHCIL Foundation Trust

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 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	Anchalika Jan Seva Anusthan To further strengthen the bridge school initiative by providing for school books, uniforms, school bags and recreational material to 900 under privileged (approx.).	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Orissa	14,75,000/-	14,75,000/-	89,00,000/-	Directly through StockHolding
10	Kripa Foundation Construction of residential complex for street children.	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.	Shillong, Meghalaya	10,00,000/-	10,00,000/-	99,00,000/-	Directly through StockHolding
			Total	99,00,000/-	99,00,000/-	99,00,000/-	

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 2017-18, 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 27, 2018

Ramesh N.G.S.
MD & CEO

M.V. Nair
Chairman, CSR Committee

FORM NO MR-3 SECRETARIAL AUDIT REPORT

Annexure '2'

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

The Members,
Stock Holding Corporation of India Limited
Registered Office
Unit No 301, 3rd Floor, Centre Point
Dr Babasaheb Ambedkar Road, Parel
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 secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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;
- (v) 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;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other applicable laws namely business related Laws as detailed in Annexure B

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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 period under review were carried out in compliance with the provisions of the Act.

No audit has been conducted on the compliance with finance and taxation laws as the same are subject to audit by the Statutory Auditor and Internal Auditor to the Company and their observations, if any, shall hold good for the purpose of this audit report.

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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 audit period the Company did not have/face any major event / action having a major

bearing on its affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc referred above.

For SVVS & Associates Company Secretaries LLP

CS. Suresh Viswanathan

Designated Partner

FCS: 4453

CP No: 11745

Place: Mumbai

Date: April 23, 2018

Note: This report is to be read with the list of Applicable Laws and our letter of even date which are attached as Annexure A and Annexure B respectively and form an integral part of this report.

ANNEXURE A

The Members,
Stock Holding Corporation of India Limited
Registered Office
Unit No 301, 3rd Floor, Centre Point
Dr Babasaheb Ambedkar Road, Parel
Mumbai – 400012.

Our report of even date is to be read along with this letter.

1. 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.
2. 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws rules, regulations is the responsibility of management; our examination was limited to the verification of procedures on test basis.
6. 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 SVVS & Associates Company Secretaries LLP

CS. Suresh Viswanathan
Designated Partner
FCS: 4453
CP No: 11745

Place: Mumbai
Date: April 23, 2018

ANNEXURE B

Sl. No. Governing Act/Rules/Regulation/Circulars/Notifications, etc.

1. SEBI (Stock Brokers & Sub Brokers) Regulations, 1992.
2. SEBI (Intermediaries) Regulations, 2008.
3. SEBI (Depositories Participants) Regulations, 1994.
4. SEBI (Custodian Of Securities) Regulations, 1996.
5. SEBI (Prohibition of Insider Trading) Regulations, 2015.
6. Byelaws, Rules, Regulations and Circulars issued by Stock Exchanges in respect of Professional Clearing Members.
7. Byelaws, Rules, Regulations and Circulars issued by Depositories.
8. Securities and Exchange Board of India (Research Analysts) Regulations, 2014.
9. Prevention of Money Laundering Act, 2002 and the Rules thereunder.

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

Date : July 27, 2018

E. Sankara Rao
Chairman (Non Executive)

Annexure '4'

FORM NO.MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS

i.	CIN 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. Babasaheb 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 st 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	
A. Promoters									
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									
Sub Total (A) (2):-									
Total shareholding of Promoter	-	21000000	21000000	99.74	21000000	-	21000000	99.74	-
A = A1 + A2									
B. Public shareholding									
1. Institutions									
a. Mutual Funds									
b. Banks / FI									
c. Central Govt.									
d. State Govt(s)									
e. Venture Capital Funds									
f. Insurance Companies									
g. FIs									
h. Foreign Venture Capital Funds									
i. Others (specify)									
Sub total B1	-	-	-	-	-	-	-	-	-
2. Non Institutions									
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 ₹ 1 lakh	-	54300	54300	0.257	9300	45000	54300	0.257	-
ii. Individual share-holders holding nominal share capital in excess of ₹ 1 lakh									
c. Others specify									
Sub total B2	-	54400	54400	0.26	9300	45100	54400	0.26	-
Total public shareholding B=B1 + B2	-	54400	54400	0.26	9300	45100	54400	0.26	-
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	-	21054400	21054400	100	21009300	45100	21054400	100	-

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 – 01-04-2017		Cumulative shareholding at the end of the year – 31-03-2018	
		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	Vanzylis 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 (CFO)				
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

* Shri L. Viswanathan was redesignated as Group CFO w.e.f. April 1, 2018 and Shri Jagdish Thakur, SVP has been appointed as CFO w.e.f. April 1, 2018.

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
Indebtedness at the beginning of the financial year				
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
Total (i+ii+iii)	0	0	0	0
Change in indebtedness during the financial year	NA	NA	NA	NA
Addition	NA	NA	NA	NA
Reduction	NA	NA	NA	NA
Net Change	NA	NA	NA	NA
Indebtedness at the end of the financial year				
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
Total (i+ii+iii)	0	0	0	0

* CBLO & 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 (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	41,78,200.30
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	7,67,203.81
	(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	5,42,071.00
	Total (A)	54,87,475.11
	Ceiling as per the Act i.e. 5% of the profits calculated under Section 198 of the Companies Act, 2013	3,35,00,000

B. REMUNERATION TO OTHER DIRECTORS :

Particulars of Remuneration	Fee for attending board / committee meetings In ₹	Commission	Others, please specify	Total amount (in ₹)
Independent Directors				
Gautam Sen	8,40,000	-	-	8,40,000
Prakash P. Mallya	6,50,000	-	-	6,50,000
C.M. Dixit	5,90,000	-	-	5,90,000
M.S. Sundara Rajan	5,30,000	-	-	5,30,000
M.V. Nair	4,60,000	-	-	4,60,000
Jaya Balachandran	3,60,000	-	-	3,60,000
Total	34,30,000			34,30,000

* 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, Company Secretary	Total
1.	Gross Salary	47,50,450.15	35,35,753.79	28,85,168.84	1,11,71,372.78
	(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	1,63,773.00	7,05,759.78	73,524.00	9,43,056.78
	(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	1,87,978.00	1,87,978.00	1,21,535.00	4,97,491.00
	Total	51,02,201.15	44,29,491.57	30,80,227.84	1,26,11,920.56

* Shri R. H. Mewawala has been redesignated as Vice Chairman of StockHolding Document Management Services Limited (SDMS) w.e.f. April 1, 2018 and ** Shri L. Viswanathan was redesignated as Group CFO w.e.f. April 1, 2018 and Shri Jagdish Thakur, SVP was appointed as CFO w.e.f. April 1, 2018.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

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

REPORT ON CORPORATE GOVERNANCE

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

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 27, 2018 in other companies are given below.

Name of the Director	Name of institution represented as equity investor	Date of appointment	Category	Directorships
E. Sankara Rao	IFCI Limited (Managing Director & CEO)	August 24, 2017	Chairman- Non Executive	a. Institute of Leadership Development-Member, Board of Governors (Chairman) b. IFCI Factors Ltd. – Director (Chairman) c. IFCI Venture Capital Funds Ltd., - Director (Chairman) d. Management Development Institute, Member, Board of Governors (Chairman)
B. N. Nayak	IFCI Limited (Executive Director)	December 15, 2016	Non Executive	a. Centre for Entrepreneurship Development, Madhya Pradesh, Governing Body Member b. Raichur Power Corporation Ltd., - Director
C.M. Dixit	-	May 17, 2014	Non Executive / Independent	a. G. D. Apte & Co., Partner b. Catalyst Resolution Professionals LLP, Partner c. Bandhan Bank, – Independent Director d. SBI DFHI Ltd., Independent Director e. GDA Management Consulting Pvt. Ltd.,
Prakash P. Mallya	-	September 22, 2008	Non Executive / Independent	Canara Bank Relief & Welfare Society (A Charitable Organisation) – President (Honorary) Khush Housing Finance Private Limited-Independent Director
Vipin Anand	LIC of India (Executive Director)	May 4, 2018	Non Executive	Bhushan Steels Limited, Nominee 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	<ul style="list-style-type: none"> a. Capital First Ltd., Independent Director b. Hand-in-Hand (India), Trustee c. Sharda Cropchem Limited, Independent Director d. Sundaram Trustee Company, Independent Director e. The Clearing Corporation of India Limited, Independent Director f. Royal Sundaram Alliance Insurance Company Limited, Independent Director g. Capital First Home Finance Limited, Director h. Unifi Alternative Investment Fund Limited, Trustee i. NSEIT Limited, Independent Director j. Madras Enterprises Limited, Director k. P.S. Educational Society, Chennai, Honorary Advisory Committee Member l. P.S. Matriculation School, Chennai – Honorary Secretary & Correspondent
M.V.Nair	-	May 17, 2014	Non Executive / Independent	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> a. UTI Infrastructure Technology & Services Limited (UTITSL), Director b. Axis Bank Limited, Director c. Axis Securities Limited, Director
Hemant G. Rokade	General Insurers' (Public Sector) Association of India (GIPSA)	May 4, 2018	Non Executive	The New India Assurance Company Limited, Director
Jaya Balachandran	-	July 28, 2015	Non Executive / Independent	<ul style="list-style-type: none"> a. Pioneer Power Infra Limited, Independent Director b. Atlanta Limited – Independent Director c. Pioneer Gas Power Limited, Hyderabad, Independent Director d. DHFL General Insurance, Mumbai – Independent Director

Name of the Director	Name of institution represented as equity investor	Date of appointment	Category	Directorships
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 d. Wonder Home Finance Limited, Independent Director

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

Shri Sanjeev Kaushik demitted office on August 23, 2017; Shri Segar Sampathkumar demitted office on September 30, 2017; Shri P. H. Kutumbe demitted office on March 5, 2018.

Details of the Board Meeting and Attendance

The Board of Directors meet atleast once a quarter. Eight meetings were held during the financial year 2017-18. 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 5, 2017	12	10	83.33
2	May 26, 2017	12	12	100
3	July 28, 2017	12	10	83.33
4	September 15, 2017	12	12	100
5	November 3, 2017	11	10	90.91
6	December 12, 2017	11	6	54.54
7	February 2, 2018	11	11	100
8	March 23, 2018	10	8	80

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

Sr. no.	Name of the Director	Attendance at the Board Meetings held on								Attendance at the AGM held on September 15, 2017
		05-May-2017	26-May-2017	28-Jul-2017	15-Sep-2017	03-Nov-2017	12-Dec-2017	02-Feb-2018	23-Mar-2018	
1	E. Sankara Rao	NA	NA	NA	✓	✓	LoA	✓	✓	✓
2	B. N. Nayak	✓	✓	✓	✓	✓	LoA	✓	✓	✓
3	Prakash P. Mallya	✓	✓	✓	✓	LoA	✓	✓	✓	✓
4	P. H. Kutumbe	✓	✓	✓	✓	✓	✓	✓	NA	LoA
5	C. M. Dixit	✓	✓	✓	✓	✓	LoA	✓	✓	✓
6	M. V. Nair	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	M. S. Sundara Rajan	LoA	✓	✓	✓	✓	✓	✓	✓	✓
8	Gautam Sen	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	B. Baburao	✓	✓	✓	✓	✓	LoA	✓	LoA	✓
10	Segar Sampathkumar	LoA	✓	LoA	✓	NA	NA	NA	NA	✓
11	Jaya Balachandran	✓	✓	✓	✓	✓	LoA	✓	LoA	✓
12	Ramesh N.G.S.	✓	✓	✓	✓	✓	✓	✓	✓	✓
13	Sanjeev Kaushik	✓	✓	LoA	NA	NA	NA	NA	NA	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 accounts of your Corporation are audited every quarter and the audited quarterly and annual financial statements are placed before the Audit Committee for their recommendations before submission to the Board for approval.

The terms of reference of the Audit Committee of the Board inter alia includes the terms referred to under Section 177 (4) of the Companies Act, 2013. 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 (Depositories Participants) Regulations, 1996 and Clause 10.3 of byelaws of NSDL and Clause 16.3 of byelaws of CDSL.

As on March 31, 2018, the Audit Committee comprised of four members viz., Shri Prakash P. Mallya (Chairman), Shri B. N. Nayak, Shri C. M. Dixit and Shri Gautam Sen, Directors. The details of attendance of the Directors at the Audit Committee meetings during the FY 2017-18 are as follows:

Sr. No.	Name of the Director	Category	Attendance at the Audit Committee Meeting							
			4-May-2017	26-May-2017	27-Jul-2017	15-Sep-2017	02-Nov-2017	12-Dec-2017	01-Feb-2018	22-Mar-2018
1	Prakash P. Mallya	Non Executive/ Independent	NA	NA	✓	✓	LoA	✓	✓	✓
2	C.M.Dixit	Non Executive/ Independent	✓	✓	✓	✓	✓	LoA	LoA	✓
3	B.Baburao	Non Executive	✓	✓	NA	NA	NA	NA	NA	NA
4	Gautam Sen	Non Executive/ Independent	✓	✓	✓	✓	✓	✓	✓	✓
5	B. N. Nayak	Non Executive	✓	✓	✓	✓	✓	LoA	✓	✓
6	M.S.Sundara Rajan	Non Executive/ Independent	LoA	✓	NA	NA	NA	NA	NA	NA
7	P. H. Kutumbe	Non Executive	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 4, 2018 and currently comprises of five members viz., Shri Prakash P. Mallya (Chairman), Shri B. N. Nayak, Shri Vipin Anand, 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 Personal (KMP) 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 Directors, etc.

As on March 31, 2018, the Committee comprised of five directors viz., Shri M.S. Sundara Rajan (Chairman), Shri B. N. Nayak, Shri B. Baburao, Smt. Jaya Balachandran and Shri Gautam Sen, Directors. The details of attendance of the Directors at the Nomination and Remuneration Committee meetings during the FY 2017-18 are as follows:

Sr. No.	Name of the Director	Category	Attendance at the Nomination & Remuneration Committee Meeting					
			19-Apr-2017	04-May-2017	19-May-2017	26-May-2017	27-Jul-2017	22-Mar-2018
1	M. S. Sundara Rajan	Non Executive / Independent	NA	NA	NA	NA	✓	✓
2	B. N. Nayak	Non Executive / Independent	NA	NA	NA	NA	✓	✓
3	B. Baburao	Non Executive	NA	NA	NA	NA	✓	LoA
4	Gautam Sen	Non Executive / Independent	✓	✓	✓	✓	✓	✓
5	Jaya Balachandran	Non Executive / Independent	NA	NA	NA	NA	✓	LoA
6	Prakash P. Mallya	Non Executive / Independent	✓	✓	✓	✓	NA	NA
7	P. H.Kutumbe	Non Executive	✓	✓	✓	✓	NA	NA

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

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, 2018, the Committee comprised of three directors viz., Shri Prakash P. Mallya, Shri Gautam Sen and Shri M.S. Sundara Rajan. Shri Segar Sampathkumar demitted office on September 30, 2017. The details of attendance of the Directors at the Risk Management Committee meetings during the FY 2017-18 are as follows:

Sr. No.	Name of the Director	Category	Attendance at the Risk Management Committee Meeting	
			27-Jul-2017	22-Mar-18
1	M. S. Sundara Rajan	Non Executive/Independent	√	√
2	Prakash P. Mallya	Non Executive/Independent	√	√
3	Gautam Sen	Non Executive/Independent	√	√
4	Segar Sampathkumar	Non Executive	√	NA
5	P. H. Kutumbe	Non Executive	√	NA

NA = Not applicable, √ = attended.

The Committee was reconstituted on May 04, 2018 and currently comprises of five members viz., Shri Hemant G. Rokade (Chairman), Shri M.S. Sundara Rajan, Shri Prakash P. Mallya, Shri Gautam Sen and Shri Vipin Anand, Directors.

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, 2018, the Committee comprised of Directors viz., Shri M. V. Nair (Chairman), Shri C.M. Dixit and Smt. Jaya Balachandran as members. The details of attendance of the Directors at the CSR Committee meetings during the FY 2017-18 are as follows:

Sr. No.	Name of the Director	Category	Attendance at the CSR Committee Meeting	
			27-Jul-2017	15-Sep-2017
1	M. V. Nair	Non Executive/ Independent	√	√
2	C. M. Dixit	Non Executive/ Independent	√	√
3	Segar Sampathkumar	Non Executive	LoA	√
4	Jaya Balachandran	Non Executive/ Independent	√	√

LoA = Leave of absence; √ = attended.

The Committee was reconstituted on May 04, 2018 and currently comprises of four members viz., Shri M. V. Nair (Chairman), Shri C. M. Dixit, Shri Hemant G. Rokade 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, 2018, the Committee 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. There were no meetings of the Committee for new initiatives during the FY 2017-18.

Committee of Independent Directors

In compliance of Schedule IV (Code for Independent Directors), the Independent Directors had met on March 22, 2018. 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 2017-18 are as follows:

Sr. No.	Name of the Director	Attendance at the Committee Meeting held on March 22, 2018
1	Shri C.M. Dixit	✓
2	Shri Gautam Sen	✓
3	Shri M.S.Sundara Rajan	✓
4	Shri Prakash P.Mallya	✓
5	Shri M.V. Nair	✓
6	Dr. (Mrs.) 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, 2018, the Committee for Transfer of Shares comprised of Directors viz., Shri C.M. Dixit and Shri M.S. Sundara Rajan as members. The Committee did not meet during the year since there were no transfer of shares by the institutional shareholders. Shri Segar Sampathkumar demitted office on September 30, 2017 and hence ceases to be a member of the Committee.

The Committee was reconstituted on May 4, 2018 and currently comprises of three members viz., Shri Hemant G. Rokade (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.

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 once during FY 2017-18 on March 22, 2018.

Shareholding Pattern

The share holding pattern of your Corporation is as under :

Equity Shareholders	Number of equity shares of face value ₹ 10/-	% of total equity shares
IFCI Ltd	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	28 th AGM	29 th AGM	30 th AGM
Year	2014-15	2015-16	2016-17
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 of Meeting	September 10, 2015 Thursday	September 23, 2016 Thursday	September 15, 2017 Friday

The above mentioned AGMs 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
6	2016-17	213.50%	September 15, 2017

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

Monday, September 17, 2018 at the registered office at 301, Centre Point, Dr Baba Saheb Ambedkar Road, Parel, Mumbai, Maharashtra 400 012 at 4.00 p.m.

b. Date of Book closure / record date

Monday, September 17, 2018

c. Dividend payment date

Dividend after Monday, September 17, 2018 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. Distribution of shareholding as on March 31, 2018

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

g. Address for correspondence

The Company Secretary
Stock Holding Corporation of India Limited
301, Centre Point,
Dr. Babasaheb Ambedkar Road
Parel, Mumbai 400 012.
Dated: July 27, 2018

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, 2018, 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, 2018, 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, 2018 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 9th May, 2018 based on the audit of the financial statements prepared as per the Accounting Standards.

Report on Other Legal and Regulatory Requirements

- 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, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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.

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 ₹ 429.39 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

Place : Mumbai
 Date : 09th May, 2018

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, Goods and 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, 2018 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, Goods and 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)	61.63	FY 2007-08 & FY 2017-18	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 etc. 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 : 09th May, 2018

Vitesh D. Gandhi
Partner
Membership No.: 110248

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDLONE 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, 2018 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 judgement, 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, 2018, 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 : 09th May, 2018

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

The preparation of financial statements of Stock Holding Corporation of India Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 09 May 2018.

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 31 March 2018. 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 behalf of the
Comptroller and Auditor General of India

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

Place : Mumbai
Date: 04 August 2018

BALANCE SHEET AS AT MARCH 31, 2018

(₹ in lakhs)

Particulars	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
I. Non Current Assets			
a) Property Plant and Equipment	5	9,763	10,522
b) Capital Work-in-progress (net of provision for impairment - ₹ 108 lakhs; March 31, 2017 ₹ 108 lakhs)		218	201
c) Other Intangible Assets	6	257	412
d) Financial Assets			
(i) Investments	7	2,20,484	1,15,162
(ii) Loans	8	8,203	8,653
(iii) Other Financial Assets	9	33,062	24,692
e) Non Current Tax Assets (net)	10	2,835	2,380
f) Other Non-current Assets	11	270	216
Total Non Current Assets		2,75,092	1,62,238
II. Current Assets			
a) Inventories	12	-	117
b) Financial Assets			
(i) Investments	13	1,537	12,997
(ii) Trade Receivables	14	4,324	6,646
(iii) Cash and Cash Equivalent	15	18,110	60,064
(iv) Bank balances other than (iii) above	16	116	3
(v) Loans	17	4,567	3,375
(vi) Other Financial Assets	18	44,644	53,295
c) Other Current Assets	19	1,922	592
Total Current Assets		75,220	1,37,089
TOTAL ASSETS		3,50,312	2,99,327
EQUITY AND LIABILITIES			
I. EQUITY			
a) Equity Share Capital	20	2,105	2,105
b) Other Equity		2,22,940	1,41,022
Total Equity		2,25,045	1,43,127
LIABILITIES			
II. Non Current Liabilities			
a) Provisions	21	4,038	3,819
b) Deferred Tax Liabilities (net)	22	44,084	20,719
c) Other Non-Current Liabilities	23	1,969	1,900
Total Non-Current Liabilities		50,091	26,438
III. Current Liabilities			
a) Financial Liabilities			
(i) Trade and Other Payables	24	9,660	8,219
(ii) Other Financial Liabilities	25	48,882	1,09,264
b) Other Current Liabilities	26	15,819	11,834
c) Provisions	27	815	445
Total Current Liabilities		75,176	1,29,762
TOTAL EQUITY AND LIABILITIES		3,50,312	2,99,327
See accompanying notes to Financial Statement	1 to 57		

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

Place : Trivandrum
Date : May 09, 2018

Shashikant Nayak
Company Secretary
FCS 7061

Gautam Sen
Director
DIN 01403762

For and on behalf of the Board

Jagdish Thakur
Chief Financial Officer
Senior Vice President

Chintaman Mahadeo Dixit
Director
DIN 00524318

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

Prakash P. Malliya
Director
DIN 02412404

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

(₹ in lakhs)

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
I. INCOME :			
Revenue from Operations	28	33,479	27,530
Other Income	29	9,882	7,962
TOTAL INCOME		43,361	35,492
II. EXPENSES:			
Cost of Goods Sold		2,238	1,459
Purchase of Stock-in-Trade		-	117
Change in Stock-in-Trade		-	(117)
Employee Benefits Expense	30	14,031	11,177
Finance Costs	31	2	1
Depreciation and Amortisation Expense	5 & 6	1,633	1,389
Other Expenses	32	18,312	15,446
TOTAL EXPENSES		36,216	29,472
III. PROFIT BEFORE TAX (I - II)		7,145	6,020
IV. Tax Expense			
- Current Tax		802	557
- Deferred Tax		(237)	(104)
		565	453
V. PROFIT FOR THE YEAR ENDED (III - IV)		6,580	5,567
VI. OTHER COMPREHENSIVE INCOME (OCI)			
OCI items not reclassified to Profit and Loss in subsequent periods:			
Remeasurement of net Defined Benefit Liability		109	(123)
Fair value movement equity instruments designated at FVOCI		1,01,935	17,232
Income tax relating to items not reclassified to profit and loss in subsequent periods		(23,602)	(2,009)
Net OCI items not reclassified to profit and loss in subsequent periods		78,442	15,100
VII. TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED (V - VI)		85,022	20,667
Total comprehensive income for the year attributable to:			
Non-controlling interest		40,079	9,743
Controlling interest		44,943	10,924
VIII. Earnings per Equity Share (for continuing operations) Refer Note 47			
Nominal value per share : ₹ 10			
(1) Basic		31.25	26.44
(2) Diluted		31.25	26.44
See accompanying notes to Financial Statement	1 to 57		

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

Place : Trivandrum
Date : May 09, 2018

Shashikant Nayak
Company Secretary
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Gautam Sen
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For and on behalf of the Board

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

Prakash P. Mallya
Director
DIN 02412404

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A Equity Share Capital

Particulars	(₹ In lakhs)		
	Balance at the beginning of the reporting date	Chages in equity share capital during the year	Balance at the end of the reporting date
Balance as at March 31, 2017	2,105	-	2,105
Balance as at March 31, 2018	2,105	-	2,105

B Other Equity

Particulars	(₹ In lakhs)				
	Retained Earnings	Securities Premium Reserve	Fair value movement equity instruments designated at FVOCI	General Reserve	Total
Balance as at April 01, 2016	1,12,304	527	(177)	14,886	1,27,540
Retained Earnings - Transferred from P&L	5,567	-	-	-	5,567
Interim dividend (Dividend per share ₹ 14.50)	(3,053)	-	-	-	(3,053)
Final Dividend (Dividend per share ₹ 4.50)	(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)	-	-
Closing Balance as at March 31, 2017	1,12,805	527	12,804	14,886	1,41,022
Particulars	(₹ In lakhs)				
	Retained Earnings	Securities Premium Reserve	Fair value movement equity instruments designated at FVOCI	General Reserve	Total
Balance as at April 01, 2017	1,12,805	527	12,804	14,886	1,41,022
Retained Earnings - Transferred from P&L	6,580	-	-	-	6,580
Interim Dividend (Dividend per share ₹ 5.40)	(1,137)	-	-	-	(1,137)
Final Dividend (Dividend per share ₹ 6.85)	(1,442)	-	-	-	(1,442)
Dividend Distribution Tax	(525)	-	-	-	(525)
Transfer to General Reserves	(1,300)	-	-	1,300	-
Defined Benefit Employee Cost	109	-	-	-	109
Tax Impact	(33)	-	(23,569)	-	(23,602)
Fair value movement equity instruments designated at FVOCI	-	-	1,01,935	-	1,01,935
Closing Balance as at March 31, 2018	1,15,057	527	91,170	16,186	2,22,940

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

Place : Trivandrum
Date : May 09, 2018

Shashikant Nayak
Company Secretary
FCS 7061

Gautam Sen
Director
DIN 01403762

For and on behalf of the Board

Jagdish Thakur
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Senior Vice President

Chintaman Mahadeo Dixit
Director
DIN 00524318

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

Prakash P. Mallya
Director
DIN 02412404

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	7,145	6,020
Adjusted for :		
Depreciation	1,633	1,389
(Profit) /Loss on sale of investments	(85)	(255)
(Profit)/Loss on sale of fixed assets	(1)	3
(Profit)/Loss from trading in securities	(28)	-
Dividend Income	(5,132)	(3,476)
Interest Income	(3,778)	(3,539)
Interest paid	2	1
Finance Income	-	(100)
Finance Cost	45	45
Others	22	(123)
Bad debts written off	284	206
Provision for doubtful debts / (written back)	(152)	175
Sundry balances written back	(149)	(40)
Operating Profit before working capital changes	(194)	306
Changes in working capital		
Adjustments for (increase) / decrease in operating assets :		
(Increase)/ Decrease in trade receivables	2,191	(3,126)
(Increase)/ Decrease in stock in trade	117	(79)
(Increase)/ Decrease in loans and advances	(5,532)	1,139
(Increase)/ Decrease in other current assets	(52)	1,325
Adjustments for increase / (decrease) in operating liabilities :		
Increase/ (Decrease) in trade payables	1,441	2,768
Increase/ (Decrease) in provisions	698	402
Increase/ (Decrease) in other current liabilities	(44,226)	34,839
Increase/ (Decrease) in long term liabilities	69	59
Cash generated from operations	(45,488)	37,633
Direct Taxes (paid)/ refund received (net)	(1,257)	(3,505)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	(46,745)	34,128
B CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets including capital advances	(782)	(1,427)
Proceeds from sale of fixed assets	5	13
Purchase of Investments	(20,31,787)	(22,84,446)
Proceeds from sale of investments	20,41,086	22,84,597
Investments in subsidiary companies	(1,000)	-
Bank deposits not considered as cash and cash equivalents :		
- Matured (net)	(8,013)	(1,410)
Fixed deposit placed with companies	(775)	-
Decrease/ (Increase) in earmarked bank balances	-	2
Interest received	4,031	3,401
Dividend received	5,132	3,476
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	7,897	4,206

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(2)	(1)
Dividend paid	(2,579)	(4,000)
Tax on Distributed Profit	(525)	(815)
NET CASH FROM/ (USED IN) FINANCING ACTIVITIES	(3,106)	(4,816)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(41,954)	33,518
Cash and cash equivalents (Opening Balance)	60,064	26,546
Cash and cash equivalents (Closing Balance)	18,110	60,064
Notes :		
(1) Cash and Cash equivalents		
Balances with Banks	17,749	39,266
Cash and cheques on hand	361	803
Money lent on CBLO Transactions	-	19,995
Cash & Cash Equivalents considered for Cash flow	18,110	60,064
(2) Other Bank Balances	116	3
Cash and Bank Balances as per note 15 & 16	18,226	60,067
Notes		
i) The Company's bankers have sanctioned total fund-based limits of ₹ 10,000 lakhs (March 31, 2017- ₹ 10,000 lakhs) to finance working capital requirements. The limit of ₹ NIL (March 31, 2017- ₹ Nil) were utilised as on March 31, 2018		
ii) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Ind AS-7 on "Statement of Cash Flows".		

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

Place : Trivandrum
Date : May 09, 2018

Shashikant Nayak
Company Secretary
FCS 7061

Gautam Sen
Director
DIN 01403762

For and on behalf of the Board

Jagdish Thakur
Chief Financial Officer
Senior Vice President

Chintaman Mahadeo Dixit
Director
DIN 00524318

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

Prakash P. Mallya
Director
DIN 02412404

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

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. It's 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).

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 bases summarised below. These were used throughout all periods presented in the financial statements, except where the company has applied certain accounting policies and exemptions upon transition to Ind-AS.

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.

Accordingly, the Company has prepared financial statements which comply with Ind-AS applicable for year ended on 31st March, 2018 together with the comparative period data as at and for the year ended 31st March, 2017, as described in the summary of significant accounting policies.

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 are classified into current/ non-current. An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

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.

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

Foreign Currency transactions and Balances

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

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.

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

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 Goods and Services tax, 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 lodgement/ delivery of securities under the paper segment.

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

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

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

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

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/up to 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.

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 FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Operating Leases

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

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, cancelled 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

- (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. 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;
- 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:

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

- 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 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 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.

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

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled 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.

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.

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

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 judgements, 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.

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

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

Recognition of Deferred Tax Assets

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

Useful lives of Depreciable Assets

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

Impairment of Non-financial Assets

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

The Company had first time adopted Ind-AS financial statements in the financial year 2016-17.

Exemptions Applied

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, 2018

5 Property, Plant and Equipment

The changes in the carrying value of Property, Plant and Equipment for the year ended March 31, 2018 are as follows:

(₹ In Lakhs)								
Particulars	Leasehold Land	Buildings*	Plant & Machinery	Computers	Furniture & Fixtures	Office Equipment	Vehicles	Total
Gross carrying value as at April 1, 2017	128	7,035	2,285	1,851	1,196	568	203	13,266
Additions	-	-	33	559	8	27	31	658
Deletions	-	-	7	1	1	4	-	13
Gross carrying value as at March 31, 2018	128	7,035	2,311	2,409	1,203	591	234	13,911
Accumulated depreciation as at April 1, 2017	4	486	659	644	457	363	131	2,744
Depreciation	1	127	334	583	229	77	61	1,412
Accumulated depreciation on deletions	-	-	4	1	-	3	-	8
Accumulated depreciation as at March 31, 2018	5	613	989	1,226	686	437	192	4,148
Carrying value as at March 31, 2018	123	6,422	1,322	1,183	517	154	42	9,763
Carrying value as at March 31, 2017	124	6,549	1,626	1,207	739	205	72	10,522

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.

6 Other Intangible Assets

The changes in the carrying value of Other Intangible Assets for the year ended March 31, 2018 are as follows:

(₹ In Lakhs)		
Particulars	Computer Software	Total
Gross carrying value as at April 01, 2017	631	631
Additions	66	66
Deletions	-	-
Gross carrying value as at March 31, 2018	697	697
Accumulated depreciation as at April 01, 2017	219	219
Depreciation	221	221
Accumulated depreciation on deletions	-	-
Accumulated depreciation as at March 31, 2018	440	440
Carrying Value as at March 31, 2018	257	257
Carrying Value as at March 31, 2017	412	412

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

7 Non- Current Investments

		(₹ in Lakhs)	
Particulars	Face Value (₹)	As at March 31, 2018	As at March 31, 2017
Equity Shares (Trade - Fully paid-up)			
Investment in Subsidiary Companies - Unquoted			
4,32,50,000 (March 31, 2017 - 3,70,00,000) Stockholding Document Management Services Ltd.	10	4,860	3,860
60,89,701 (March 31, 2017 - 60,89,701) SHCIL Services Ltd.***	10	1,713	1,713
		6,573	5,573
Other Companies - Unquoted - Measured at fair value thorough Other Comprehensive Income (FVOCI)			
2,20,00,000 (March 31, 2017 - 2,20,00,000) National Stock Exchange of India Ltd.***** (Refer Note 33)	1	1,98,055	96,000
		1,98,055	96,000
Non Convertible Debentures - Measured at Amortised Cost			
Subsidiary Companies - Unquoted			
1,50,000 (March 31, 2017 - 1,50,000) 9.50% Stockholding Document Management Services Ltd.	1,000	1,522	1,508
Non Trade - Fully Paid - Measured at fair value thorough Other Comprehensive Income (FVOCI)			
Equity Shares (Non trade - Fully paid-up)			
Quoted			
43,500 (March 31, 2017 - 43,500) Bombay Stock Exchange Ltd.*****	2	329	425
6,600 (March 31, 2017 - 6,600) Bank of India ****	10	7	9
- (March 31, 2017 - 1300) Bharti Airtel Ltd.	5	-	5
2,800 (March 31, 2017 - 2,800) Vedanta Ltd.****	10	8	9
3,937 (March 31, 2017 - 3,937) Coal India Ltd	10	11	12
32,015 (March 31, 2017 - 32,015) Indian Overseas Bank ****	10	6	9
- (March 31, 2017 - 1,975) National Thermal Power Corporation Ltd.	10	-	3
9,800 (March 31, 2017 - 9,800) Power Finance Corporation Ltd	10	8	14
- (March 31, 2017 - 9,519) Shipping Corporation of India Ltd.	10	-	7
- (March 31, 2017 - 2,075) Steel Authority of India Ltd	10	-	1
1,600 (March 31, 2017 - 1,600) Tech Mahindra Ltd	5	10	7
- (March 31, 2017 - 590) Cummins India Ltd.	2	-	6
- (March 31, 2017 - 6,000) Rural Electrification Corporation Limited.	10	-	11
- (March 31, 2017 - 656) Yes Bank Ltd.	10	-	10
955 (March 31, 2017 - Nil) Bharat Petroleum Corporation Ltd.	10	4	-
1,450 (March 31, 2017 - 1,450) Siemens Ltd.	2	16	18
- (March 31, 2017 - 2,442) Bharti Infratel Ltd.	10	-	8
- (March 31, 2017 - 1,265) RBL Bank Ltd.	10	-	6
7,762 (March 31, 2017 - 4,512) Fortis Healthcare Ltd.	10	10	8
3,725 (March 31, 2017 - Nil) Astra Microwave Products Ltd	2	3	-
2,788 (March 31, 2017 - Nil) Bharat Electronics Ltd	1	4	-
1,150 (March 31, 2017 - Nil) ICICI Prudential Life Insurance Company Ltd	10	4	-
7 (March 31, 2017 - Nil) MRF Ltd	10	5	-
2,065 (March 31, 2017 - Nil) PetroNet LNG	10	5	-
1,658 (March 31, 2017 - Nil) Repco Home Finance	10	9	-
895 (March 31, 2017 - Nil) Voltas Limited	1	6	-
1,180 (March 31, 2017 - Nil) PI Industries Ltd	1	10	-

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

(₹ in Lakhs)

Particulars	Face Value (₹)	As at March 31, 2018	As at March 31, 2017
2,460 (March 31, 2017 - Nil) Adani Ports and Special Economic Zone Ltd	2	1	-
1,040 (March 31, 2017 - Nil) Capital Trust Limited	10	3	-
525 (March 31, 2017 - Nil) HCL Technologies	2	5	-
		464	568
Non convertible Non cumulative Redeemable Preference Shares - Measured at fair value through Profit and Loss (FVTPL)			
Quoted			
11,200 (March 31, 2017 - Nil) Vedanata 7.50% Non-Cumulative Non-Convertible Redeemable Preference Shares	10	*	-
		-	-
Government Securities - Measured at Amortised Cost			
Quoted			
25,000 (March 31, 2017 - 25,000) 11.60% GS 2020**	100	28	29
23,400 (March 31, 2017 - 23,400) 10.03% G.S. 2019**	100	24	25
30,500 (March 31, 2017 - 30,500) 6.05% GOVT STOCK 2019**	100	30	30
47,000 (March 31, 2017 - 47,000) 10.25% GS 2021**	100	51	52
1,000 (March 31, 2017 - 1,000) 10.70% GS 2020**	100	1	1
- (March 31, 2017 - 5,00,000) 7.16% GOVT STOCK 2023	100	-	470
10,00,000 (March 31, 2017 - 10,00,000) 7.59% GOVT STOCK 2026**	100	1,051	1,054
5,00,000 (March 31, 2017 - 5,00,000) 6.97% GOVT STOCK 2026**	100	507	507
		1,692	2,168
PSU/Corporate Bonds - Measured at Amortised Cost			
Quoted			
1,41,543 (March 31, 2017 - 1,41,593) 9.80% IFCI 2019	1,000	1,461	1,462
98,883 (March 31, 2017 - 98,883) 9.35% IFCI 2020	1,000	1,001	1,000
		2,462	2,462
Tax Free Secured Redeemable Non Convertible Bonds - Measured at Amortised Cost			
Quoted			
5,565 (March 31, 2017 - 10,875) 8.00% Indian Railway Finance Corporation Ltd.2022	1,000	58	113
100 (March 31, 2017 - 100) 7.21% Indian Railway Finance Corporation Ltd.2022	10,00,000	1,033	1,033
50,000 (March 31, 2017 - 50,000) 8.01% Rural Electrification Corporation Ltd.2023	1,000	513	513
50,000 (March 31, 2017 - 50,000) 8.14% Housing and Urban Development Corporation Ltd 2023	1,000	518	518
16,105 (March 31, 2017 - 16,105) 8.18% NHPC Limited 2023	1,000	174	174
15,832 (March 31, 2017 - 15,832) 8.41% NTPC Limited 2023	1,000	162	162
6,384 (March 31, 2017 - 6,384) 8.25% National Housing Bank 2024	5,000	319	320
250 (March 31, 2017 - 250) 8.39% IFCI Ltd 2024	10,00,000	2,500	2,500
32,389 (March 31, 2017 - 32,389) 8.18% Power Finance Corporation Ltd 2023	1,000	334	334
		5,611	5,667
Non Convertible Debenture - Measured at Amortised Cost			
Quoted			
1,975 (March 31, 2017 - 1,975) 8.49% NTPC Ltd 2025	12.5	*	*
		-	-
carried forward		2,16,379	1,13,946

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

		(₹ in Lakhs)	
Particulars	Face Value (₹)	As at March 31, 2018	As at March 31, 2017
brought forward		2,16,379	1,13,946
Mutual Funds - Measured at fair value through Profit and Loss (FVTPL)			
Quoted			
185 (March 31, 2017 - Nil) Reliance Mutual Fund ETF Gold BEES	100	5	-
52224 (March 31, 2017 - Nil) ICICI Prudential Mutual Fund BHARAT 22 ETF	100	18	-
		23	-
Unquoted - Measured at fair value through Profit and Loss (FVTPL)			
14,67,739 (March 31, 2017 - 10,00,000) Baroda Pioneer Credit Opportunities Fund - Plan B Growth		205	129
- (March 31, 2017 - 58,641) TATA Balance Fund Direct Plan - Growth		-	115
10,00,000 (March 31, 2017 - 10,00,000) Union KBC Capital Protection Oriented Fund Series 6		113	104
- (March 31, 2017 - 10,11,182) LIC Nomura MF Banking & Financial Services Fund - Direct Growth		-	113
13,828 (March 31, 2017 - 44,562) Religare Invesco Medium Term Bond Fund - Direct Plan - Growth		252	755
10,00,000 (March 31, 2017 - Nil) FLFGD-Union Focused Largecap fund direct plan-Growth		103	-
51,253 (March 31, 2017 - Nil) Baroda Pioneer Treasury Advantage Fund - Plan B Daily Dividend- Re-investment		517	-
51,42,700 (March 31, 2017 - Nil) Sundaram Ultra Short Term Fund Direct Plan Daily Dividend Reinvestment		517	-
9,955 (March 31, 2017 - Nil) Invesco India Short Term Fund - Direct Plan Daily Dividend(ST-D5)		102	-
1,67,838 (March 31, 2017 - Nil) Invesco India Contra Fund - Direct Plan Growth		81	-
15,01,360 (March 31, 2017 - Nil) DHFL Pramerica Short Maturity Fund - Direct Plan - Monthly Dividend - Reinvestment		203	-
16,09,554 (March 31, 2017 - Nil) Indiabulls Arbitrage Fund - Direct Plan Growth Option		205	-
30,380 (March 31, 2017 - Nil) Invesco India Credit Opportunities Fund - Direct Plan Daily Div		304	-
50,00,000 (March 31, 2017 - Nil) Invesco India FMP Sr. 30 Plan A (1223 Days) - Direct Sub Plan		509	-
6,06,724 (March 31, 2017 - Nil) Tata Short Term Bond Fund (Growth)		203	-
56,66,867 (March 31, 2017 - Nil) Franklin Low Duration Fund Monthly Div		610	-
1,20,894 (March 31, 2017 - Nil) Mirae India Opportunity Fund - Direct Plan - Growth option		57	-
4,973 (March 31, 2017 - Nil) Invesco India Active Income Fund - Direct Plan Growth (AI-D1)		101	-
		4,082	1,216
		2,20,484	1,15,162
TOTAL		2,20,484	1,15,162
Aggregate amount of Quoted Investments		10,252	10,865
Market value of Quoted Investments		10,194	12,228
Aggregate amount of Unquoted Investments		2,10,232	1,04,297

* Denotes amounts less than ₹ 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 at March 31, 2018

***** Face value of BSE shares changed during the previous year from rupee 1 to rupee 2

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

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

Financial Assets

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
8 Non-current - Loans		
Staff loans - considered good	82	100
Staff loans - considered doubtful	4	4
Less: Provision for staff loans	(4)	(4)
Security and other deposits - considered good	7,142	7,086
Security and other deposits - considered doubtful	-	26
Less: Provision for deposits	-	(26)
Loans to subsidiary - StockHolding Document Management Services Limited	979	1467
	8,203	8653

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
9 Other non current financial assets		
Long Term deposits with banks with original maturity period more than 12 months *	29,962	22,367
Fixed deposits with companies	3,100	2,325
	33,062	24,692

* Fixed deposits with banks aggregating to ₹ 5,450 Lakhs (As at March 31, 2017 - ₹ 5,537 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 ₹ 22,915 Lakhs (As at March 31, 2017 - ₹ 14,851 Lakhs) deposited with the Stock Exchanges and State Governments as margin deposit. ₹ 5 Lakhs is lien with VAT authorities (As at March 31, 2017 - ₹ 5 Lakhs)

10 Non - current tax assets (net)

Advance tax	2,835	2,380
(Net of provision for taxation ₹ 30,887 Lakhs, March 31, 2017 ₹ 29,488 Lakhs)		
	2,835	2,380

11 Other non-current assets

Capital Advances	147	106
Prepayments	123	110
	270	216

12 Inventories

Software	-	117
	-	117

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

13. Current Investments

		(₹ in lakhs)	
Particulars	Face Value (₹)	As at March 31, 2018	As at March 31, 2017
Current portion of long-term investments			
PSU / Corporate Bonds			
Quoted			
- (March 31, 2017 - 3) 9.25% Power Grid Corporation 2017	12,50,000	-	40
		-	40
Current portion of long-term investments			
Government Securities			
Quoted			
- (March 31, 2017 - 10,00,000) 364 DTB (04-JAN-2018) 2018	100	-	955
5,00,000 (March 31, 2017 - Nil) 364 DTB (20-DEC-2018) 2018**	100	479	-
10,00,000 (March 31, 2017 - Nil) 364 DTB (13-DEC-2018) 2018**	100	958	-
		1,437	955
Current Investments			
Equity Shares			
Non Trade - Fully Paid - at Cost			
19,208 (March 31, 2017 - Nil) ICICI Securities Ltd.	5	100	-
		100	-
Mutual Funds Liquid Investment			
Unquoted			
- (March 31, 2017 - 1,91,78,861) JM High Liquidity - Dir - Dly Dividend		-	2,000
- (March 31, 2017 - 1,99,673) Baroda Pioneer Liquid Fund - Plan B - Dir - Dly Dividend		-	2,001
- (March 31, 2017 - 1,99,818) Indiabulls Liquid Fund Collection A/c		-	2,000
- (March 31, 2017 - 1,99,701) IDFC Cash Fund - Dir - Dly- Dividend		-	2,000
- (March 31, 2017 - 1,96,220) UTI - Liquid Cash Plan - Dir - Dly Dividend		-	2,000
- (March 31, 2017 - 1,99,366) UTI Money Market - Dir- Sly - Dividend		-	2,001
		-	12,002
		1,537	12,997
Aggregate amount of Quoted Investments		1,437	995
Market value of Quoted Investments		1,436	1,006
Aggregate amount of Unquoted Investments		100	12,002

** Security deposited as margin with CCIL

Financial Assets - Current

		(₹ in lakhs)	
		As at March 31, 2018	As at March 31, 2017
14 Trade receivables *			
(Unsecured)			
Outstanding for a period exceeding six months			
Considered good		496	1,603
Considered doubtful		925	970
		1,421	2,573
Less: Allowance for doubtful debts		(925)	(970)
	(A)	496	1,603
Outstanding for a period less than six months			
Considered good		3,871	5,111
Considered doubtful		204	297
		4,075	5,408
Less: Allowance for doubtful debts		(204)	(297)
	(B)	3,871	5,111
	(A+B)	4,367	6,714
Less: Expected Credit Loss on Trade Receivables		(43)	(68)
		4,324	6,646

* Trade Receivables includes ₹ 569 Lakhs (March 31, 2017 - ₹ 182 Lakhs) due from subsidiary companies

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

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
15 Cash and Cash equivalents		
Balances with banks - In current accounts	17,749	39,266
Cheques in hand	14	110
Cash and stamps in hand	347	693
Money lend on CBLO transactions	-	19,995
	18,110	60,064
16 Bank balances other than Cash and Cash equivalents		
Bank deposit accounts (more than 3 months but less than 12 months maturity) *	13	-
Balances with banks - In deposit accounts with original maturity less than 3 months	100	-
Earmarked balances with banks	3	3
	116	3
* Other Bank Balances in deposit accounts includes fixed deposits with banks aggregating to ₹ 13 lakhs (As at March 31, 2017 - Nil lakhs) against which lien has been marked by the banks as security for guarantees issued on behalf of the Company.		
17 Loans		
(Unsecured and considered good, unless otherwise stated)		
Advances Receivable in cash or in kind - Considered good	3,794	3,087
Advances Receivable in cash or in kind - Considered doubtful	46	36
Less: Provision for Advances	(46)	(36)
Staff Loans considered good	73	88
Margin Deposits placed with Subsidiary		
- SHCIL Services Ltd	200	200
Current Maturities of Long term Inter Corporate Deposit to subsidiaries		
- StockHolding Document Management Services Ltd	500	-
	4,567	3,375
18 Other Financial Assets		
Unbilled Revenue	366	6
Amounts Due on settlement from Clearing House	13,283	17,004
Amounts Due on settlement from Clients and Brokers	25,767	34,374
Amounts Recoverable from government towards stamp duty payments	5,064	1,480
Due from Group Companies (Refer Note 50)		
- SHCIL Services Ltd	123	36
- StockHolding Document Management Services Ltd	41	395
	44,644	53,295
	As at March 31, 2018	As at March 31, 2017
19 Other current assets		
Prepayments	810	592
Goods and Services Tax Input Credit	1,112	-
	1,922	592

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

	As at March 31, 2018	As at March 31, 2017
20 Equity Share Capital		
Authorised Capital		
5,00,00,000 Equity shares of ₹ 10/- each	5,000	5,000
Issued, Subscribed and Paid up capital		
2,10,54,400 Equity shares of ₹ 10/- each fully paid up	2,105	2,105
	2,105	2,105

a) The number of shares outstanding at the year ended March 31, 2018 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 ₹ 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

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Name of shareholder : IFCI Ltd		
Number of shares held	1,11,30,000	1,11,30,000
Percentage of holding	52.86	52.86

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

	As at March 31, 2018	As at March 31, 2017
Name of shareholder : IFCI Ltd		
Number of shares held	1,11,30,000	1,11,30,000
Percentage of holding	52.86	52.86
Name of shareholder : Administrator of the Specified Undertaking of the Unit Trust of India		
Number of shares held	35,70,000	35,70,000
Percentage of holding	16.96	16.96
Name of shareholder : Life Insurance Corporation Of India		
Number of shares held	31,50,000	31,50,000
Percentage of holding	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.

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

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
21 Long Term Provisions		
Provision for Employee Benefits		
- Compensated Absences	1,261	1,141
- Gratuity	331	117
Provision for Claims (Refer Note 42)	2,446	2,561
	4,038	3,819
22 Deferred tax liabilities (net)		
The major components of deferred tax assets and liabilities arising on account of timing differences are as under :		
Deferred Tax Liabilities		
Fair value of investments	45,393	21,839
Depreciation	843	922
	46,236	22,761
Deferred Tax Assets		
Provision for Doubtful debts/advances	421	481
Provision for Impairment of assets	37	37
Provision for Claims	848	887
Employee benefits	846	637
	2,152	2,042
Net Deferred tax liabilities	44,084	20,719
23 Other non current Liabilities		
Advance Depository Participant Charges	40	44
Deposits from Customers	1,929	1,856
	1,969	1,900
24 Trade and Other Payables		
Dues to micro and small enterprises (Refer Note 39)	-	-
Other than micro and small enterprises	403	820
Margin money from clients	6,533	5,234
Provision for expenses	2,724	2,165
	9,660	8,219
25 Other Financial Liabilities		
Unclaimed Dividend	3	3
(Unclaimed amounts are transferred to the Investor Education and Protection Fund when due)		
Unclaimed redemption proceeds and interest on Relief and Saving Bonds	2,173	2,144
Advances and deposits from customers		
Amount due on settlement to Clearing House	10,525	10,727
Amount due on settlement to Clients and Brokers	28,957	50,673
Amounts payable to Government on account of stamp duty collection	4,417	5,820
Amounts payable to Reserve Bank of India on account of distribution of Relief Bonds/Inflation indexed bonds (net)	189	37,733
Amount payable to PFRDA on account of NPS	217	360
Other creditors for capital expenses	54	276
Other Liabilities		
- Employee Benefits payable	1,743	1,399
- Others	604	129
	48,882	1,09,264

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

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
26 Other Current Liabilities		
Advance Depository Participant Charges - current	703	738
Advances and Deposits from customers	14,304	10,671
Statutory dues including provident fund and taxes	812	425
	15,819	11,834
27 Short-Term Provisions		
Provision for Employee Benefits (Refer Note 41)		
Provision for Gratuity	591	296
Provision for Compensated Absences	224	149
	815	445

(₹ in lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
28 Revenue from Operations		
Custodial Services	188	167
Depository Participant Services	12,264	11,694
Commission and brokerage	17,212	13,263
Derivatives clearing services	461	237
Document management income	840	386
Sale of goods	2,338	1,530
Other operating revenue	176	253
	33,479	27,530
29 Other Income		
Interest (Gross):		
- Govt. Securities & Bonds	1,067	1,097
- Deposits with Banks	2,215	2,053
- Others	496	392
- Interest on Income Tax Refund	-	93
Dividend on Long Term Investments	4,657	3,059
Dividend on Current Investments	475	417
Profit on sale of Current Investments (net) measured at FVTPL	28	49
Profit on sale of Non-current Investments (net) measured at FVTPL	85	206
Fair value gain on investments measured at FVTPL	85	110
Profit on sale of Fixed Assets (net)	1	-
Provisions for doubtful debts written back	152	-
Sundry balances written back	149	40
Miscellaneous Income	472	446
	9,882	7,962
30 Employee Benefits Expense		
Salaries, Allowances & Bonus **	11,537	9,586
Contribution to provident fund and other funds	1,013	778
Gratuity	867	257
Staff Welfare expenses	614	556
	14,031	11,177

** Salaries, allowances and bonus is net of salaries of employees deputed to subsidiary companies ₹ 244 Lakhs (previous year - ₹ 210 Lakhs)

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

(₹ in lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
31 Finance Cost		
Interest on Bank Overdraft	-	1
Interest on CBLO Borrowings	2	*
	2	1

* Denotes amounts less than one Lakh

(₹ in lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
32 Other expenses		
Outsourcing Expenses	1,674	1,489
Feet on Street (FOS) Expenses	539	868
Depository Participant / Custodian Fees	1,308	1,228
Software Expenses	702	680
Rent	1,206	1,114
Rates and Taxes	205	229
Electricity	898	899
Insurance	139	138
Repairs and Maintenance :		
- Buildings	261	503
- Plant & Machinery	1,345	1,068
- Others	7	16
Fuel Expenses	24	22
Travelling and Conveyance	503	449
Postage and Courier	281	260
Telephone and Communication	811	733
Printing and Stationery	474	389
Legal and Professional Expenses	1,500	1,193
Audit Fees (Refer Note 44)	41	41
Technical Know-how Fees	890	703
Loss due to Exchange Rate fluctuation	*	*
Corporate Social Responsibility (Refer Note 53)	99	117
Claims Paid	19	1
Bad Debts Written Off	284	206
Provision for Doubtful Debts / Advances	-	147
Loss on Sale / Discarded Fixed Assets	-	3
Advertisement and Publicity	387	394
Donations	6	-
Commission and Brokerage to Selling Agents	2,995	1,690
Document Management Expenses	711	339
Miscellaneous Expenses	1,003	527
	18,312	15,446

* Denotes amount less than ₹ One Lakh

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

33 Fair Value Measurements Financial Instruments by Category

Particulars	March 31, 2018			March 31, 2017		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets: Non-current						
Non Current Investments						
Unquoted Investment in Debentures of subsidiary - Stockholding DMS	-	-	1,522	-	-	1,508
Trade Investments - Other companies - unquoted	-	198,055	-	-	96,425	-
Non trade quoted Equity Shares	-	464	-	-	143	-
Quoted Non convertible Non cumulative Redeemable Preference Shares	-	*	-	-	-	-
Quoted Government Securities	-	-	1,692	-	-	2,168
Quoted PSU / Corporate Bonds	-	-	2,462	-	-	2,462
Quoted Tax free Secured Redeemable Non-convertible Bonds	-	-	5,611	-	-	5,667
Quoted Non Convertible Debentures	-	-	*	-	-	*
Mutual Funds - Quoted	23	-	-	-	-	-
Mutual Funds - Unquoted	4,082	-	-	1,216	-	-
Loans and Deposits	-	-	8,203	-	-	8,653
Other Non-current Financial Assets	-	-	33,062	-	-	24,692
Financial assets: Current						
Current Investments						
Quoted PSU / Corporate bonds	-	-	-	-	-	40
Quoted Government Securities	-	-	1,437	-	-	955
Quoted Equity shares	100	-	-	-	-	-
Mutual funds - unquoted	-	-	-	12,002	-	-
Trade and Other Receivables	-	-	4,324	-	-	6,646
Cash and Cash Equivalents	-	-	18,110	-	-	60,064
Bank Balances other than above	-	-	116	-	-	3
Loans - Current	-	-	4,567	-	-	3,375
Other Current Financial Assets	-	-	44,644	-	-	53,297
Total Financial Assets	4,205	198,519	125,750	13,218	96,568	169,530
Financial Liabilities: Current						
Trade and Other Payables	-	-	9,660	-	-	8,219
Other Current Financial Liabilities	-	-	48,882	-	-	109,264
Total Financial Liabilities	-	-	58,542	-	-	117,483

* 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 judgements 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, 2018

Financial Assets and Liabilities measured at Fair Value - recurring fair value measurements

Particulars	March 31, 2018			March 31, 2017	
	Level 1	Level 2	Level 3	Level 1	Level 3
Financial Assets:					
Non-current Investments measured at FVTPL:					
(NC) Mutual Funds - Unquoted	4,082	-	-	1,216	-
(NC) Mutual Funds - Quoted	23	-	-	-	-
Non-current Investments measured at Fair Value through Other Comprehensive Income (FVOCI):					
Quoted Non convertible Non cumulative Redeemable Preference Shares	*	-	-	-	-
(NC) Trade Investments - Other companies - Unquoted	-	-	198,055	425	96,000
(NC) Non trade quoted Equity Shares	464	-	-	143	-
Current Investments measured at FVTPL:					
(C) Current portion of Mutual Funds	-	-	-	12,002	-
(C) Quoted Equity Shares	100	-	-	-	-
Total Financial Assets	4,669	-	198,055	13,786	96,000

* denotes amount less than ₹1 Lakh

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 previous 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, 2018

II. Fair value of Financial Assets and Liabilities measured at Amortised Cost

Particulars	March 31, 2018		(₹ in lakhs) March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets:				
Non-current Investments				
Unquoted Investment in Debentures of subsidiaries - Stockholding DMS	1,522	1,522	1,508	1,508
Quoted Government Securities	1,692	1,614	2,168	2,192
Quoted PSU / Corporate Bonds	2,462	2,482	2,462	2,554
Quoted Tax free Secured Redeemable Non-convertible Bonds	5,611	5,611	5,667	5,946
Quoted Non-convertible Debentures	*	*	*	*
Loans - Non-current	8,203	8,203	8,653	8,653
Other Non-current Financial Assets	33,062	33,062	24,692	24,692
Current Investments				
Quoted Government Securities	1,437	1,436	955	1,006
Quoted PSU / Corporate Bonds	-	-	40	38
Trade and Other Receivables	4,324	4,324	6,646	6,646
Cash and Cash Equivalents	18,110	18,110	60,064	60,064
Bank Balances other than above	116	116	3	3
Loans - Current	4,567	4,567	3,375	3,375
Other Current Financial Assets	44,644	44,644	53,297	53,297
Total Financial Assets	125,750	125,690	169,530	169,974
Financial Liabilities: Current				
Trade and Other Payables	9,660	9,660	8,219	8,219
Other Current Financial Liabilities	48,882	48,882	109,264	109,264
Total Financial Liabilities	58,542	58,542	117,483	117,483

* 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 ageing 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, 2018

Reconciliation of Loss Allowance

₹ In Lakhs		
Particulars	March 18, 2018	March 31, 2017
Opening Balance	1,335	1,195
Created / (Utilized) during the year	(163)	140
Closing Balance	1,172	1,335

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 18, 2018	March 31, 2017	March 18, 2018	March 31, 2017
Increase in Market index by 5%	23	46	7,710	3,640
Decrease in Market index by 5%	(23)	(46)	(7,710)	(3,640)

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 18, 2018	March 31, 2017
Share Capital	2,105	2,105
Distributable Reserves*	70,884	67,408
Working Capital	44	7,327

* Distributable reserves are excluding unrealised gains and losses

36 Contingent Liabilities

(₹ in Lakhs)		
	As at March 31, 2018	As at March 31, 2017
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	61	326
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	7	18

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)	8,280	1,000
ii) Provided to stock exchanges (backed by cash collateral) on behalf of subsidiary SHCIL Services Ltd	2,000	2,000
iii) Other Bank Guarantees	2,394	3,303

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

37 Capital and other commitments :

Estimated amount of contracts to be executed on capital account, not provided for (net of advances) – ₹ 1,914 Lakhs.
(As at March 31, 2017 - ₹ 51 Lakhs).

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 alongwith 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 "Long Term Loans and Advances" under the sub-heading "Security and other deposits" in the Statement of Balance Sheet. 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 the financial year ended 2017-2018.

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, 2018		As at March 31, 2017	
	Due to	Due from	Due to	Due from
Clearing House	10,525	13,283	10,727	17,004
Clients	27,789	25,767	50,067	34,374
Brokers	1,168	-	606	-
	39,482	39,050	61,400	51,378
Net Receivable/ Payable	432			(10,022)

(₹ in lakhs)

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

41 Employee Benefits:

(a) Defined Contribution Plan

	(₹ in lakhs)	
	March 31, 2018	March 31, 2017
The company has recognised the following amounts in the Statement of Profit and Loss for the year		
Contribution to Employees' Provident Fund	498	487
Contribution to Employees' Superannuation Fund	313	287

(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, 2018	March 31, 2017
(ii) Actuarial Assumptions:		
a) Discount Rate	7.88%	7.27%
b) Rate of Return on Plan Assets	7.88%	7.27%
c) Salary Escalation	5.00%	5.00%
d) Rate of Employee Turnover	15% & 4%	12% & 4%
e) Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
f) Mortality Rate After Employment	N.A.	N.A.
(iii) Change in Benefit Obligation		
Liability at the beginning of the year	2,428	2096
Interest Cost	177	165
Current Service Cost	206	177
Curtailment	-	-
Past Service Cost- Vested Benefit	676	-
Benefit Paid	(98)	(125)
Actuarial (gain)/loss on obligations - due to change in Demographic Assumptions	(4)	-
Actuarial (gain)/loss on obligations - due to change in Financial Assumption	(171)	119
Actuarial (gain)/loss on obligations - due to Experience	79	(4)
Liability at the end of the year	3,293	2,428
(iv) Fair value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	2,015	1,933
Expected Return on Plan Assets	146	152
Contributions	295	63
Benefit Paid	(98)	(125)
Return on Plan Assets	13	(8)
Fair Value of Plan Assets at the end of the year	2,371	2,015

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

(₹ in lakhs)

	March 31, 2018	March 31, 2017
(v) Amount Recognised in the Balance Sheet :		
(Present value of benefit obligation at the beginning of the period)		
Fair Value of Plan Assets at the end of the year	(3,293)	(2,428)
Liability at the end of the year	2,371	2,015
Funded Status (Surplus/Deficit)	(922)	(413)
Net (Liability) / Asset Recognised in the Balance Sheet	(922)	(413)
(vi) Net Interest cost for the current period		
Present value of benefit obligation at the beginning of the period	2,428	2,096
Fair Value of Plan Assets at the beginning of the period	(2,015)	(1,933)
Net Liability/(Assets) at the beginning	413	163
Interest Cost	177	165
Interest Income	(146)	(152)
Net Interest cost for the period	31	13
(vii) Expense recognised in Profit and Loss for the Current Period		
Current Service Cost	206	177
Net Interest Cost	30	13
Past Service Cost	676	-
Expense Recognised	912	190
(viii) Expense recognised in Other Comprehensive Income (OCI) for Current Period :		
Actuarial (Gains) / Losses on Obligation for the Period	(96)	115
Return on Plan Assets, excluding Interest Income	(13)	8
Change in Assets ceiling	-	-
Net (Income) / Expense for the period recognised in OCI	(109)	123
(ix) Sensitivity analysis		
	March 31, 2018	March 31, 2017
The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is :		
Projected Benefit Obligation on Current Assumptions	3,293	2,428
Delta effect + 1% change in Rate of Discounting	(251)	(196)
Delta effect - 1% change in Rate of Discounting	287	227
Delta effect + 1% change in Rate of Salary Increase	199	138
Delta effect - 1% change in Rate of Salary Increase	(196)	(129)
Delta effect + 1% change in Rate of Employee Turnover	87	74
Delta effect - 1% change in Rate of Employee Turnover	(96)	(82)

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 projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(x) 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.

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

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
42 The movement in provision for claims is as under :		
Opening Balance	2,561	2,561
Reversal during the year	115	-
Closing Balance	2,446	2,561
43 Managerial Remuneration		
MD & CEO		
Salary and allowances *	42	29
Contribution to provident fund and other funds	5	1
Perquisites (estimated monetary value)	8	6
	55	36
* Includes Incentive to Managing Director & CEO ₹ 8 Lakhs (March 31, 2017 - ₹ 8 Lakhs) paid during the year as approved by the Board of Directors		
44 Auditor's Remuneration (excluding taxes)		
As Auditor :		
Audit fees	29	29
Tax Audit fees	3	3
In other capacity :		
Certification and other charges	6	7
Out of Pocket Expenses	3	2
	41	41
45 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.		
Lease payment recognised in profit and loss for the Year	1,206	1114
B) Operating Leases granted by the Company		
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	160	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		
46 Expenditure in foreign currency		
Travelling expenses	31	10
Technical know-how fees	28	-
Others	79	62
Total	138	72

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
47 Earnings Per Share		
Profit for the year as per Statement of Profit and Loss	6,580	5,567
No. of Shares at the beginning of the year	2,10,54,400	2,10,54,400
No. of Shares at the end of the year	2,10,54,400	2,10,54,400
Weighted average number of shares outstanding during the year (Nos)	2,10,54,400	2,10,54,400
Earning per share for the year in ₹		
Basic / Diluted	31.25	26.44

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

	March 31, 2018	March 31, 2017
48 Foreign Currency Exposure		
Particulars of unhedged foreign currency exposures as at the balance sheet date		
Trade payables	USD 2,00,020	USD 62,719
		(₹ in lakhs)
	March 31, 2018	March 31, 2017
49 Income tax expense		
(a) Income tax expense		
Current tax	802	557
Deferred Tax	(237)	(104)
Total of Tax Expense	565	453
(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate		
Profit from continuing operations before Income Tax expense	7,145	6020
Tax at the Tax Rate of 34.608%	2,473	2083
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Donations	18	20
Difference of tax rates on investments	(9)	(51)
Dividend received on investments	(1,776)	(1,203)
Interest on tax free bonds	(155)	(156)
Set off of c/f Long-term Capital losses	-	(165)
Others	34	(39)
Tax rate difference of fair value investments	(20)	(36)
Tax expenses	565	453

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

Key Management Personnel

Shri Ramesh N.G.S

Managing Director & CEO

Shri L.Viswanathan

Chief Financial Officer (CFO) upto March 31, 2018

Shri Jagdish Thakur

Chief Financial Officer (CFO) with effect from April 1, 2018

Shri Shashikant Nayak

Company Secretary (CS)

Shri Emandi Sankara Rao

Non Executive Chairman

Shri Prakash Pundlik Mallya

Independent Director- Non-Executive

Shri Biranchi Narayan Nayak

Non Executive Director

Shri Busi Baburao

Non Executive Director

Shri Chintaman Mahadeo Dixit

Independent Director - Non-Executive

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

Shri Mittur Swaminathan Sundara Rajan

Independent Director - Non-Executive

Shri Gautam Sen

Independent Director - Non-Executive

Shri Mavila Viswanathan Nair

Independent Director - Non-Executive

Smt. (Dr.) Jaya Balachandran

Independent Director - Non-Executive

b. Transactions with Related Parties during the year

(₹ in lakhs)

Particulars	Year ended March 31, 2018				Year ended March 31, 2017			
	Holding Company	Fellow Subsidiaries	Subsidiaries	Key management personnel	Holding Company	Fellow Subsidiaries	Subsidiaries	Key management personnel
Service Charges Received	22	3	4	-	16	2	4	-
Commission Received	-	-	23	-	-	-	26	-
Interest received on Inter Corporate Deposits	-	-	156	-	-	-	154	-
Commission Paid	-	59	-	-	-	2	-	-
Interest received on Investments	440	-	156	-	442	-	155	-
Reimbursement of Office Expenses	-	-	198	-	3	-	197	-
Reimbursement of Salary of Deputed Employees	-	-	244	-	-	-	210	-
Sitting Fees Paid	8	-	-	-	3	-	-	-
Sitting Fees Received	-	-	28	-	-	-	17	-
Training Income Received	-	-	-	-	-	-	2	-
Dividends Paid	762	-	-	-	1,670	-	-	-
Managerial Remuneration	-	-	-	130	-	-	-	97
Brokerage Received	-	-	3,004	-	-	-	2,347	-
AMC paid for Sub-broking terminals	-	-	23	-	-	-	24	-
Bank Guarantee Expenses	-	-	-	-	-	-	6	-
Client Modification Charges	-	-	*	-	-	-	*	-
Rent Paid	238	-	-	-	235	-	-	-
Rent Received	-	-	159	-	-	-	122	-
Dividend Received	-	-	407	-	-	-	-	-
Document Management Fees Paid	-	-	816	-	-	-	339	-
Unbilled revenue	-	-	204	-	-	-	-	-
Outstanding Balances								
Trade and Other Receivables	*	-	569	-	*	1	892	-
Trade and Other Receivables (Interest on Debentures/Tax Free Bonds)	58	-	-	-	59	-	-	-
Trade and Other Payables **	520	11	492	-	1,012	8	492	-
Investments in Tax Free Bonds	2,500	-	-	-	2,500	-	-	-
Investments in Corporate Bonds	2,404	-	-	-	2,405	-	-	-
Investments in Non Convertible Debentures	-	-	1,514	-	-	-	1,508	-
Margins Deposits Placed	-	-	200	-	-	-	200	-
Margin Money Payable	-	-	534	-	-	-	378	-
Inter Corporate Deposits given	-	-	1,479	-	-	-	1,467	-
Security Deposit Paid	67	-	-	-	57	-	-	-
Investment in Equity Shares	-	-	6,573	-	-	-	5,573	-
Contingent Liability								
Bank Guarantee provided to stock exchanges (backed by cash collateral)	-	-	2,000	-	-	-	3,000	-

* denotes amounts of less than ₹ 1 Lakh

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

c The significant Related Party Transaction are as under :

Nature of Transaction	(₹ in lakhs)	
	As at March 31, 2018	As at March 31, 2017
Service Charges received		
Holding Company		
IFCI Ltd	22	16
Fellow Subsidiaries		
IFCI Venture Capital Funds Limited	3	2
IFCI Infrastructure Development Limited	*	*
Subsidiaries		
SHCIL Services Limited	4	4
Commission received		
Subsidiaries		
StockHolding Document Management Services Limited	23	26
Interest received on Inter Corporate Deposits		
Subsidiaries		
StockHolding Document Management Services Limited	158	154
Commission Paid		
Fellow subsidiaries		
IFCI Financial Services Limited	59	2
Interest received on Investments		
Holding Company		
IFCI Limited	440	442
Interest received on NCD		
Subsidiaries		
StockHolding Document Management Services Limited	143	155
Reimbursement of Office Expenses		
Holding Company		
IFCI Limited	-	3
Reimbursement of Office Expenses		
Subsidiaries		
SHCIL Services Limited	71	69
StockHolding Document Management Services Limited	127	128
	198	197
Reimbursement of Salary of Deputed Employees		
Subsidiaries		
SHCIL Services Limited	93	75
StockHolding Document Management Services Limited	151	135
	244	210
Sitting Fees Paid		
Holding Company		
IFCI Limited	8	3
Sitting Fees Received		

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

(₹ in lakhs)

Nature of Transaction	As at March 31, 2018	As at March 31, 2017
Subsidiaries		
SHCIL Services Limited	10	6
StockHolding Document Management Services Limited	18	11
	28	17
Training Income Received		
Subsidiaries		
SHCIL Services Limited	-	1
StockHolding Document Management Services Limited	*	1
	*	2
Dividends Paid		
Holding Company		
IFCI Limited	762	1,670
Managerial Remuneration		
Key Management Personnel		
Shri N. G. Ramesh	55	36
Shri L. Viswanathan	44	35
Shri Shashikant Nayak	31	26
	130	97
Brokerage Received		
Subsidiaries		
SHCIL Services Limited	3,004	2,347
AMC Fees paid for Sub-broking terminals		
Subsidiaries		
SHCIL Services Limited	-	24
Bank Guarantee Charges		
Subsidiaries		
SHCIL Services Limited	-	6
Client Code Modification Charges		
Subsidiaries		
SHCIL Services Limited	*	*
Rent Paid		
Holding Company		
IFCI Limited	238	235
Rent Received		
Subsidiaries		
SHCIL Services Limited	38	28
StockHolding Document Management Services Limited	121	94
	159	122
Dividend received		
SHCIL Services Limited	158	-
StockHolding Document Management Services Limited	249	-
	407	-
Document Management Fees paid		
Subsidiaries		
StockHolding Document Management Services Limited	816	339

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

Nature of Transaction	(₹ in lakhs)	
	As at March 31, 2018	As at March 31, 2017
Un Billed Revenue		
SHCIL Services Limited	204	-
Outstanding Balances		
Trade & other Receivable		
Holding Company		
IFCI Limited	*	-
Fellow Subsidiaries		
IFCI Venture Capital Funds Limited	*	1
IFCI Financial Services Limited	*	*
IFCI Infrastructure Development Limited	*	*
	*	1
Subsidiaries		
StockHolding Document Management Services Limited	551	658
SHCIL Services Limited	18	234
	569	892
Trade and other Receivable (interest on debentures/tax free bonds)		
Holding Company		
IFCI Limited	58	59
Trade & Other Payables **		
Holding Company		
IFCI Limited	520	1,012
Subsidiaries		
StockHolding Document Management Services Limited	486	323
SHCIL Services Limited	6	169
	492	492
Fellow Subsidiaries		
IFCI Financial Services Limited	11	8
Investments in Tax Free Bonds		
Holding Company		
IFCI Limited	2,500	2,500
Investments in Corporate Bonds		
Holding Company		
IFCI Limited	2,404	2,405
Investment in Non Convertible Debentures		
Subsidiaries		
StockHolding Document Management Services Limited	1,522	1,508
Margin Deposit Placed		
Subsidiaries		
SHCIL Services Limited	200	200

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

(₹ in lakhs)

Nature of Transaction	As at March 31, 2018	As at March 31, 2017
Margin Money Payable		
Subsidiaries		
SHCIL Services Limited	534	378
Inter Corporate Deposits given to Subsidiaries		
Subsidiaries		
StockHolding Document Management Services Limited	1479	1,467
Security Deposit for Premises		
Holding Company		
IFCI Limited	67	57
Investment in Equity shares		
SHCIL Services Limited	1,538	1,713
StockHolding Document Management Services Limited	4,700	3,860
	6,238	5,573
Contingent Liability		
Bank Guarantee provided to stock exchanges (backed by cash collateral)		
Subsidiaries		
SHCIL Services Limited	2,000	3,000

* denotes amounts of less than ₹ 1 Lakh

** trade and other payables also includes ₹ 520 lakhs (March 31, 2017 - ₹ 1012 lakhs), due to holding company on account of settlement of trade transactions done on stock exchanges and paid on April 3, 2018, the settlement date (previous year settlement date was April 3, 2017).

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

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, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	
A. SEGMENT REVENUE											
External Sales/ Income from Operations	12,601	11,860	9,040	7,327	1,744	1,560	13,960	12,940	37,345	33,687	
Inter-segment Revenues										-	
TOTAL REVENUE	12,601	11,860	9,040	7,327	1,744	1,560	13,960	12,940	37,345	33,687	
B. RESULT											
Segment Result	3,634	3,049	1,909	1,496	987	1,227	1,115	2,843	7,645	8,615	
Unallocated (Expenses) Net of Unallocated Income									(4,276)	(4,399)	
Operating Profit									3,369	4,216	
Interest Expense									(2)	(1)	
Interest income									3,778	1,805	
Net Profit before Taxes									7,145	6,020	
Taxes									(565)	(453)	
Net Profit after tax									6,580	5,567	
Reconciliation of Revenue											
Segment Revenue									37,345	33,687	
Add :											
Interest Income									3,778	1,805	
Unallocated Income										-	
Total Revenue									41,123	35,492	

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

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, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Segment Assets	12,039	69,063	21,986	21,756	20,777	17,954	2,45,169	7,424	2,99,971	1,16,197
Unallocated Assets									50,341	1,83,130
Total Assets									3,50,312	2,99,327
Segment Liabilities	5,384	4,645	18,126	15,957	4,996	4,234	86,407	40,930	1,14,913	65,766
Unallocated Liabilities									10,354	90,436
Total Liabilities									1,25,267	1,56,202
Cost incurred during the year to acquire Segment Fixed Assets	197	465	135	285	8	16	296	650	636	1,416
Depreciation	442	376	353	311	17	11	677	589	1,489	1,287
Non-cash expenses other than Depreciation										
- Bad Debts written off	284	206	-	-			-	-	284	206
- Provision for bad and doubtful debts	(152)	147	-	-			-	-	(152)	147

The accounting policies adopted for Operating Segment 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:

- i. Depository and Custodial services : Depository Participant services cater to all individual and corporate clients; Custodial Services include Clearing and Settlement services (cash segment) Electronic and Physical safe keeping services.
- ii. 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.
- iii. PCM : Professional Clearing Member of Derivatives Segment at the Bombay Stock Exchange and at the Futures & Options Segment of the NSEIL respectively.
- iv. 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, 2018

52 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

53 Corporate Social Responsibility

During the year company spent Amounting to ₹ 99 Lakhs (Previous year ₹ 117 Lakhs) as required in Section 135 Companies Act, 2013 for Corporate Social Responsibility. The CSR activities include eradicating hunger and poverty, promoting healthcare, education and sanitation, ensuring environmental sustainability etc.

54 Exchange traded contracts outstanding:

A) Outstanding Future Contracts as on March 31, 2018

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
Type of Derivative	No. of Contract	No. of Units	No. of Contracts	No. of Units
Stock Futures Long	1	12000	-	-

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

During the previous 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:

(₹ 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 During the year, a fire incident occurred on December 11, 2017 at Mahape premises of the company. The insurance company have appointed surveyors. The surveyors are in the process of assessing the damage to the property of the company. There is no material impact of the same on the profit of the company.

57 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

Vitesh D. Gandhi

Partner

Membership No : 110248

Place : Mumbai

Place : Trivandrum

Date : May 09, 2018

Shashikant Nayak

Company Secretary

FCS 7061

Gautam Sen

Director

DIN 01403762

For and on behalf of the Board

Jagdish Thakur

Chief Financial Officer

Senior Vice President

Chintaman Mahadeo Dixit

Director

DIN 00524318

Ramesh N.G.S.

Managing Director & CEO

DIN 06932731

Prakash P. Mallya

Director

DIN 02412404

**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	60,897,030/-	432,500,000/-
4	Reserves & Surplus	54,25,64,358/-	271,519,000/-
5	Total Assets	181,79,92,472/-	1,309,522,000/-
6	Total Liabilities	181,79,92,472/-	605,503,000/-
7	Investments	5,07,81,103/-	Nil
8	Turnover	54,98,97,974/-	603,402,000/-
9	Profit before Taxation	13,27,41,237/-	30,228,093/-
10	Provision for taxation	3,82,43,244/-	57,93,000/-
11	Profit after taxation	9,44,97,993/-	24,435,093/-
12	Total comprehensive income after tax	9,49,32,230/-	24,246,093/-
13	Proposed dividend	₹ 3.95/- per equity share	₹ 0.16 per equity share
14	% of shareholding	100	100
15	Country	India	India

Notes :

1. The reporting period for all subsidiaries is March 31, 2018.
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

Jagdish Thakur
SVP & CFO

Shashikant L. Nayak
VP & Company Secretary

Ramesh N.G.S.
MD & CEO

Prakash P. Mallya
Independent Director

Place : Mumbai
Date : July 27, 2018

CONSOLIDATED FINANCIAL STATEMENTS

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 31st March, 2018, 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 31st March, 2018, 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

1. 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 Honourable 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.
2. We draw attention to note 62 of the consolidated financial statement regarding non provision for the loss and liability to third party due to the fire occurred at Company's premises.

Our opinion is not modified in respect of above matters.

Other Matters

- i. We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of ₹ 31,275 lakh as at 31st March, 2018, total revenues of ₹ 11,533 lakhs, and net cash flows (inflows) amounting to ₹ 3,721 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 31st March, 2018 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 9th May, 2018 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, 2018 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, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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 31st March, 2018.
 - 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.
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

Vitesh D. Gandhi
 Partner
 Place : Mumbai
 Date : May 9, 2018
 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, 2018, 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 judgement, 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 31st March, 2018, 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

Vitesh D. Gandhi

Partner

Place : Mumbai
Date : May 9, 2018

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

S r . 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 ₹ 429.39 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

S r . 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.	Bad debts amounting to ₹ 122.60 lakhs were written off in respect of 37 trade receivable /parties as Management of the Company is of the opinion that the same are non recoverable.
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 of the Financial Statements, written off old balances arising out of mismatch and rounding off over past years amounting to ₹ 14,39,486/-
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 2018

The preparation of consolidated financial statements of Stock Holding Corporation of India Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act 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 09 May 2018.

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 2018. We conducted a supplementary audit of the financial statements of Stock Holding Corporation of India Limited, 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 : 04 August 2018

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

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

		(₹ in lakhs)	
Particulars	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
I. Non Current Assets			
a) Property, Plant and Equipment	5	14,067	15,525
b) Capital Work-in-progress (net of provision for impairment - ₹ 108 lakhs; March 31, 2017 ₹ 108 lakhs)		219	221
c) Other Intangible Assets	6	333	508
d) Intangible Assets under development		-	11
e) Financial Assets			
(i) Investments	7	2,12,389	1,08,081
(ii) Loans	8	7,600	7,775
(iii) Other Financial Assets	9	34,235	25,302
f) Non Current Tax Assets	10	3,892	3,136
g) Other Non-Current Assets	11	912	357
Total Non-Current Assets		2,73,647	1,60,916
II. Current Assets			
a) Inventories	12	-	117
b) Financial Assets			
(i) Investments	13	2,045	14,817
(ii) Trade Receivables	14	9,844	11,762
(iii) Cash and Cash Equivalent	15	25,060	63,294
(iv) Bank balances other than (iii) above	15	124	403
(v) Loans	16	6,425	4,308
(vi) Other Financial Assets	17	40,153	55,422
c) Other Current Assets	18	2,784	649
Total Current Assets		86,435	1,50,772
TOTAL ASSETS		3,60,082	3,11,688
EQUITY AND LIABILITIES			
I. EQUITY			
a) Equity Share Capital	19	2,105	2,105
b) Other Equity		2,29,440	1,46,821
		2,31,545	1,48,926
LIABILITIES			
II. Non Current Liabilities			
a) Provisions	20	4,075	3,845
b) Deferred Tax Liabilities (net)	21	44,281	20,965
c) Other Non-Current Liabilities	22	1,970	1,900
Total Non Current Liabilities		50,326	26,710
III. Current Liabilities			
a) Financial Liabilities			
(i) Borrowings	23	909	130
(ii) Trade Payables	24	15,708	12,827
(iii) Other Financial Liabilities	25	44,743	1,10,655
b) Other Current Liabilities	26	16,003	11,961
c) Provisions	27	848	479
Total Current Liabilities		78,211	1,36,052
TOTAL LIABILITIES		3,60,082	3,11,688
See accompanying notes to financial statement		1 to 63	

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

Place : Trivandrum

Date : May 09, 2018

Shashikant Nayak

Company Secretary

FCS 7061

Gautam Sen

Director

DIN 01403762

For and on behalf of the Board

Jagdish Thakur

Chief Financial Officer

Senior Vice President

Chintaman Mahadeo Dixit

Director

DIN 00524318

Ramesh N.G.S.

Managing Director & CEO

DIN 06932731

Prakash P. Mallya

Director

DIN 02412404

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

(₹ in lakhs)

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
I. INCOME :			
Revenue from Operations	28	40,633	37,042
Other Income	29	9,478	7,659
TOTAL INCOME		50,111	44,701
II. EXPENSES:			
Cost of Goods Sold		2,295	1,576
Change in Stock-in-Trade		-	(117)
Employee Benefit Expenses	30	15,695	12,657
Finance Costs	31	55	49
Sub Brokerage Expenses	32	-	4
Depreciation and Amortisation Expenses	5 & 6	2,289	2,019
Other Expenses	33	21,409	20,062
TOTAL EXPENSES		41,743	36,250
III. PROFIT BEFORE TAX (I - II)		8,368	8,451
IV. TAX EXPENSE			
- Current Tax		1,299	1,292
- Income Tax adjustment for earlier years		(8)	7
- Deferred Tax		(285)	(28)
		1,006	1,271
V. PROFIT FOR THE YEAR ENDED (III - IV)		7,362	7,180
VI. OTHER COMPREHENSIVE INCOME			
OCI items not reclassified to profit and loss in subsequent periods			
Remeasurement of Net Defined Benefit Liability		112	(128)
Fair Value movement equity instruments designated at FVOCI		1,01,935	17,232
Income tax relating to items not reclassified to profit and loss in subsequent periods		(23,603)	(2,010)
Net OCI items not reclassified to profit and loss in subsequent periods		78,444	15,094
Other Comprehensive Income for the year (net of tax)		78,444	15,094
VII. TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED (V - VI)		85,806	22,274
Total Comprehensive Income for the year attributable to:			
Non-controlling Interest		40,449	10,500
Controlling Interest		45,357	11,774
VIII. Earnings per Equity Share (for continuing operations) (Refer Note 48)			
Nominal Value per share : ₹ 10 (not annualised)			
(1) Basic		34.97	34.10
(2) Diluted		34.97	34.10
See accompanying notes to financial statement	1 to 63		

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

Place : Trivandrum
Date : May 09, 2018

Shashikant Nayak
Company Secretary
FCS 7061

Gautam Sen
Director
DIN 01403762

For and on behalf of the Board

Jagdish Thakur
Chief Financial Officer
Senior Vice President

Chintaman Mahadeo Dixit
Director
DIN 00524318

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

Prakash P. Mallya
Director
DIN 02412404

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A Equity Share Capital

Particulars	Balance at the Beginning of the reporting period	Changes in Equity Share Capital during the period	Balance at the end of the Reporting period
Balance as at March 31, 2017	2,105	-	2,105
Balance as at March 31, 2018	2,105	-	2,105

B Other Equity

Particulars	Retained Earnings	Securities Premium Reserve	Fair value movement equity instruments designated at FVOCI	General Reserve	Total
Balance as at April 01, 2016	1,16,494	527	(177)	14,886	1,31,730
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)	-	-
Closing Balance as at March 31, 2017	1,18,604	527	12,804	14,886	1,46,821

Particulars	Retained Earnings	Securities Premium account	Fair value movement equity instruments designated at FVOCI	General Reserve	Total
Balance as at April 01, 2017	1,18,604	527	12,804	14,886	1,46,821
Retained Earnings - Transferred from current year P&L	7,362	-	-	-	7,362
Interim dividend	(1,137)	-	-	-	(1,137)
Defined Employee benefit cost	112	-	-	-	112
Proposed dividends	(1,442)	-	-	-	(1,442)
Dividend Distribution Tax	(608)	-	-	-	(608)
Transfer to General Reserves	(1,300)	-	-	1,300	-
Tax Impact	(34)	-	(23,569)	-	(23,603)
Fair value movement equity instruments designated at FVOCI	-	-	1,01,935	-	1,01,935
Closing Balance as at March 31, 2018	1,21,557	527	91,170	16,186	2,29,440

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

Place : Trivandrum
Date : May 09, 2018

Shashikant Nayak
Company Secretary
FCS 7061

Gautam Sen
Director
DIN 01403762

For and on behalf of the Board

Jagdish Thakur
Chief Financial Officer
Senior Vice President

Chintaman Mahadeo Dixit
Director
DIN 00524318

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

Prakash P. Mallya
Director
DIN 02412404

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

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	8,368	8,451
Adjusted for :		
Depreciation (inclusive of exceptional item)	2,289	2,019
(Profit)/Loss on sale of investments	(92)	(253)
(Profit)/Loss on sale of fixed assets	(1)	3
Fair value gain on investments measured at FVPL	(85)	(107)
Actuarial movements reclassified to OCI	-	(128)
Dividend Income	(4,761)	(3,563)
Interest Income	(3,807)	(3,560)
Interest paid	55	49
Bad debts written off	421	395
Provision for doubtful debts /(written back)	(108)	191
Sundry balances written back	(163)	(48)
Finance Income	170	-
Finance Cost	45	45
Operating Profit before working capital changes	2,331	3,494
Changes in working capital		
Adjustments for (increase) / decrease in operating assets :		
(Increase)/decrease in trade receivables	1,627	(5,300)
(Increase)/decrease in stock in trade	117	(79)
(Increase)/decrease in loan and advances	(7,005)	241
(Increase)/ Decrease in other current assets	770	(664)
Adjustments for increase / (decrease) in operating liabilities :		
Increase/(decrease) in trade payables	2,844	6,090
Increase/(decrease) in provisions	433	313
Increase/(decrease) in other current liabilities	(44,176)	35,330
Increase/(decrease) in long term liabilities	70	58
Cash generated from operations	(42,989)	39,483
Direct Taxes (paid)/ refund received (net)	(2,066)	(3,948)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	(45,055)	35,535
B CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets including capital advances	(1,592)	(2,212)
Proceeds from sale of fixed assets	425	15
Purchase of Investments	(20,31,787)	(22,84,760)
Proceeds from sale of investments	20,42,428	22,84,714
Bank deposits not considered as cash and cash equivalents :		
- placed (net)		
- matured (net)	(8,230)	(1,516)
Fixed deposit placed with companies	(775)	-
Decrease/ (Increase) in earmarked bank balances	-	2
Interest received	4,054	3,363
Dividend received	4,761	3,563
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	9,284	3,169

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

Particulars	(₹ in lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
C CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings/ (repayments) (net)	779	(245)
Interest paid	(55)	(49)
Dividend Paid	(2,579)	(4,000)
Tax on Distributed Profit	(608)	(815)
Net cash (used in) financing activities	(2,463)	(5,109)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(38,234)	33,595
Cash and cash equivalents (Opening Balance)	63,294	29,699
Cash and cash equivalents (Closing Balance)	25,060	63,294
Notes :		
(1) Components Of Cash and Cash equivalents		
Balances with Banks	24,699	42,496
Cash and cheques on hand	361	803
Money lent on CBLO Transactions	-	19,995
Cash & Cash Equivalents considered for Cash flow	25,060	63,294
(2) Other Bank Balances	124	403
Cash and Bank Balances as per note 15	25,184	63,697
Notes:		
i) The Company's bankers have sanctioned total fund-based limits of ₹ 10,800 lakhs (March 31, 2017- ₹ 10,500 lakhs) to finance working capital requirements. The limit of ₹ 535 lakhs (March 31, 2017- ₹ 130) were utilised as on March 31, 2018		
ii) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Ind AS-7 on "Statement of Cash Flows".		

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

Place : Trivandrum
Date : May 09, 2018

Shashikant Nayak
Company Secretary
FCS 7061

Gautam Sen
Director
DIN 01403762

For and on behalf of the Board

Jagdish Thakur
Chief Financial Officer
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Chintaman Mahadeo Dixit
Director
DIN 00524318

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

Prakash P. Mallya
Director
DIN 02412404

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

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).

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 14th February, 1995. It is engaged in the business of broking and advisory services from 14th March, 2006. The Company's registered office is at Mahape, Navi Mumbai.

With effect from 28th March, 2014, Stock Holding Corporation of India Limited (SHCIL) became a subsidiary of IFCI Ltd. and 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 bases summarised below. These were used throughout all periods presented in the financial statements, except where the Group Companies 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.

Accordingly, the Group Companies have prepared financial statements which comply with Ind-AS applicable for the year ended on 31st March, 2018 together with the comparative period data as at and for the year ended on 31st March, 2017, as described in the summary of significant accounting policies.

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

2.3. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31st March, 2018. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

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. Intercompany 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. Applicability of new and revised Ind-AS

New standard notified but not early adopted by the StockHolding Document Management Services Limited:

MCA on 29 March 2018 notified the new standard for revenue recognition (effective from 1 April 2018) which overhauls the existing revenue recognition standards including Ind AS 18 - Revenue and Ind AS 11 - Construction contracts. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

- i. Identification of the contracts with the customer
- ii. Identification of the performance obligations in the contract
- iii. Determination of the transaction price
- iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
- v. Recognition of revenue when the Company satisfies a performance obligation.

The management is in the process of assessing the impact of this new standard on the Company's financial information. A number of other standards have been modified on miscellaneous issues with effect from 1st April 2018. Such changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind AS 40), determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognized (Amendment to Ind AS 21), segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognize deferred tax asset (Amendment to Ind AS 12), permitting election of fair value or equity method of accounting for investments in associates and joint ventures by venture capital, mutual fund and other similar organisations (Amendment to Ind AS 28) and Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation (Amendment to Ind AS 112). None of these amendments are expected to have any material effect on the Company's financial statements.

2.5. 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.

2.6. Foreign Currency Translation

Functional and presentation currency

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

Foreign currency transactions and balances

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

2.7. 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 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.

2.8. 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:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

- 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.

2.9. 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.

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

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

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.

2.10. 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:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

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 /up to the month of acquisition /sale or disposal.

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

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.

2.11. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

2.12. 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.

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.

2.13. 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 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.

2.14. Financial Instruments

Recognition, Initial Measurement and De-recognition

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

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, cancelled 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
- (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. 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

- 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 de-recognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is 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;
- 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 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 Group Companies determines 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

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.

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 cancelled 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.

2.15. 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

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.

2.16. 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.

2.17. Inventories

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

2.18. 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.

2.19. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

2.20. 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.

2.21 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.

2.22. 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.

2.23. 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.

2.24. 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 counterparty 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 counterparties, identified by the company, and incorporates this information into its credit risk controls. The company's policy is to deal only with creditworthy customers.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

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 up to 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 judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

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

Recognition of Deferred Tax Assets

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

Useful lives of Depreciable Assets

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

Impairment of Non-financial Assets

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.

Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

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

The group companies had first time adopted Ind-AS financial statements in the financial year 16-17.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

5 Property, Plant and Equipment

The changes in the carrying value of Property, Plant and Equipment for the year ended March 31, 2018 are as follows:

(₹ In Lakhs)									
Particulars	Leasehold Land	Buildings*	Plant & Machinery	Computers	Furniture & Fixtures	Office Equipment	Vehicles	Lease hold Improvements	Total
Gross carrying value as at April 01, 2017	331	7,035	7,181	2,884	1,312	609	237	160	19,749
Additions	-	-	233	665	13	36	31	1	979
Deletions ^	152	-	519	2	1	4	-	-	678
Gross carrying value as at March 31, 2018	179	7,035	6,895	3,547	1,324	641	268	161	20,050
Accumulated depreciation as at April 01, 2017	207	486	1,229	1,226	507	386	161	22	4,224
Depreciation	1	127	687	783	248	86	63	18	2,013
Accumulated depreciation on deletions ^	152	-	98	1	-	3	-	-	254
Accumulated depreciation as at March 31, 2018	56	613	1,818	2,008	755	469	224	40	5,983
Carrying Value as at March 31, 2018	123	6,422	5,077	1,539	569	172	44	121	14,067
Carrying Value as at March 31, 2017	124	6,549	5,952	1,658	805	223	76	138	15,525

Note:

- * Buildings includes ₹ 408/- being the cost of 8 shares held in a Co-op Housing society.
- There are no adjustments to Gross block on account of foreign exchange fluctuations or borrowing costs
- ^ Gross block and accumulated depreciation is reduced due to fire incident in Company (Refer note 59)

6 Other Intangible Assets

The changes in the carrying value of Other Intangible Assets for the year ended March 31, 2018 are as follows:

(₹ In Lakhs)		
Particulars	Computer Software	Total
Gross carrying value as at April 01, 2017	1,177.00	1,177.00
Additions	101.00	101.00
Deletions	-	-
Gross carrying value as at March 31, 2018	1,278.00	1,278.00
Accumulated depreciation as at April 01, 2017	669.00	669.00
Depreciation	276.00	276.00
Accumulated depreciation on deletions	-	-
Accumulated depreciation as at March 31, 2018	945.00	945.00
Carrying Value as at March 31, 2018	333.00	333.00
Carrying Value as at March 31, 2017	508.00	508.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

7 Non-Current Investments

(₹ in Lakhs)			
Particulars	Face Value (₹)	As at March 31, 2018	As at March 31, 2017
Other Companies - Unquoted - Measured at fair value thorough Other Comprehensive Income (FVOCI)			
22000000 (March 31, 2017 - 2,20,00,000) National Stock Exchange of India Ltd.***** (Refer Note 34)	1	1,98,055	96,000
		1,98,055	96,000
Non Trade - Fully Paid - Measured at fair value thorough Other Comprehensive Income (FVOCI)			
Equity Shares (Non trade - Fully paid-up)			
Quoted			
43,500 (March 31, 2017 - 43,500) Bombay Stock Exchange Ltd.***	2	329	425
6,600 (March 31, 2017 - 6,600) Bank of India ***	10	7	9
- (March 31, 2017 - 1300) Bharti Airtel Ltd.	5	-	5
2,800 (March 31, 2017 - 2,800) Vedanta Ltd.***	10	8	9
3,937 (March 31, 2017 - 3,937) Coal India Ltd	10	11	12
32,015 (March 31, 2017 - 32,015) Indian Overseas Bank ***	10	6	9
- (March 31, 2017 - 1,975) National Thermal Power Corporation Ltd.	10	-	3
9,800 (March 31, 2017 - 9,800) Power Finance Corporation Ltd	10	8	14
- (March 31, 2017 - 9,519) Shipping Corporation of India Ltd.	10	-	7
- (March 31, 2017 - 2,075) Steel Authority of India Ltd	10	-	1
1,600 (March 31, 2017 - 1,600) Tech Mahindra Ltd	5	10	7
- (March 31, 2017 - 590) Cummins India Ltd.	2	-	6
- (March 31, 2017 - 6,000) Rural Electrification Corporation Limited.	10	-	11
- (March 31, 2017 - 656) Yes Bank Ltd.	10	-	10
955 (March 31, 2017 - Nil) Bharat Petroleum Corporation Ltd.	10	4	-
1,450 (March 31, 2017 - 1,450) Siemens Ltd.	2	16	18
- (March 31, 2017 - 2,442) Bharti Infratel Ltd.	10	-	8
- (March 31, 2017 - 1,265) RBL Bank Ltd.	10	-	6
7,762 (March 31, 2017 - 4,512) Fortis Healthcare Ltd.	10	10	8
3,725 (March 31, 2017 - Nil) Astra Microwave Products Ltd	2	3	-
2,788 (March 31, 2017 - Nil) Bharat Electronics Ltd	1	4	-
1,150 (March 31, 2017 - Nil) ICICI Prudential Life Insurance Company Ltd	10	4	-
7 (March 31, 2017 - Nil) MRF Ltd	10	5	-
2,065 (March 31, 2017 - Nil) PetroNet LNG	10	5	-
1,658 (March 31, 2017 - Nil) Repco Home Finance	10	9	-
895 (March 31, 2017 - Nil) Voltas Limited	1	6	-
1,180 (March 31, 2017 - Nil) PI Industries Ltd	1	10	-
2,460 (March 31, 2017 - Nil) Adani Ports and Special Economic Zone Ltd	2	1	-
1,040 (March 31, 2017 - Nil) Capital Trust Limited	10	3	-
525 (March 31, 2017 - Nil) HCL Technologies	2	5	-
		464	568
Non convertible Non cumulative Redeemable Preference Shares - Measured at fair value through Profit and Loss (FVTPL)			
Quoted			
11,200 (March 31, 2017 - Nil) Vedanata 7.50% Non-Cumulative Non-Convertible Redeemable Preference Shares	10	*	-
		-	-
Government Securities - Measured at Amortised Cost			
Quoted			
25,000 (March 31, 2017 - 25,000) 11.60% GS 2020**	100	28	29
23,400 (March 31, 2017 - 23,400) 10.03% G.S. 2019**	100	24	25
30,500 (March 31, 2017 - 30,500) 6.05% GOVT STOCK 2019**	100	30	30
47,000 (March 31, 2017 - 47,000) 10.25% GS 2021**	100	51	52

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

(₹ in Lakhs)			
Particulars	Face Value (₹)	As at March 31, 2018	As at March 31, 2017
1,000 (March 31, 2017 - 1,000) 10.70% GS 2020**	100	1	1
- (March 31, 2017 - 5,00,000) 7.16% GOVT STOCK 2023	100	-	470
10,00,000 (March 31, 2017 - 10,00,000) 7.59% GOVT STOCK 2026**	100	1,051	1,054
5,00,000 (March 31, 2017 - 5,00,000) 6.97% GOVT STOCK 2026**	100	507	507
		1,692	2,168
PSU/Corporate Bonds - Measured at Amortised Cost			
Quoted			
1,41,543 (March 31, 2017 - 1,41,593) 9.80% IFCI 2019	1,000	1,461	1,462
98,883 (March 31, 2017 - 98,883) 9.35% IFCI 2020	1,000	1,001	1,000
		2,462	2,462
Tax Free Secured Redeemable Non Convertible Bonds - Measured at Amortised Cost			
Quoted			
5,565 (March 31, 2017 - 10,875) 8.00% Indian Railway Finance Corporation Ltd.2022	1,000	58	113
100 (March 31, 2017 - 100) 7.21% Indian Railway Finance Corporation Ltd.2022	10,00,000	1,033	1,033
50,000 (March 31, 2017 - 50,000) 8.01% Rural Electrification Corporation Ltd.2023	1,000	513	513
50,000 (March 31, 2017 - 50,000) 8.14% Housing and Urban Development Corporation Ltd 2023	1,000	518	518
16,105 (March 31, 2017 - 16,105) 8.18% NHPC Limited 2023	1,000	174	174
15,832 (March 31, 2017 - 15,832) 8.41% NTPC Limited 2023	1,000	162	162
6,384 (March 31, 2017 - 6,384) 8.25% National Housing Bank 2024	5,000	319	320
250 (March 31, 2017 - 250) 8.39% IFCI Ltd 2024	10,00,000	2,500	2,500
32,389 (March 31, 2017 - 32,389) 8.18% Power Finance Corporation Ltd 2023	1,000	334	334
		5,611	5,667
Non Convertible Debenture - Measured at Amortised Cost			
Quoted			
1,975 (March 31, 2017 - 1,975) 8.49% NTPC Ltd 2025	12.5	*	*
carried forward		2,08,284	1,06,865
brought forward		2,08,284	1,06,865
Mutual Funds - Measured at fair value through Profit and Loss (FVTPL)			
Quoted			
185 (March 31, 2017 - Nil) Reliance Mutual Fund ETF Gold BEES	100	5	-
52224 (March 31, 2017 - Nil) ICICI Prudential Mutual Fund BHARAT 22 ETF	100	18	-
		23	-
Unquoted - Measured at fair value through Profit and Loss (FVTPL)			
14,67,739 (March 31, 2017 - 10,00,000) Baroda Pioneer Credit Opportunities Fund - Plan B Growth		205	129
- (March 31, 2017 - 58,641) TATA Balance Fund Direct Plan - Growth		-	115
10,00,000 (March 31, 2017 - 10,00,000) Union KBC Capital Protection Oriented Fund Series 6		113	104
- (March 31, 2017 - 10,11,182) LIC Nomura MF Banking & Financial Services Fund - Direct Growth		-	113
13,828 (March 31, 2017 - 44,562) Religare Invesco Medium Term Bond Fund - Direct Plan - Growth		252	755
10,00,000 (March 31, 2017 - Nil) FLFGD-Union Focused Largecap fund direct plan-Growth		103	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

		(₹ in Lakhs)	
Particulars	Face Value (₹)	As at March 31, 2018	As at March 31, 2017
51,253 (March 31, 2017 - Nil) Baroda Pioneer Treasury Advantage Fund - Plan B Daily Dividend- Re-investment		517	-
51,42,700 (March 31, 2017 - Nil) Sundaram Ultra Short Term Fund Direct Plan Daily Dividend Reinvestment		517	-
9,955 (March 31, 2017 - Nil) Invesco India Short Term Fund - Direct Plan Daily Dividend(ST-D5)		102	-
1,67,838 (March 31, 2017 - Nil) Invesco India Contra Fund - Direct Plan Growth		81	-
15,01,360 (March 31, 2017 - Nil) DHFL Pramerica Short Maturity Fund - Direct Plan - Monthly Dividend - Reinvestment		203	-
16,09,554 (March 31, 2017 - Nil) Indiabulls Arbitrage Fund - Direct Plan Growth Option		205	-
30,380 (March 31, 2017 - Nil) Invesco India Credit Opportunities Fund - Direct Plan Daily Div		304	-
50,00,000 (March 31, 2017 - Nil) Invesco India FMP Sr. 30 Plan A (1223 Days) - Direct Sub Plan		509	-
6,06,724 (March 31, 2017 - Nil) Tata Short Term Bond Fund (Growth)		203	-
56,66,867 (March 31, 2017 - Nil) Franklin Low Duration Fund Monthly Div		610	-
1,20,894 (March 31, 2017 - Nil) Mirae India Opportunity Fund - Direct Plan - Growth option		57	-
4,973 (March 31, 2017 - Nil) Invesco India Active Income Fund - Direct Plan Growth (AI-D1)		101	-
		4,082	1,216
TOTAL		2,12,389	1,08,081
Aggregate amount of Quoted Investments		10,252	10,865
Market value of Quoted Investments		10,194	12,228
Aggregate amount of Unquoted Investments		2,02,137	97,216
Aggregate provision for diminution in value of investments		-	-

* Denotes amounts less than ₹ 1 Lakh

** Security deposited as margin with CCIL

*** Equity shares deposited as margin with SHCIL Services Limited as at March 31, 2018

**** Face value of BSE shares changed during the previous year from rupee 1 to rupee 2

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

Financial Assets

	(₹ in lakhs)	
	As at March 31, 2018	As at March 31, 2017
8 Non-Current - Loans		
Staff loans - considered good	83	100
Staff loans - considered doubtful	3	4
Less: Provision for staff loans	(3)	(4)
Security and other deposits - considered good	7,517	7,675
Security and other deposits - considered doubtful	26	26
Less: Provision for deposits	(26)	(26)
	7,600	7,775

	As at March 31, 2018	As at March 31, 2017
9 Other Non current Financial Assets		
Long term deposits with banks with original maturities more than 12 months *	31,135	22,977
Fixed Deposits with companies	3,100	2,325
	34,235	25,302

* Fixed deposits with banks aggregating to ₹ 5,648 Lakhs (As at March 31, 2017 - ₹ 5,726 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 ₹ 23,323 Lakhs (As at March 31, 2017 - ₹ 15,259 Lakhs) deposited with the Stock Exchanges and State Governments as margin deposit. ₹ 5 lakhs is lien with VAT authorities (As at March 31, 2017 - ₹ 105 lakhs)

10 Non-current tax Assets		
Advance payment of tax and tax deducted at source (net of provision for taxation ₹ 32,777 Lakhs, March 31, 2017 ₹ 31,680 Lakhs)	3,892	3,136
	3,892	3,136

11 Other Non-current Assets		
Capital Advances	754	243
Prepayments	139	114
Others	19	-
	912	357

12 Inventories		
Software	-	117
	-	117

13 Current Investments

		(₹ in Lakhs)	
Particulars	Face Value (₹)	As at March 31, 2018	As at March 31, 2017
Current portion of long-term investments			
PSU / Corporate Bonds			
Quoted			
- (March 31, 2017 - 3) 9.25% Power Grid Corporation 2017	12,50,000	-	40
		-	40
Current portion of long-term investments			
Government Securities			
Quoted			
- (March 31, 2017 - 10,00,000) 364 DTB (04-JAN-2018) 2018	100	-	955
5,00,000 (March 31, 2017 - Nil) 364 DTB (20-DEC-2018) 2018**	100	479	-
10,00,000 (March 31, 2017 - Nil) 364 DTB (13-DEC-2018) 2018**	100	958	-
		1,437	955

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

Particulars	Face Value (₹)	(₹ in Lakhs)	
		As at March 31, 2018	As at March 31, 2017
Current Investments			
Equity Shares			
Non Trade - Fully Paid - at Cost			
19,208 (March 31, 2017 - Nil) ICICI Securities Ltd.	5	100	-
		100	-
Mutual Funds Liquid Investment			
Unquoted			
- (March 31, 2017 - 1,91,78,861) JM High Liquidity - Dir - Dly Dividend		-	2,000
- (March 31, 2017 - 1,99,673) Baroda Pioneer Liquid Fund - Plan B - Dir - Dly Dividend		-	2,001
- (March 31, 2017 - 1,99,818) Indiabulls Liquid Fund Collection A/c		-	2,000
- (March 31, 2017 - 1,99,701) IDFC Cash Fund - Dir - Dly-Dividend		-	2,000
- (March 31, 2017 - 1,96,220) UTI - Liquid Cash Plan - Dir - Dly Dividend		-	2,000
- (March 31, 2017 - 1,99,366) UTI Money Market - Dir- Sly - Dividend		-	2,001
- (March 31, 2017 - 27,809.952) LIC Nomura Liquid Fund		-	306
1,002 (March 31, 2017 - 25,979.66) Baroda Pioneer Mutual Fund		255	260
1,019 (March 31, 2017 - 528.699) UTI Liquid Cash Plan		52	5
- (March 31, 2017 - 24,053.07) SBI Premier Liquid Fund		-	241
- (March 31, 2017 - 24,824.833) HDFC Mutual Fund		-	253
- (March 31, 2017 - 2,60,058.23) ICICI Mutual Fund		-	260
100 (March 31, 2017 - 2,52,282.929) Birla Sun life Cash Plus		101	253
1,002 (March 31, 2017 - 24,100.366) IDBI Mutual Fund		100	242
		508	13,822
		2,045	14,817
Aggregate amount of Quoted Investments		1,437	995
Market value of Quoted Investments		1,436	1,006
Aggregate amount of Unquoted Investments		608	13,822

** security deposited as margin with CCIL

Financial assets - Current

		As at March 31, 2018	As at March 31, 2017
14 Trade Receivables *			
(Unsecured)			
Outstanding for a period exceeding six months			
Considered good		2,637	2,691
Considered doubtful		1,053	1,067
		3,690	3,758
Less: Allowance for doubtful debts		(1,053)	(1,067)
	(A)	2,637	2,691
Outstanding for a period less than six months			
considered good		7,250	9,137
considered doubtful		204	297
		7,454	9,434
Less: Allowance for doubtful debts		(204)	(297)
	(B)	7,250	9,137
	(A) + (B)	9,887	11,827
Less: Expected Credit Loss on Trade Receivables		(43)	(66)
		9,844	11,761

* Includes ₹ 0.13 Lakhs (previous year ₹ 0.09 Lakhs) dues from IFCI Ltd

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

	As at March 31, 2018	As at March 31, 2017
15 Cash and Cash Equivalents		
Balances with banks - In current accounts	22,356	40,290
Balances with banks - In deposit accounts with original maturity less than 3 months	2,343	2,206
Cheques in hand	14	110
Cash and stamps in hand	347	693
Money lent on CBLO transactions	-	19,995
	25,060	63,294
Bank balances other than cash and cash equivalents		
Bank deposit accounts (more than 3 months but less than 12 months maturity) *	21	400
Balances with banks - In deposit accounts with original maturity less than 3 months	100	-
Earmarked balances with banks	3	3
	124	403
* Other Bank Balances in deposit accounts includes fixed deposits with banks aggregating to ₹ 13 Lakhs (As at March 31, 2017 - Nil lakhs) against which lien has been marked by the banks as security for guarantees issued on behalf of the Company.		
16 Loans		
Advances receivable - considered good	6,336	4,137
Advances receivable in cash or in kind - considered doubtful	46	36
Less: provision for doubtful advances	(46)	(36)
Staff loans - considered good	73	88
Staff loans - considered doubtful	4	4
less: provision for doubtful staff loans	(4)	(4)
Security and other deposits - considered good	16	83
	6,425	4,308
17 Other Financial Assets		
Unbilled revenue	1,119	2,564
Amounts due on settlement from Clearing House	13,283	17,004
Amounts recoverable from government towards stamp duty payments	5,064	1,480
Amounts due on settlement from Clients and Brokers	20,687	34,374
	40,153	55,422
18 Other Current Assets		
Prepayments	947	649
Goods and Services Tax Input Credit	1,356	-
Others	481	-
	2,784	649

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

	As at March 31, 2018	As at March 31, 2017
19 Equity Share Capital		
Authorised Capital		
50,000,000 Equity shares of ₹ 10/- each	5,000	5,000
Issued, Subscribed and Paid up capital		
21,054,400 Equity shares of ₹ 10/- each fully paid up	2,105	2,105
	2,105	2,105

a) The number of shares outstanding at the year ended March 31, 2018 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 ₹ 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, 2018	As at March 31, 2017
Name of shareholder : IFCI Ltd		
Number of shares held	1,11,30,000	1,11,30,000
Percentage of holding	52.86	52.86

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

	As at March 31, 2018	As at March 31, 2017
Name of shareholder : IFCI Ltd		
Number of shares held	1,11,30,000	1,11,30,000
Percentage of holding	52.86	52.86
Name of shareholder : Administrator of the Specified Undertaking of the Unit Trust of India		
Number of shares held	35,70,000	35,70,000
Percentage of holding	16.96	16.96
Name of shareholder : Life Insurance Corporation of India		
Number of shares held	31,50,000	31,50,000
Percentage of holding	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.

	As at March 31, 2018	As at March 31, 2017
20 Long Term Provisions		
Provision for Employee Benefits		
- Compensated Absences	1,282	1,167
- Gratuity	347	117
Provision for Claims (Refer Note 43)	2,446	2,561
	4,075	3,845

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

	As at March 31, 2018	As at March 31, 2017
21 Deferred Tax Liabilities (net)		
The major components of deferred tax assets and liabilities arising on account of timing differences are as under :		
Deferred Tax Liabilities		
Fair value of Investments	45,393	21,839
Depreciation	1,124	1,222
	46,517	23,061
Deferred Tax Assets		
Provision for Doubtful Debts/Advances	458	514
Provision for Impairment of Assets	37	37
Provision for Claims	848	887
Depreciation	25	-
Employee Benefits	868	657
Others	-	1
	2,236	2,096
Net Deferred Tax Liabilities	44,281	20,965
22 Other Non Current Liabilities		
Advance Depository Participant charges	40	44
Deposits from Customers	1,930	1,856
	1,970	1,900
Financial Liabilities		
23 Borrowings		
Cash Credit Facility*	572	-
Bank Overdraft - Secured **	337	130
	909	130
* With IDBI Bank secured by an exclusive charge on entire present and future current assets of the StockHolding Document Management Services Limited including cash and cash equivalents		
** With IDBI Bank secured against a fixed deposit of ₹ 1000 Lakhs placed by the parent company viz Stockholding.		
24 Trade Payables		
Due to Micro, Small and Medium Enterprises (Refer Note 40)	73	19
Other than Micro, Small and Medium Enterprises	6,894	5,788
Margin money from clients	6,017	4,855
Provision for expenses	2,724	2,165
	15,708	12,827

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

	As at March 31, 2018	As at March 31, 2017
25 Other Financial Liabilities		
Unclaimed Dividend	3	3
(Unclaimed amounts are transferred to the Investor Education and Protection Fund when due)		
Unclaimed redemption proceeds and interest on Relief and Saving Bonds	2,173	2,144
Amounts due on settlement to Clearing House	10,525	9,296
Amounts due on settlement to Clients and Brokers	23,813	52,068
Amounts payable to Government on account of stamp duty collection	4,417	5,821
Amounts payable to Reserve Bank of India on account of distribution of Relief Bonds/Inflation indexed bonds (net)	189	37,733
Amount payable to PFRDA on account of NPS	217	360
Other creditors for capital expenses	54	278
Other Liabilities:		
- Provision for expenses	595	1,284
- Employee Benefits payable	1,863	1,486
- Other	894	182
	44,743	1,10,655
26 Other Current Liabilities		
Advance Depository Participant charges	703	738
Advances from Customers	14,307	10,672
Statutory dues including Provident Fund and Taxes (includes amount due on settlement)	993	551
	16,003	11,961
27 Short-term Provisions		
Provision for Employee Benefits (Refer Note 42)		
Provision for Gratuity	595	303
Provision for Compensated Absences	253	176
	848	479

(₹ in lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
28 Revenue from Operations		
Custodial Services	188	167
Depository Participant Services	12,262	11,693
Commission and brokerage	19,309	14,929
Derivatives clearing services	461	237
Document management income	5,851	8,184
Sale of Goods	2,338	1,530
Other Operating Revenue	224	302
	40,633	37,042

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

29 Other Income

Interest (Gross)		
- Govt. Securities & Bonds	924	931
- Deposits with banks	2,533	2,249
- Others	328	251
- Interest on Income Tax Refund	22	137
Dividend on long term investments	4,250	3,059
Dividend on current investments	511	504
Profit on sale of current investments (net) measured at FVTPL	28	48
Profit on sale of non current investments (net) measured at FVTPL	85	206
Fair value gain on investments measured at FVTPL	85	110
Profit on sale/discarded fixed assets (net)	1	-
Provisions for doubtful debts written back	152	-
Sundry balances written back (net)	163	48
Miscellaneous Income	396	116
	9,478	7,659

30 Employee Benefits Expense

Salaries, Allowances and Bonus	12,929	10,854
Contribution to provident and other funds	1,122	873
Employee costs - Gratuity	867	257
Staff welfare expenses	778	673
	15,695	12,657

31 Finance Costs

Interest on Bank Overdraft	45	47
Interest expense - Others	8	2
Interest on CBLO Borrowings	2	*
	55	49

* amount denotes less than rupees one lakh

32 Sub-brokerage Expenses

Sub-brokerage Expenses	-	4
	-	4

	Year ended March 31, 2018	Year ended March 31, 2017
33 Other expenses		
Outsourcing Expenses	3,110	4,664
Feet on Street	539	868
Depository Participant / Custodian Fees	1,308	1,228
Software Expenses	1,034	829
Rent	1,536	1,399
Rates and Taxes	226	236
Electricity Charges	911	909
Insurance Charges	172	166
Repairs and Maintenance:		
- Buildings	261	503
- Plant and Machinery	1,357	1,088
- Others	151	115
Fuel Expenses	24	22
Travelling and Conveyance	632	554
Postage and Courier	334	316
Telephone and Communication	827	752
Printing and Stationery Charges	576	459
Legal and Professional	1,660	1,329
Audit Fees (Refer Note 45)	41	41
Technical Know-how Fees	890	703

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

	Year ended March 31, 2018	Year ended March 31, 2017
Loss due to Exchange Rate fluctuation	*	*
Corporate Social Responsibility (Refer Note 53)	141	149
Donations	6	-
Claims paid	19	1
Bad debts written off	421	395
Provision for doubtful debts/advances	44	191
Loss on sale/discarded Fixed Assets	-	3
Advertisement and Publicity	411	422
Commission and brokerage to selling agents	2,997	1,690
Document Management Expenses	136	9
Other Miscellaneous Expenses ^	1,645	1,021
	21,409	20,062
* denotes amount less than ₹ One Lakh		
^ Compounding fees imposed by Company Law Board		

34 Fair Value Measurements Financial Instruments by Category

(₹ in lakhs)

Particulars	March 31, 2018			March 31, 2017		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Assets: Non-current						
Non Current Investments						
Trade Investments - Other companies - unquoted	-	1,98,055	-	-	96,425	-
Non trade quoted Equity Shares	-	464	-	-	143	-
Quoted Government Securities	-	-	1,692	-	-	2,168
Quoted PSU / Corporate Bonds	-	-	2,462	-	-	2,462
Quoted Tax free Secured Redeemable Non-convertible Bonds	-	-	5,611	-	-	5,667
Quoted Non convertible Non cumulative Redeemable Preference Shares	-	*	-	-	-	-
Quoted Non Convertible Debentures	-	-	*	-	-	*
Mutual Funds - Quoted	23	-	-	-	-	-
Mutual Funds - Unquoted	4,082	-	-	1,216	-	-
Loans and Deposits	-	-	7,600	-	-	7,775
Other Non current Financial Assets	-	-	34,235	-	-	25,302
Financial Assets: Current						
Current Investments						
Quoted PSU / Corporate bonds	-	-	-	-	-	40
Quoted Government Securities	-	-	1,437	-	-	955
Quoted Equity shares	100	-	-	-	-	-
Mutual funds - unquoted	508	-	-	13,822	-	-
Trade and Other Receivables	-	-	9,844	-	-	11,762
Cash and Cash Equivalents	-	-	25,060	-	-	63,294
Bank Balances other than above	-	-	124	-	-	403
Loans - Current	-	-	6,425	-	-	4,308
Other Current Financial Assets	-	-	40,153	-	-	55,422
Total Financial Assets	4,713	1,98,519	1,34,643	15,038	96,568	1,79,558
Financial Liabilities: Current						
Borrowings	-	-	909	-	-	130
Trade Payables	-	-	15,708	-	-	12,827
Other Current Financial Liabilities	-	-	44,743	-	-	1,10,655
Total Financial Liabilities	-	-	61,360	-	-	1,23,612
* denotes amount less than ₹ 1 lakh						

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

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 judgements 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.

Financial Assets and Liabilities measured at Fair Value - recurring fair value measurements (₹ in lakhs)

Particulars	March 31, 2018			March 31, 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets:						
Non-current Investments measured at FVTPL:						
(NC) Mutual Funds - Unquoted	4,082	-	-	1,216	-	-
(NC) Mutual Funds - Quoted	23	-	-	-	-	-
Non-current Investments measured at Fair Value through Other Comprehensive Income (FVOCI):						
Quoted Non convertible Non cumulative Redeemable Preference Shares	*	-	-	-	-	-
(NC) Trade Investments - Other companies-Unquoted	-	-	1,98,055	425	-	96,000
(NC) Non trade quoted Equity Shares	464	-	-	143	-	-
Current investments measured at FVTPL:						
(C) Current portion of Mutual Funds	508	-	-	13,822	-	-
	100	-	-	-	-	-
Total Financial Assets	5,177	-	1,98,055	15,606	-	96,000
* denotes amount less than ₹ 1 lakh						

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 previous 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.

II. Fair value of Financial Assets and Liabilities measured at Amortised Cost (₹ in lakhs)

Particulars	March 31, 2018		March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets:				
Non-current Investments:				
Quoted Government Securities	1,692	1,614	2,168	2,192
Quoted PSU / Corporate Bonds	2,462	2,482	2,462	2,554
Quoted Tax free Secured Redeemable Non-convertible Bonds	5,611	5,611	5,667	5,946

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

Quoted Non-convertible Debentures	*	*	*	*
Loans - Non-current	7,600	7,600	7,775	7,775
Other Non-current Financial Assets	34,235	34,235	25,302	25,302
Current Investments:				
Quoted PSU / Corporate Bonds	-	-	40	38
Quoted Government Securities	1,437	1,436	955	1,006
Quoted PSU / Corporate Bonds	-	-	-	-
Trade and Other Receivables	9,844	9,844	11,762	11,762
Cash and Cash Equivalents	25,060	25,060	63,294	63,294
Bank Balances other than above	124	124	403	403
Loans - Current	6,425	6,425	4,308	4,308
Other Non-current Financial Assets	40,153	40,153	55,422	55,422
Total Financial Assets	1,34,643	1,34,584	1,79,558	1,80,002
Financial Liabilities: Non-current				
Borrowings	909	909	130	130
Trade Payables	15,708	15,708	12,827	12,827
Other Current Financial Liabilities	44,743	44,743	1,10,655	1,10,655
Total Financial Liabilities	61,360	61,360	1,23,612	1,23,612

* 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.

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 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 ageing 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

Reconciliation of Loss Allowance

(₹ in lakhs)		
Particulars	March 2018	March 2017
Opening Balance	1,430	1,218
Created/(Utilized) during the year	(130)	212
Closing Balance	1,300	1,430

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 2018	March 2017	March 2018	March 2017
Increase in Market index by 5%	23	46	7,710	3,640
Decrease in Market index by 5%	(23)	(46)	(7,710)	(3,640)

36 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 2018	March 2017
Share Capital	2,105	2,105
Distributable reserves *	77,639	73,433
Working Capital	8,224	14,720
External Current Borrowing	909	130

* Distributable reserves are excluding unrealised gains and losses

37 Contingent Liabilities

(₹ in lakhs)		
	Year ended March 31, 2018	Year ended March 31, 2017
A) Claims against the Company not acknowledged as debts		
i) Income Tax demand	460	1,087
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	7	18

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, 2018	Year ended March 31, 2017
i) Provided to stock exchanges (backed by counter guarantees, cash collateral and securities)	8,280	1,000
ii) Provided to stock exchanges (backed by cash collateral) on behalf of subsidiary SHCIL Services Ltd	2,000	2,000
iii) Other Bank Guarantees	2,694	3,540

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

38 Capital and other commitments :

Estimated amount of contracts to be executed on capital account, not provided for (net of advances) – ₹ 3,873 lakhs.
(As at March 31, 2017 - ₹ 667 lakhs).

39 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 alongwith 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 and Advances" 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 2017-18.

40 An amount of ₹ 73 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 StockHolding Document Management Services Ltd of its suppliers.

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

(₹ in lakhs)

	Year ended March 31, 2018		Year ended March 31, 2017	
	Due to	Due from	Due to	Due from
Clearing House	10,525	13,283	9,296	17,004
Clients	22,645	20,687	51,462	34,374
Brokers	1,168	-	606	-
	34,338	33,970	61,364	51,378
Net Receivable/ Payable	368	-	9,986	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

42 Employee Benefits:

(₹ in lakhs)

A) Defined Contribution Plan	Year ended March 31, 2018	Year ended March 31, 2017
The company has recognised the following amounts in the Statement of Profit and Loss for the year		
Contribution to Employees' Provident Fund	565	541
Contribution to Employees' Superannuation Fund	314	288

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.

	Year ended March 31, 2018	Year ended March 31, 2017
ii) Actuarial Assumptions:		
a) Discount Rate	7.70% - 7.88%	7.27% - 7.71%
b) Rate of Return on Plan Assets	7.70% - 7.88%	7.27% - 7.71%
c) Salary Escalation	5.00%	5%
iii) Change in Benefit Obligation		
Liability at the beginning of the year	2,474	2,129
Interest Cost	179	167
Current Service Cost	216	185
Past Service Cost- Vested Benefit	677	-
Benefit Paid	(100)	(126)
Actuarial (gain)/loss on obligations	(4)	2
Actuarial (gain)/loss on obligations - due to change in Financial Assumption	(172)	120
Actuarial (gain)/loss on obligations - due to Experience	82	(3)
Liability at the end of the year	3,352	2,474
iv) Fair value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	2,055	1,965
Expected Return on Plan Assets	150	155
Contributions	310	69
Benefit Paid	(101)	(126)
Actuarial gain/(loss) on Plan Assets	13	(8)
Fair Value of Plan Assets at the end of the year	2,427	2,055
v) Actual Return on Plan Assets		
Expected Return on Plan Assets	146	152
Actuarial gain/(loss) on Plan Assets	14	(8)
Actual Return on Plan Assets	160	144
vi) Amount Recognised in the Balance Sheet :		
(Present value of benefit obligation at the beginning of the period)		
Fair Value of Plan Assets at the end of the year	(3,352)	(2,422)
Liability at the end of the year	2,427	2,009
Funded Status (Surplus/Deficit)	(925)	(413)
Net (Liability) / Asset Recognised in the Balance Sheet	(925)	(413)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

	(₹ in lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
vii) Expense recognised in Profit and Loss for the Current Period :		
Current Service Cost	216	185
Interest Cost	32	167
Past Service Cost	771	(155)
Actuarial Gain or Loss	(95)	127
Expense Recognised	924	324
viii) Expense recognised in Other Comprehensive Income (OCI) for Current Period :		
Actuarial (Gains) / Losses on Obligation for the Period	(95)	119
Return on Plan Assets, excluding Interest Income	(13)	8
Net (Income) / Expense for the period recognised in OCI	(108)	127

ix) Sensitivity analysis

a) Holding Company - Stock Holding Corporation of India Limited

	March 31, 2018	March 31, 2017
Projected Benefit Obligation on Current Assumptions	3,293	2,428
Delta effect +1% change in Rate of Discounting	(251)	(196)
Delta effect - 1% change in Rate of Discounting	287	227
Delta effect +1% change in Rate of Salary Increase	199	138
Delta effect -1% change in Rate of Salary Increase	(196)	(129)
Delta effect +1% change in Rate of Employee Turnover	87	74
Delta effect -1% change in Rate of Employee Turnover	(96)	(82)

b) Subsidiary Company - StockHolding Document Management Services Ltd

	March 31, 2018	March 31, 2017
Projected Benefit Obligation on Current Assumptions		
Delta effect +1% change in Rate of Discounting	(5)	(4)
Delta effect - 1% change in Rate of Discounting	6	4
Delta effect +1% change in Rate of Salary Increase	6	4
Delta effect -1% change in Rate of Salary Increase	(5)	(4)
Delta effect +1% change in Rate of Employee Turnover	2	1
Delta effect -1% change in Rate of Employee Turnover	(2)	(1)

c) Subsidiary Company - SHCIL Services Limited

	March 31, 2018			March 31, 2017	
		DBO	Change in DBO (%)	DBO	Change in DBO (%)
Discount rate varied by 0.5%	+0.5%	22	-7%	19	-7%
	-0.5%	25	7%	21	7%
Salary growth rate varied by 0.5%	+0.5%	25	7%	21	8%
	-0.5%	22	-7%	19	-7%
Withdrawal rate (W.R) varied by 20%	W.R X 120%	24	2%	20	2%
	W.R X 80%	23	-2%	20	-1%

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

43 The movement in provision for claims is as under :

	(₹ in lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
Opening Balance	2,561	2,561
Additions during the year	-	-
Reversal during the year	(115)	-
Closing Balance	2,446	2,561

44 Managerial Remuneration

	Year ended March 31, 2018	Year ended March 31, 2017
MD & CEO		
Salary and allowances *	118	93
Contribution to provident fund and other funds	12	5
Perquisites (estimated monetary value)	8	8
	138	106

* Includes Incentive to Managing Director & CEO ₹ 18.95 Lakhs (March 31, 2017 - ₹ 18.95 Lakhs) paid during the year as approved by the Board of Directors

45 Audit Fees (excluding taxes)

As Auditor :

Audit fees	29	29
Tax Audit fees	3	3
In other capacity :		
Certification and other charges	6	7
Out of Pocket Expenses	3	2
	41	41

46 Disclosure in respect of Operating Leases :-

A) Operating Leases taken

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.

	(₹ in lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
Lease payment recognised in profit and loss for the Year	1,536	1399
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	100	91
(b) Later than one year but not later than 5 years	200	124
(c) More than 5 years	44	69
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.		
C) SHCIL Services Limited: Future Minimum Lease Payments under operating lease for the period		
(a) Not later than one year	28	28
(b) Later than one year but not later than 5 years	7	35
(c) More than 5 years	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

		(₹ in lakhs)
	Year ended March 31, 2018	Year ended March 31, 2017
47 Expenditure in foreign currency		
Travelling expenses	33	15
Technical know-how fees	28	-
Others	79	62
Total	140	77

		(₹ in lakhs)
	Year ended March 31, 2018	Year ended March 31, 2017
48 Earnings Per Share		
Profit for the year as per Statement of Profit and Loss	7,362	7,180
No. of Shares at the beginning of the year	2,10,54,400	2,10,54,400
No. of Shares at the end of the year	2,10,54,400	2,10,54,400
Weighted average number of shares outstanding during the year (Nos)	2,10,54,400	2,10,54,400
Earnings per share for the year (for continued operation) in ₹		
Basic / Diluted	34.97	34.10

		Year ended March 31, 2018	Year ended March 31, 2017
49 Foreign Currency Exposure			
Particulars of unhedged foreign currency exposures as at the balance sheet date			
Trade Payables	USD 2,00,020	USD 62,719	

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

Stock Holding Corporation of India Limited

Shri Ramesh NGS, Managing Director & CEO

Shri L.Viswanathan, Chief Financial Officer (CFO) upto March 31, 2018

Shri Jagdish Thakur, Chief Financial Officer (CFO) from April 1, 2018

Shri Shashikant Nayak, Company Secretary (CS)

Shri Emandi Sankara Rao Non Executive Chairman

Shri Biranchi Narayan Nayak, Non Executive Director

Shri Busi Baburao, Non Executive Director

Shri Prakash Pundlik Mallia, Independent Director - Non-Executive

Shri Chintaman Mahadeo Dixit, Independent Director - Non-Executive

Shri Mittur Swaminathan Sundara Rajan, Independent Director - Non-Executive

Shri Gautam Sen, Independent Director - Non-Executive

Shri Mavila Viswanathan Nair, Independent Director - Non-Executive

Smt. (Dr.) Jaya Balachandran, Independent Director - Non-Executive

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

StockHolding Document Management Services Limited

Shri Sanjeev Vivrekar, Managing Director & CEO

Ms. Jyoti Katira, Chief Financial Officer (CFO)

Ms. Jajvalya Raghavan, Company Secretary (CS)

Shri Ramesh NGS - Non Executive Chairman

Shri Venkatraman Iyer - Independent Director - Non-Executive

Shri Sanjay Sharma - Independent Director - Non-Executive

Shri L.Viswanathan - Non Executive Director

Shri R H Mewawala - Non Executive Director

Shri Umesh Punde - Non Executive Director

Shri Jagdish Thakur - Non Executive Director

Smt. Meena Pednekar - Non Executive Director

SHCIL Services Limited

Shri Nitin Jog, Managing Director & CEO, upto March 31, 2018

Shri Sanjay Pote, Managing Director & CEO with effect from April 1, 2018

Shri Manoj Kabra, Chief Financial Officer (CFO), upto November 30, 2017

Shri Mitul Palankar, Company Secretary (CS), upto July 7, 2017

Shri Rajneesh Singh, Company Secretary (CS) with effect from July 8, 2017

Shri Vineet Potnis - Non-Executive Director

Smt. Kalpana Joshi - Non-Executive Director

Shri G Anantharaman - Independent Director - Non-Executive

Shri D.C. Jain - Independent Director - Non-Executive with effect from March 15, 2018

Shri P.H. Kutumbe - Independent Director - Non-Executive upto March 5, 2018

b. Transactions with Related Parties during the year

(₹ in lakhs)

Particulars	Year ended March 31, 2018				Year ended March 31, 2017			
	Holding Company	Fellow Subsidiaries	Key management personnel	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Key management personnel	Ultimate Holding Company
Service Charges Received	22	3	-	-	16	2	-	-
Income: Physical custody, digitisation, software sales & related software services	-	-	-	50	-	-	-	*
Commission Paid	-	59	-	-	-	2	-	-
Interest received on Investments	440	-	-	-	442	-	-	-
Sitting Fees Paid	8	-	-	-	3	-	-	-
Dividends Paid	762	-	-	-	1,670	-	-	-
Reimbursement of Expenses	-	-	-	-	3	-	-	-
Managerial Remuneration	-	-	274	-	-	-	229	-
Brokerage Received	-	-	-	*	-	-	-	2
Rent Paid	238	-	-	-	235	-	-	2
Outstanding balances								
Trade and Other Receivables	*	-	-	*	-	1	-	*
Trade and Other Receivables (Interest on Debentures/Tax Free Bonds)	58	-	-	-	59	-	-	-
Trade and Other Payables **	520	11	-	-	1,012	8	-	-
Investments in Tax Free Bonds	2,500	-	-	-	2,500	-	-	-
Investments in Corporate Bonds	2,404	-	-	-	2,405	-	-	-
Security Deposit Paid	67	-	-	-	57	-	-	-

* denotes amounts of less than ₹ 1 Lakh

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

c The significant Related Party Transaction are as under :

Nature of Transaction	(₹ in lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
Service Charges received		
Holding Company		
IFCI Ltd	22	16
Fellow Subsidiaries		
IFCI Venture Capital Funds Limited	3	2
IFCI Infrastructure Development Limited	-	*
Income: Physical custody, digitisation, software sales & related software services		
Ultimate Holding Company		
IFCI Ltd	50	*
Commission Paid		
Fellow Subsidiaries		
IFCI Financial Services Limited	59	2
Interest received on investments		
Holding Company		
IFCI Ltd	440	442
Sitting fees paid		
Holding Company		
IFCI Ltd	8	3
Dividend paid		
Holding Company		
IFCI Ltd	762	1,670
Reimbursement of expenses		
Holding Company		
IFCI Ltd	-	3
Managerial Remuneration		
Key Management Personnel		
Shri N G Ramesh	55	36
Shri L.Viswanathan	44	35
Shri Shashikant Nayak	31	26
Shri Nitin Jog	44	36
Shri Manoj Kabra	9	18
Shri Mitul Palankar	4	15
Shri Rajneesh Singh	14	-
Shri Sanjeev Vivrekar	39	34
Ms. Jyoti Katira	23	20
Ms. Jajvalya Raghavan	11	9
	274	229
Brokerage received		
Ultimate Holding Company		
IFCI Ltd	*	2
Rent Paid		
Holding Company		
IFCI Ltd	238	235

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

	Year ended March 31, 2018	Year ended March 31, 2017
Outstanding Balances		
Trade & other Receivable		
Holding Company		
IFCI Ltd	*	*
Fellow Subsidiaries		
IFCI Venture Capital Funds Limited	-	1
IFCI Financial Services Limited	-	*
IFCI Infrastructure Development Limited	-	*
Ultimate Holding Company		
IFCI Ltd	*	*
Trade and other Receivables (interest on Debentures/tax free bonds)		
Holding Company		
IFCI Ltd	58	59
Trade & Other Payables **		
Holding Company		
IFCI Ltd	520	1,012
Fellow Subsidiaries		
IFCI Financial Services Limited	11	8
Investments in tax free bonds		
Holding Company		
IFCI Ltd	2,500	2,500
Investments in Corporate Bonds		
Holding Company		
IFCI Ltd	2,404	2,405
Security Deposit Paid		
Holding Company		
IFCI Ltd	67	57

* denotes amounts of less than ₹ 1 Lakh

** trade and other payables also includes ₹ 520 lakhs (March 31, 2017 - ₹ 1012 lakhs), due to holding company on account of settlement of trade transactions done on stock exchanges and paid on 03 Apr, 2018, the settlement date (previous year settlement date was April 3, 2017).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

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		Estamping		Professional Clearing Member		Document Custody & Digitisation Services		Others		Total	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
A. SEGMENT REVENUE												
External Sales / Income from Operations	12,599	11,860	9,040	7,327	1,744	1,560	5,972	8,254	14,654	14,182	44,009	43,183
Inter-segment Revenues	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	12,599	11,860	9,040	7,327	1,744	1,560	5,972	8,254	14,654	14,182	44,009	43,183
B. RESULT												
Segment Result	3,634	3,049	1,909	1,496	987	1,227	27	1,799	2,548	4,006	9,105	11,577
Unallocated (Expenses) Net of Unallocated Income											(4,489)	(4,595)
Operating Profit											4,616	6,982
Interest Expense											(55)	(49)
Interest income											3,807	1,518
Net Profit before Taxes											8,368	8,451
Taxes											(1,006)	(1,271)
Net Profit after tax											7,362	7,180
Reconciliation of Revenue												
Segment Revenue											44,009	43,183
Add :												
Interest Income											3,807	1,518
Unallocated Income											-	-
Total Revenue											47,816	44,701

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

Primary Business Segments											(₹ in lakhs)	
	Depository/Custodial Services		Estamping		Professional Clearing Member		Document Custody & Digitisation Services		Others		Total	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
OTHER INFORMATION												
Segment assets	12,039	69,059	21,986	21,756	20,777	17,954	13,095	11,710	2,41,844	7,428	3,09,741	1,27,907
Unallocated assets											50,341	1,83,781
Total assets											3,60,082	3,11,688
Segment liabilities	5,384	4,645	18,126	15,957	4,996	4,234	6,137	5,720	83,540	40,929	1,18,183	71,485
Unallocated liabilities											10,354	91,277
Total liabilities											1,28,537	1,62,762
Cost incurred during the year to acquire segment fixed assets	197	465	135	285	8	16	344	1,397	296	715	980	2,878
Depreciation	442	376	353	311	17	11	592	570	885	650	2,289	1,918
Non-cash expenses other than depreciation												
- Bad debts written off	421	395	-	-	-	-	-	-	-	-	421	395
- Provision for bad and doubtful debts	(152)	191	-	-	-	-	-	-	-	-	(152)	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:

- Depository and Custodial services : Depository Participant services cater to all individual and corporate clients; Custodial Services include 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.
- PCM : Professional Clearing Member of Derivatives Segment at the Bombay Stock Exchange and at the Futures & Options Segment of the NSEIL respectively.
- 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 2018

- 52** Balances appearing under trade payable, trade receivables, loans and advances, other current liabilities and other current assets are subject to confirmation and consequential adjustment, if any.
- 53** 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 and poverty, promoting health care, education and sanitation, ensuring environmental sustainability etc. The amount spent during the year are given below:

Name of Company	Year ended March 31, 2018	Year ended March 31, 2017
Stock Holding Corporation of India Limited	99	117
SHCIL Services Limited	22	19
StockHolding Document Management Services Limited	20	13

- 54** **Statement of Net assets, share in Profit or Loss 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%

(₹ 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
Parent						
Stock Holding Corporation of India Limited	93.07	2,15,499	79.01	6,612	98.46	84,484
Subsidiaries						
SHCIL Services Limited	2.58	5,974	19.28	1,613	1.44	1,236
Stockholding Document Management Services Limited	4.35	10,072	1.71	143	0.10	86
TOTAL	100.00	2,31,545	100.00	8,368	100.00	85,806

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

55. Income tax expense

	(₹ in lakhs)	
	March 31, 2018	March 31, 2017
(a) Income tax expense		
Current tax	1291	1,299
Deferred Tax	(285)	(28)
Total of Tax Expense	1006	1,271
(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate		
	March 31, 2018	March 31, 2017
Profit from continuing operations before Income Tax expense	8,368	8,451
Tax at the rate of 34.608%	2,437	2,925
Tax at the rate of 28.840%	383	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Donations	18	25
Difference of tax rates on Investments	(9)	(51)
Dividend received on Investments	(1,635)	(1,203)
Interest on tax free bonds	(155)	(156)
Set off of c/f Long term Capital Losses	-	(165)
Others	(13)	(29)
Tax rate difference of fair value investments	(20)	(36)
Tax effects of items not allowed as deduction	229	263
Tax effects of items allowed as deduction	(229)	(302)
Tax expenses	1,006	1,271

- 56 The board of SHCIL Services Limited has recommended the final dividend of ₹ 3.95/- per equity share for the financial year 2017-18 subject to approval of Shareholders in the Annual General Meeting . Hence the total outflow will be of ₹ 3,01,73,477/- including Dividend Distribution Tax of ₹ 61,42,596/- .
- 57 The Board of Directors of SHCIL Services Limited at its meeting held on 20th July, 2017 has in-principle approved the merging the retail operations of the company with Stockholding limited , subject to requisite approvals of Government Authorities. Till date, no such approvals have been received and there is no further progress on the subject. This has no financial impact as on date.
- 58 The board of StockHolding Document Management Services Limited has proposed dividend @ ₹ 0.16 per equity share amounting to ₹ 69.20 Lakhs (2016-17: ₹ 0.67 per share amounting to ₹ 248.82 Lakhs), subject to approval in AGM (not recognised as a liability as at March 31, 2018)
- 59 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.

60 Exchange traded contracts outstanding:

A) Outstanding Future Contracts as on March 31, 2018

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	No. of Contract	No. of Units	No. of Contract	No. of Units
Stock Futures Long	1	12000	-	-

61 Disclosure of Specified Bank Notes (SBN's) :

During the previous 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:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2018

(₹ 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	4,753	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

62 Fire incident at Mahape office premises of Stock Holding Corporation of India Ltd.

- a. During the year, a fire incident occurred on December 11, 2017 at Mahape premises of Stock Holding Corporation of India Limited. The insurance company have appointed surveyors. The surveyors are in the process of checking the extent of damage to the property of the company. There is no material impact of the same on the profit of the company.

Fire incident effect on subsidiary companies

- b. In case of StockHolding Document Management Services Limited:
- The StockHolding Document Management Services Ltd., has not provided for the loss/claim in this regard in the books of account, due to pending completion of assessment by the surveyor and receipt of test reports for damage to interior furnishing, electricals, networking, air conditioning and IT assets. The same will be accounted as and when the claim amount and liability is ascertained. Accordingly the corresponding fixed assets of the company at Mahape are being carried at their written down values on a going concern basis as on March 31, 2018.
 - The StockHolding Document Management Services Ltd., has received reports for damage to robotics storage, bins and vaults. Hence the underlying assets with gross value of ₹ 558.93 lakhs have been removed from the fixed assets register/books of account and the corresponding amount net of depreciation has been shown under "other current assets". These do not include galvanized containers and storage racks at basement level 3. However, pending completion of assessment by the surveyor, the StockHolding Document Management Services Ltd., has not provided for the loss, if any, in this regard in their books of account.
 - The Company has been receiving claims for loss of documents from its clients. Pending ascertainment of actual claim, the Company has not provided/disclosed for such claim/contingent liabilities and corresponding insurance claim receivable in the books of accounts as on March 31, 2018.
 - Fire fighting and debris removal expense of ₹ 167.74 lakhs has been debited to P&L account.
 - The income of ₹ 65.42 lakhs has not been billed or accrued for the year ended March 31, 2018, due to fire incident. Also, income of ₹ 48.54 lakhs towards robotic metal containers billing has been accounted as accrued income for the year ended March 31, 2018. The same will be billed after assessment in next financial year.
- c. In case of SHCIL Services Limited:
- Based on Preliminary assessed estimated Architect certificate, the fire incident has resulted in damage to SHCIL Services Limited office premises and property due to emanating heat. Written down values of above Fixed assets stand at ₹ 14 Lakhs in their books as on March 2018. Estimated replacement cost of the above fixed assets is yet to be ascertained.

63 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

Vitesh D. Gandhi
Partner
Membership No : 110248
Place : Mumbai

Place : Trivandrum
Date : May 09, 2018

Shashikant Nayak
Company Secretary
FCS 7061

Gautam Sen
Director
DIN 01403762

For and on behalf of the Board

Jagdish Thakur
Chief Financial Officer
Senior Vice President

Chintaman Mahadeo Dixit
Director
DIN 00524318

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

Prakash P. Mallya
Director
DIN 02412404

Sr. No	LOCATIONS	ADDRESS	PHONE
ANDHRA PRADESH:			
1	GUNTUR 0863	Second Floor , Raghu Mansions, 4th Line 1 st Cross Road, Brodipet, Guntur - 522 002	6642898, 6640898, 2246450 (Telefax)
2	KAKINADA 0884	D No:5-1-61/1, Ayyappa Towers, Second Floor, Main Road, Suryarao Peta, Kakinada - 533 001	2347774/2347775, 2347773 (Fax)
3	KURNOOL 08518	Plot No. A 10 , First Floor, Bhupal Complex , Park Road, Kurnool - 518 001	278738, 278739, 278738 (Fax)
4	NELLORE 0861	Moonland Apts, H No.16/1102, Ground Floor, K V Agraharam, Pogathota, Nellore - 524 001	2343481, 2343480 (Fax)
5	RAJAHMUNDRY 0883	7-28-32, Second Floor, Jupudy Complex, T.nagar, Rajahmundry - 533 101	2439476, 2476761, 2478846 (Fax)
6	TIRUPATI 0877	Flat No. 10, First Floor , Sridevi Complex, Tilak Road, Tirupati - 517 501	2220202, 2222724
7	VIJAYAWADA 0866	D No.27-14-52, FF1 (First Floor), Maha Lakshmi Tower Rajagopalachari Street, Governerpet, Vijayawada - 520 002	2579004, 6666898, 2579002 (Fax)
8	VISHAKAPATNAM 0891	D No. 38-15-153/SF, Pavan Enclave, C-6, Second Floor, Daba Garden, Vishakapatnam - 530 020	2752070/2716577, 2716578 (Telefax)
ASSAM			
9	GUWAHATI 0361	Bluedart Complex, 2nd Floor, Maniram Dewan Lane, Jadav Bora Complex, G S Road, Ulubari, Guwahati - 781 007	2460587 / 88, 2454213, 2454665 (Telefax)
10	JORHAT 0376	K D Building, First Floor, Rupahi Ali , Gar Ali, Jorhat - 785 001	2300368 / 2300550
11	SILCHAR 03842	N N Dutta Road, Near Gurudwara, Cachar, Silchar- 788 001	230126, 230120 (Telefax)
12	TINSUKIA 0374	Shri Shyamkunj Complex, Opp. Hero Honda Showroom, Chiwrapatty Road, Tinsukia- 786 125	2336010 (Telefax)
BIHAR:			
13	BHAGALPUR 0641	2nd Floor, Angar Complex, Patal Babu Road, Bhagalpur-812 001	2409406, 2300416
14	MUZAFFARPUR 0621	Domapokhar, Bank Road, Near Sutapatty, Shyam Mandir Marg, Muzaffarpur - 842 001	2246222, 2246422
15	PATNA 0612	301- 305 Ashiana Plaza, Budh Marg, Patna - 800 001	2231167/2206172, 3292768, 2211753 (Telefax)
CHANDIGARH:			
16	CHANDIGARH 0172	Sco 154-155, Second Floor, Deepak Tower Building, Sector 17-C, Chandigarh - 160 017	2702545, 2542807(Telefax)
CHATTISGARH:			
17	BHILAI 0788	Shop No. 8 Chouhan Estate, Second Floor, G.e.road, Supela , Bhilai , Dist. Durg - 490 020	2290454, 2295355 (Fax)
18	BILASPUR 07752	Shop No. B-1, First Floor, Naveen Plaza, Main Road, Telipara, Bilaspur - 495 001	412039, 220322
19	RAIPUR 0771	222-223 Rishabh Complex, M.g. Road, Behind Hotel All Near, Raipur - 492 001	2534212, 4034155, 4033365 (Fax)
GOA			
20	PANAJI 0832	2nd Floor, Tamba Building, Above Amway, Dr. Atmaram Borkar Road, Panaji, Goa - 403 001	2421497/96
GUJARAT			
21	AHMEDABAD 079	403, 4th Floor, IFCI Bhavan, Near Lal Bungalow, C G Road, Ahmedabad - 380 006	26464747/26464760, 26466033
22	AHMEDABAD 079	Fourth Floor, Vrajprabha Complex, Near Maninagar Railway Crossing, Maninagar (West), Ahmedabad - 380 008	25462717, 25450677 (Telefax)
23	AHMEDABAD 079	209, Second Floor, Shukan Mall, Near Visat Petrol Pump, Motera, Sabarmati, Ahmedabad - 380 005	27502790/, 27571390/, 9033061390, 27570990 (Telefax)

Sr. No	LOCATIONS	ADDRESS	PHONE
24	AHMEDABAD 079	106, Sukhsagar Complex, Near Fortune Landmark Hotel, Usmanpura, Ashram Road, Ahmedabad - 380 013	27556730 / 31, 27556732 (Telefax)
25	ANAND 02692	204, Nathwani Chambers, Near Patel Market, Sardargunj, Anand - 388 001	266641, 266611 (Telefax)
26	BHARUCH 02642	119/A, First Floor, Bluechip Complex, Sevasharam Road, Bharuch - 392 001	268633 268634 (Telefax)
27	BHAVNAGAR 0278	G/2, Vasundhara Complex, First Floor, Opp. Dakshinamurthy School, Waghawadi Road, Bhavnagar - 364 002	2471113/ 14 2471114 (Telefax)
28	GANDHINAGAR 079	Plot No. 447, Second Floor, Above Dr. Parakash Joshi's Hospital, Sector 16, GH-5, Near Pragna Petrol Pump, Gandhinagar - 382 016	23248579/80
29	GANDHIDHAM 02836	Office No. 206, Sindhu-II, Plot No.302, Ward-12-B, Gandhidham - 370 201	226585 / 86 220700 (Telefax)
30	JAMNAGAR 0288	Office No 6,7 & 8, Ground Floor, Madhav Darshan Complex, Opp. Cricket Bunglow, Gurudwara Road, Jamnagar - 361 001	2661159 2770125 (Telefax)
31	JUNAGADH 0285	34,35, Ground Floor, Platinum Complex, Jayashree Talkies Road, Kalwa Chowk, Junagadh - 362 001	2652748, 2629748
32	MEHSANA 02762	Om Complex, Second Floor, Radhanpur Cross Road, Mehsana - 384 002	232622 232623 (Fax)
33	NAVSARI 02637	2288/102, First Floor, Nanu Vishnu Dham, Swami Vivekanand Road, Kansarwad, Navsari - 396 445	249401 / 3 / 25
34	PORBANDAR 0286	Purusharth, Ground Floor, B/H. Aroon Photo Studio, M. G. Road, Porbandar - 360 575	2215884 / 30 2215831 (Telefax)
35	RAJKOT 0281	Shree Sadguru Complex, 1st Floor, Opp. Tirupati Petrol Pump, Kalawad Road, Rajkot - 360 007	2478004/2478006
36	RAJKOT 0281	Orbit Complex, Ground Floor, Near Sadar Police Chowki, Sadar Bazar, Rajkot - 360 001	2474959 / 2474094 2450773 (Telefax)
37	SURAT 0261	H-207, Manthan, Nr. Gujarat Gas Circle, Above Central Bank of India, Adajan, Surat- 395 009	2788995/2788996
38	SURAT 0261	311, Shree Shyam Chambers, Opp. Sub Jail, Ring Road, Surat - 395 002	2321281 / 2 2321283 (Fax)
39	VADODARA 0265	305-308, Paradise Complex, Third Floor, Sayajigunj, Vadodara - 390 005	2361591, 2363516 / 419 2363162 (Telefax)
40	VADODARA 0265	FF-12, First Floor, Trident Racecourse Road, Vadodara-390007	2353073/74/75
41	VADODARA 0265	FF-5, Ananya Avenue, Motinagar Char Rasta, Warasia Ring Road, Vadodara - 390 006	2531029 2531039 (Telefax)
42	VISNAGAR 02765	48, Sukhnavas Complex, First Floor, Station Road, Visnagar - 384 315	227610 / 20
HARYANA :			
43	AMBALA 0171	5502, 1st Floor, Surya Tower, Opp. Nigar Cinema, Nicholson Road, Ambala Cantt - 133 001	2645358 / 66 / 67
44	GURGAON 0124	Shop No. 251, Central Arcade, First Floor, Opp. Sahara Mall, Dlf Phase II, Gurgaon - 122 002	2387956 / 59 4068690
45	KARNAL 0184	Sco 16, Huda Shopping Complex, Mahila Ashram Complex, Opposite Mahila Ashram Samiti, Behind Main Bus Stand, Karnal - 132 001	2262734 2253875
46	PANCHKULA 0172	S.C.O-64, First Floor, Sector-11, Panchkula- 134 112	4635063 4639064 (Telefax)
HIMACHAL PRADESH:			
47	SHIMLA 0177	201, P.C. Chambers, Ritz Cinema Road, Near Mall Road, Shimla - 171 001	2803737 (Telefax) 2804747
48	SOLAN 01792	Platinum Mall, Ground Floor, South Enclave, Saproon Bye Pass, Solan - 173 211	225464, 225465
JAMMU & KASHMIR :			
49	JAMMU 0191	83 A/D Extn. Near Police Lines, Gandhi Nagar, Jammu - 180 004	2455058 2454473 (Fax)

Sr. No	LOCATIONS	ADDRESS	PHONE
JHARKHAND:			
50	BOKARO 06542	C1 – 22 C, City Center, Sector Iv, Bokaro Steel City - 827 004	231960 231950
51	DHANBAD 0326	201, Shanti Bhawan, Bank More, Dhanbad - 826 001	2300185/ 2300184 (Telefax)
52	HAZARIBAGH 06546	Above Central Bank of India, Malviya Marg, Bodom Bazar, Hazaribagh - 825 301	222674 222847 (Telefax)
53	JAMSHEDPUR 0657	Shanti Niketan Building, 2nd Floor, 1 S.B. Shop Area, Bistupur, Main Road, Jamshedpur - 831 001	2420437, 2420438, 2422633 (Fax)
54	RANCHI 0651	3rd Floor , Arjan Place, 5 Main Road, Ranchi - 834 001	2331632 (Telefax) 2332432
KARNATAKA :			
55	BAGALKOT 08354	T.P.no. 159/ 1A /8, Ward No. 10, Behind Kalburgi Hospital, Mahaveer Road, Bagalkot- 587 101	220100 / 03
56	BANGALORE 080	Bangalore Stock Exchange Ltd., Stock Exchange Towers, 51, 1st Cross, J.C. Road, Bangalore - 560 027	2299 5246 / 49, 2299 5236, 22995211
57	BANGALORE 080	103, First Floor, MIG KHB Colony, Near Vinayaka Temple, 17th Main, 5th Block, Koramangala, Bangalore - 560 095	2552 9149, 2552 9150
58	BANGALORE 080	Shop 7, First Floor, 44, 33rd Cross, 4th T Block, Jayanagar, Bangalore- 560 011	22453800, 22453900
59	BANGALORE 080	No-10, 1st Floor, 3rd Cross Lane, Near Hallimane Hotel, Malleshwaram, Bangalore - 560 003	23461225, 23560525
60	BELGAUM 0831	Basavakrupa 1, Club Road, Opp. Civil Hospital, Near Hansraj Super Market, Belgaum - 590 002	2469817 / 2469818, 2432102 2432101 (Fax)
61	BELLARY 08392	Door No : 342 / 1 A/1, Chiranjivi Nilaya, Shubha Mahal, Gandhi Nagar, Bellary - 583 101	257660, 257664
62	DAVANAGERE 08192	First Floor, Above Mahalaxmi Book Depot, Akkamahadevi Road, Near Avk College, P J Extension, Davangere - 577 002	236964 / 5, 234442
63	DHARWAD 0836	Ground Floor, Sri Ranga Tower, Ram Nagar Cross, Near NTTF, P. B Road, Dharwad - 580 001	2435635 / 2435636
64	GULBARGA 08472	G1 & G2, Shrushti Arcade, Opp. St. Mary's Church, Court Road, Off S B Temple Road Gulbarga - 585 102	279711, 279710 (Fax)
65	HASSAN 08172	First Floor, Sowrabha Complex, Opp. Axis Bank, B.M. Road, Hassan - 573 201	232117 / 232118
66	HUBLI 0836	First Floor, Varsha Complex, Next To Corporation Bank, Behind Bhavani Arcade, Opp. Basava Vana, Near Old Bus Stand, Hubli - 580 029	2212050 / 2253106, 2253112, 2253113
67	KARKALA 08258	Shop No. 12, Door No. 127/23, First Floor, Sharada Palace, Market Road, Karkala - 574 104	234650 / 234651
68	KUNDAPUR 08254	Door No. 433/1/5, First Floor, Near Manjunath Nursing Home, Masti Katte, Main Road, Kundapur - 576 201	234557 / 234558
69	MANGALORE 0824	Shop No 6 & 7, Second Floor, Manasa Tower, Kodialbail, M G Road, P V S Circle, Mangalore - 575 003	2494986, 2495220 / 24
70	MYSORE 0821	Lakshman Plaza, 442/ 3/ 4 , First Floor, Near Ramaswamy Circle, Chamaraja Double Road, Mysore - 570 024	2333860, 2333926, 2330243
71	RAICHUR 08532	11/2/59/A-1, Shreyansh Tower, First Floor, Above Bank of Maharashtra, M.g. Road, Raichur - 584 101	225049, 225050
72	SHIMOGA 08182	First Floor, Sangappa Complex, Garden Area, 3rd Cross, Near State Bank Of India, Opp Ganesh Traders, Shimoga - 577 201	227785 / 86
73	UDUPI 0820	Third Floor 'Shriram Arcade', Opp Head Post Office, Udupi - 576 101	2535404 / 2535405, 2520275
KERALA:			
74	CALICUT 0495	Metro Towers, 19/2084 - B/20, First Floor, Opp Jayalakshmi Silks, P.V. Swamy Road, Chalappuram P.O., Calicut - 673 002	2300373 2304473(Telefax)
75	KANNUR 0497	Second Floor, K.V.R. Tower, South Bazar, Kannur - 670 002	2712323, 2712333

Sr. No	LOCATIONS	ADDRESS	PHONE
76	KOCHI 0484	Safeena Mansion, Ground Floor, Ravipuram Jn, Opp. Kanoos Theatre, M G Road, Ernakulam-682016	2363022 to 25 2363026 (Fax)
77	KOLLAM 0474	E-2-24/25, Second Floor, Commercial Complex, East Block, Bishop Jerome Nagar, Chinnakada, Kollam - 691 001	2768158 2768159 (Fax)
78	KOTTAYAM 0481	Second Floor, Korattiyil Complex, Opp Public Library, Shashtri Road, Kottayam - 686 001	2303670 / 2303671 2304394 (Fax)
79	THIRUVA NANTHAPURAM 0471	Sowbhagya, T C 3/2730-2, Palace View Lane, Pattom Palace PO, Thiruvananthapuram - 695 004	2543133 2543032 (Fax)
80	TRICHUR 0487	Pooma Complex, Third Floor, M.G.road, Trichur - 680 001	2445658 2445657 (Telefax)
MADHYA PRADESH:			
81	BHOPAL 0755	First Floor, Alankar Complex, Plot No. 11, Zone - li, M P Nagar, Bhopal - 462 011	4221321 4220338 (Telefax)
82	GWALIOR 0751	J 76A, Patel Nagar, Near Gokul Apartment, City Center, Gwalior -474 011	4077783, 4065111
83	INDORE 0731	220-221, D. M. Towers, Race Course Road, Indore - 452 003	4026910-915 4026900 (Telefax)
84	JABALPUR 0761	7, Ankita Complex, 2nd Floor, Opp Prabhu Vandana Talkies, Civic Centre, Jabalpur - 482 002	4014944, 4007444
85	UJJAIN 0734	Office No : 4, 1st Floor, Siddhivinayak Trade Centre, Opposite Shaheed Park, Freeganj, Ujjain - 456 010	4014174, 2515961
MAHARASHTRA:			
86	AMRAVATI 0721	Block No. 82, Gulshan Tower, Mofussil Plots, Near Panchsheel Talkies, Jaistambh Chowk, Amravati - 444 601	6522774/2568986 2560470 (Telefax)
87	AURANGABAD 0240	Ragbhir Chambers, 1st Floor, Above IDBI Bank, Vidya Nagar, Jalna Road, Aurangabad - 431 005	2453631 / 32 /6609826 2453633 (Fax)
88	CHANDRAPUR 07172	2nd Floor, Raghuvanshi Complex, Near Azad Garden, Main Road, Chandrapur - 442 402	274202 / 601199
89	CHINCHAWAD 020	221, Kohinoor Arcade, Sector No. 24, Old Mumbai-Pune Highway, Nigdi, Pune - 411 044	27654837, 27640742
90	ICHALKARANJI 0230	Shop No. 2, Gomtesh, Murgunde Building, Shahu Corner Road, Ichalkaranji -416115	2421594, 2421595
91	JALGAON 0257	C/O Shree Mahavir Sahakari Bank Ltd., 87, Polan Peth, Dana Bazar, Jalgaon - 425 001	2222690
92	KOLHAPUR 0231	Ayodhya Towers, Fourth Floor, 511 KH 'E' Ward, Near Dabholkar Corner, Stn Road, Kolhapur - 416 001	2663123 / 2663124 2666180 (Fax)
93	NAGPUR 0712	3 rd Floor, Saraf Court, Opp Yashwant Stadium, Dhantoli, Nagpur-440 012	2443561 / 6611595, 6612258 2443562 (Fax)
94	NAGPUR 0712	First Floor, Vishnu Complex, Opp. Rahate Hospital, C A Road, Nagpur - 440 008	6643470 / 499
95	NANDED 02462	Shop No 6, 1st Floor, Kothari Complex Shivaji Nagar, Nanded - 431 602	232962 / 640474
96	NASHIK 0253	F-8, First Floor, Suyojit Sankul, Adjacent To Rajiv Gandhi Bhavan, (Nmc), Sharanpur Road, Nashik - 422 002	2571535 (Telefax) 2311058
97	PUNE 020	Unit No.102, 1st Floor, "Kamayani", V.M. Joshi Marg, Off J.M. Road, Pune - 411 005	25520418, 25521842 / 43
98	PUNE 020	5/33, Agarkar Nagar, Boat Club Road, Near Alankar Theatre, Pune - 411 001	26050115 / 116
99	SANGLI 0233	Gomtesh Padmavati, 111/112 Mahaveer Nagar, Sangli - 416 416	2623252 / 53, 2623251
100	YAWATMAL 07232	Shop No.18,19,20,21, First Floor, Super Bazar, SBI Square, Yawatmal - 445 001	244884 / 250276

Sr. No	LOCATIONS	ADDRESS	PHONE
101	MUMBAI (Andheri) 022	Shop No.4 , Parisian Apartments, V.P Road , Next to Zoroastrian Co-Op Bank, Off S.V.road, Andheri (West), Mumbai - 400 058	26230910, 26230912 26230909(Fax)
102	MUMBAI (Borivali) 022	Shop No.10, Ground Floor, Madhumilan CHS, Mangal Kunj, SV Road, Borivali (W), Mumbai - 400 092	28332104 / 28332085 28334067 (Fax)
103	MUMBAI (Chembur) 022	1st Floor, Ramesh Niwas, Plot No-60/A, Road No-20, Near SBI, Opp Coral Classic, Chembur East, Mumbai - 400 071	25288358 / 25290439, 25290542
104	MUMBAI (Dadar) 022	Ground Floor, 169/C , Neelkanth Niwas, Dr. Ambedkar Road, Dadar Tt, Near Metro Showroom, Mumbai 400 014	24151706, 24151722, 24151707 (Fax)
105	MUMBAI (Dombivali) 0251	Office No 6, First Floor, Shri Suyash Chs,Near Madhuban Talkies, Dombivali East, Thane - 421 201	2861195/96/97
106	MUMBAI (Fort) 022	12/14, UTI Building, Bank Street, Cross Lane, Near Old Custom House, Fort, Mumbai - 400 023	22622677, 22675960 / 61 22622756 (Fax)
107	MUMBAI (Ghatkopar) 022	Vishwa CHS, Gr. Floor, Junction of RB Mehta Road & Hingwala Lane, Ghatkopar (East), Mumbai - 400 077	21020790 / 21021795, 21021800 21023822 (Telefax)
108	MUMBAI (Goregaon) 022	G-2, Unique Towers, Gr. Floor, Behind Patel Auto, SV Road, Goregaon (West), Mumbai - 400 062	28787336 / 41 28787338
109	MUMBAI (Kalyan) 0251	Gala No 110, Vasant Vihar Complex, Chandulal Joshi Compound, Opp Kalyan Station, Kalyan West, Thane - 421 301	0251 - 2315421/22/24
110	MUMBAI (Mahalaxmi) 022	Rewa Apartment, B Wing, Gr. Floor, Behind Bank of India, Opp. Cadbury House, Bhulabhai Desai Road, Mahalaxmi, Mumbai - 400 026	23538225 / 23526220, 23538221
111	MUMBAI (Mahape) 022	Shcil House, Plot No. P-51, T.T.C. Industrial Area, Midc, Mahape, Navi Mumbai- 400 710	61778100 /01/ 02/ 03/ 04/ 05/ 06/ 07/ 08/ 09
112	MUMBAI (Mulund) 022	Shop No.2, Koteshwar Apts, RHB Road, Near ICICI Bank, Mulund West, Mumbai - 400 080	25907618/25907617 25620703/25676339
113	MUMBAI (Nariman Point) 022	Raheja Chambers, Office Number 15, Ground Floor, Nariman Point, Mumbai - 400 021	22844247/22852977 22818624 (Fax)
114	MUMBAI (Parel) 022	301, Centre Point, Dr. Babasaheb Ambedkar Road, Parel, Mumbai - 400 012	61779400 /01 / 02/ 03/ 04/05/06/07/08/09 61779058(Fax)
115	MUMBAI (Parel Branch) 022	Shop No 8, Bay Side Arcade, Dr. Babasaheb Ambedkar Road, Opp Bharatmata Cinema, Parel, Mumbai - 400 012	24115313 / 24125313/ 24707289
116	MUMBAI (Thane) 022	Shop No.5, Laxmi Niwas CHS, Vishnu Nagar, Opp. Thane Bharat Sahakari Bank, Naupada, Thane West – 400 602	25453790 / 91, 25453802
117	MUMBAI (Vashi) 022	Block No.2, Ground Floor, Type C-1, Building No.12, Sector – 2, Near Abhyudaya Bank, Opp. Shanti Centre, Vashi, Navi Mumbai - 400 703	27821105 to 27821108
118	MUMBAI (Vikhroli) 022	25 Hazari Baug, Ground Floor, Station Road, Vikhroli West, Mumbai - 400 083	25778466 / 25779282
119	MUMBAI (Vileparle) 022	104, Shyam Kamal, A - Wing, 1st Floor, Opp. Vile Parle Station (East), Mumbai - 400 057	26161101/26105363 26184143 26161108 (Fax)

Sr. No	LOCATIONS	ADDRESS	PHONE
NEW DELHI:			
120	NEW DELHI 011	IFCI Tower, 5th Floor, A Wing, 61, Nehru Place, New Delhi - 110 019	26425334, 26425335 / 36 / 37 26293836 (Fax)
121	NEW DELHI 011	8A, Milap Building, Ground Floor, Bahadur Shah Zafar Marg, New Delhi - 110 002	23359517 / 18, 43546864/43546863 23731771 (Fax)
122	NEW DELHI 011	103, First Floor, Suneja Tower - I, Janak Puri District Centre, Janak Puri, New Delhi - 110 058	25507316 / 25507326, 25507314, 64699301
123	NEW DELHI 011	Ground Floor, Shop GF- 13, Building No.3, Ansal Chambers - I, Bhikaji Cama Place, New Delhi - 110 066	26193385 / 26193418, 26193384 (Telefax), 64699302
124	NEW DELHI 011	504, 5 th Floor, GDITL Towers, B-08, Netaji Subhash Place, Opp. Wazirpur Depot, Pitampura, Delhi - 110 034	27357134 / 37
125	NEW DELHI 011	68/2, Second Floor, Above Mehra Sons Jewellers, Janpath, New Delhi - 110 001	23324909 / 64699304, 23324901
126	NEW DELHI 011	401, Fourth Floor, Ashish Corporate Tower, Community Centre, Karkarduma, New Delhi - 110 092	22375744, 22375747, 64699303
ORISSA			
127	BHUBANESWAR 0674	No.101, 1St Floor, Tkr Business Center, Plot No 2132/4711, Above ICICI Bank Limited, Vivekanand Marg, P O Old Town, Bhubaneswar -751 002	2431107, 2431713
128	CUTTACK 0671	First Floor, Plot No. 3027/3401, Opp. Kedarson, Dolamundai, Cuttack - 753 001	2411837/ 2428720
129	ROURKELA 0661	Plot No. 307/2050, Behind Pani Market Complex, Udit Nagar, Rourkela - 769 012	2500056 / 51
PUNJAB:			
130	AMRITSAR 0183	Sco-4, 1st Floor, Deep Complex, Court Road, Amritsar - 143 001	2402227 2210103 (Telefax)
131	BHATINDA 0164	MC 4373, First Floor , Opp Indian Overseas Bank, Kikar Bazar, Bhatinda - 151 005	2253846, 2235846
132	JALANDHAR 0181	1st Floor, S.C.O 33, Multani Towers, Puda Complex, Opp. Tehsil Complex, Jalandhar - 144 001	2453076 2243974 (Telefax)
133	LUDHIANA 0161	501, 5th Floor, S.C.O 18, Opp. Ludhiana Stock Exchange, Feroze Gandhi Market, Ludhiana - 141 001	5018016/ 5022016 2422157
134	MOGA 01636	NIFD Campus, 531/9, New Town, Opp. D M College, Moga - 142 001	223896 233296 (Telefax)
135	MOHALI 0172	SCF-33, 1st Floor, Phase 5, Mohali - 160 059	4655065 2272123 (Telefax)
136	PATIALA 0175	No. 6 & 7, Leela Bhavan Market, Patiala - 147 001	2201890 2304678 (Telefax)
137	PHAGWARA 01824	SCF-31, 1st Floor, Near Arjun Mall, Guru Hargobind Nagar Market, Phagwara -144 401	262981 262725 (Telefax)
RAJASTHAN:			
138	AJMER 0145	Ground Floor, Mudgal Heights, Opposite Swastic H P Petrol Pump, Rajendrapura Agra Gate, Jaipur Road, Ajmer -305001	2431290, 2630648, 2632086
139	ALWAR 0144	First Floor, 38 A , Lajpat Nagar, Scheme No.2, Near Bhagat Singh Circle, Alwar - 301 001	2348459, 2348614, 2348615
140	BIKANER 0151	Chugh Mansion, First Floor, Opp. DRM Office, Near Railway Stadium, Bikaner - 334 001	2540131 / 2549506 2546330 (Fax)
141	JAIPUR 0141	Unit No. 1-C, First Floor, Plot No. A-1, Nawal Tower, J.I.N Marg, Malviya Nagar, Jaipur -302017	4919600/ 601-607
142	JAIPUR 0141	Sangam Tower, Second Floor, Office No. 213, Church Road, Jaipur - 302 001	4551404/ 05/ 06
143	JODHPUR 0291	First Floor, 54, Gulab Bhawan, Chopasni Road, Near Kankariya Building, Jodhpur - 342 003	2636609 2636710(Fax)

Sr. No	LOCATIONS	ADDRESS	PHONE
144	KOTA 0744	344, Mewara Plaza, First Floor, Shopping Centre, Rawat Bhata-Guman Pura Road, Kota - 324 007	2360863 2361356 (Fax)
145	SRIGANGA-NAGAR 0154	53-B 3rd Floor Opp Bakshi Computer Centre, Near Ravindra Path Main Road, Sriganganagar-335 001	2482202, 2485993
146	UDAIPUR 0294	11-12, Ground Floor, Anand Plaza, Near Ayad Bridge, University Road, Udaipur – 313 001	5101866, 2429575 / 2429509 2492575 (Fax)
TAMILNADU:			
147	CHENNAI 044	Justice Basheer Ahmed Sayeed Bldg., 3rd Floor, 45, Moore Street, Second Line Beach, Chennai - 600 001	40100200, 25340725 / 25340766 25341252 / 0879 (Fax)
148	CHENNAI 044	202, II Floor, Challa Mall, Complex, 11/11/A, Sir Theagaraya Road, T. Nagar, Chennai - 600 017	2432 8380 42051774 (Fax)
149	CHENNAI 044	Gokul Arcade, 1st Floor, No 2 Sardar Patel Road, Adyar, Chennai - 600 020	45504085 24420602 (Telefax)
150	CHENNAI 044	W 101, 1st Floor, II Avenue , Anna Nagar, Chennai - 600 040	42051772, 26282835 26280154 (Telefax)
151	CHENNAI 044	Shop No.1 B Ground Floor, No. 4/180, TNHB Complex, Luz Corner, Mylapore, Chennai- 600 004	24986972 43536409 (Fax)
152	CHENNAI 044	Shop No 8 & 9, First Floor, No 68/22A, Kakkann Street, Tambaram West, Chennai – 600 045	22260569 42034948 (Fax)
153	CHENNAI 044	Arut Jothi Towers, 1st Floor, No. 2&9, Shakthi Nagar, Mount, Poonamallee High Road, Porur, Chennai - 600 116	22520191, 42014260
154	COIMBATORE 0422	U -101 1st Floor, Raheja Centre, 1073/74, Avinashi Road, Coimbatore - 641 018	2241606 / 2241609 2241654 (Fax)
155	ERODE 0424	156 A , First Floor , Above Adayar Ananda Bhavan, Parimalam Complex , Mettur Road, Erode - 638 011	2213823, 2214026 (Fax)
156	KARAIKUDI 04565	A.c.a Complex, First Floor, Door No.30/1C, Sekkalai Road, Karaikudi – 630 001	232180 232190 (Fax)
157	KARUR 04324	128/A, Vanitha Towers, 1st Floor, Kovai Road, Karur - 639 002	240528, 240438 240628 (Fax)
158	MADURAI 0452	C-1, 3rd Floor, A.r. Plaza, 16-17, North Veli Street, Madurai - 625 001	2350178, 6457711 / 2342184 2342174 (Fax)
159	PONDICHERRY 0413	201 Mission Street, 1st Floor, Pondicherry - 605 001	2331751, 2331755 2331752 (Fax)
160	SALEM 0427	Shop No 5/1, 1st Floor, Sri Lakshmi Complex, No.76, Cherry Road, Opp to Government, Arts College, Salem – 636 007	2418648 / 49 / 50 /58
161	TRICHY 0431	Ramanathan Arcade, First Floor, No.16, K C Road, Thennur, Trichy - 620 017	2740928, 2741927, 2741930
162	TUTICORIN 0461	Anbunathan Medical Complex, 1st Floor, 285/8 D, WGC Road, Tuticorin - 628 002	2327638, 2301497, 2327639 (Fax)
TELANGANA			
163	HYDERABAD 040	G-6 to G-10, Ground Floor, Swarna Jayanthi Commercial Complex, Near Huda Maitrivanam, Ameerpet, Hyderabad - 500 038	66664666/67 / 68 66661675 (Fax)
164	HYDERABAD 040	Shop No. 7&8, II Floor, D No 17-85/C/106, Annapurna Shopping Complex, Main Road, Dilsukhnagar, Hyderabad - 500 060	24151197, 24151203
165	HYDERABAD 040	3-6-269, G-6 & 7, MYM Money Centre, Opp. Telugu Academy, Himayat Nagar, Hyderabad - 500 029	23261526, 23261527, 23261138,
166	KUKATPALLY 040	Kalyan Sri Sai Niketan, Plot No 138, Behind Margadarshi Chitfund, Bhagyanagar Colony, Opp. Kphb Colony, Kukatapally, Hyderabad - 500 072	66203220, 23063560/64509503
167	NIZAMABAD 08462	Block-E, First Floor, Kavita Complex, Godown Road, Nizamabad - 503 001	232233, 232255

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168	SECUNDERABAD 040	Bhuvana Towers, G9 to G10 Ground Floor, Near Manju Theatre, S.D. Road, Secunderabad - 500 003	27803394/27803395
169	WARANGAL 0870	Shop No.16, First Floor, H.NO. 5-9-36/37, Mayuri BVSS Complex, Opp. Public Garden, Lashkar Bazar, Hanamkonda Main Road, Warangal - 506 001	6565113, 2553318
TRIPURA			
170	AGARTALA 0381	1st Floor, 88, Motor Stand Road, Opp.petro Pump, Agartala, Tripura West – 799 001	2300089 (Telefax)
UTTAR PRADESH:			
171	AGRA 0562	6, Awagarh House, Opposite Anjana Cinema, M.G.Road,Civil Lines, Agra-282 002	2524126/2524127/ 2520325/2520013, 2520019
172	ALLAHABAD 0532	L.D.A. Centre, Ground Floor, 2 Sardar Patel Marg, Civil Lines, Allahabad - 211 001	2560178 / 3208631/2560013 2560088 (Fax)
173	GHAZIABAD 0120	118/3 ,Above IDBI Bank, Model Town East, G.T Road, Ghaziabad 201 001	2796097,2796098, 2796099
174	GORAKHPUR 0551	Office No. 16,17,18, III Floor, The Mall' Cross Road, Bank Road, Gorakhpur - 273 001	2341809
175	KANPUR 0512	Ground Floor, Krishna Towers, 15 / 63 , Civil Lines, Kanpur - 208 001	2306138, 2306084 3018506 (Fax)
176	LUCKNOW 0522	36/15, First Floor, Opp Rohit Bhawan, 6 Sapru Marg, Lucknow - 226 001	2629850/2629840, 2286195/2201951 2286307 (Fax)
177	MEERUT 0121	T-306, Third Floor, Ganga Plaza, Begum Bridge Road, Meerut - 250 002	2656274 / 2655167,2656036
178	MUGHALSARAI 05412	Third Floor, 952, G.T. Road Subhash Nagar, Near Subhash Park , Mughal Sarai, Chandauli - 232 101	257542
179	NOIDA 0120	206, Second Floor, Ocean Plaza, P-5, Sector 18, Noida - 201 301	4217077/78 /33, 2516368 /69 /70 2516369 (Fax)
180	VARANASI 0542	Kuber Complex, Fourth Floor, D - 58/2, Rath Yatra, Varanasi - 221 010	2226818 / 2226897 2226098(Fax)
181	VARANASI 0542	S 2/639-18, Hashmi Complex, Club Road, Kachahari, Varanasi - 221 002	2280302
UTTARAKHAND :			
182	DEHRADUN 0135	First Floor 59/3, Rajpur Road, Above IDBI Bank, Dehradun- 248 001	2710248/ 2652558 2710215 (Telefax)
183	HARIDWAR 01334	First Floor,Kumar Complex, Chandra Aacharya Chowk, Ranipur More, Haridwar - 249 407	265941 / 266504, 645404
184	HALDWANI 05946	Shop No. L-2 , Durga City Center, Bhotia Parao, Nainital Road, Haldwani - 263 139	282392 / 282393
WEST BENGAL			
185	KOLKATA 033	125/1 Park Street, A G Towers, Sixth Floor, Kolkata- 700 017	22262081/ 22262100, 40250709 / 40250710
186	KOLKATA 033	RNM House, 3B Lal Bazar Street, Third Floor, Kolkata- 700 001	22107584 / 40350810, 40350802 / 40350812
187	NAIHATI 033	212 RBC Road, Surya Kiran Apartment, Ground Floor (Below Axis Bank), Naihati,24 PGS (N) - 743 165	25023080 / 76 25024448 (Telefax)
188	HALDIA 03224	Akash Ganga Commercial Complex, Unit No. 3/17, Third Floor, Durgachak, Haldia, Dist - Midnapore -721 602	272067 / 272166

PHOTO GALLERY



Honourable Cabinet Minister, Shri Ravi Shankar Prasad (extreme right) at e-stamping services rollout in all districts of Assam through CSC e-Governance services India Ltd. Also seen in the picture are Shri Gyan Doley, State Head Assam, CSC e-Governance services India Ltd. and Shri Ajay Prakash Sawhney, Secretary, Ministry of Electronics and Information Technology (left to right).



Shri Aditya Kumar Das, IGR and Shri Ayaz Ahmad Khan, DIG, Registration seen at inauguration of first SRO counter on 6th June 2018 at Patna (left to right).



Shri Udit Prakash Rai, Deputy Commissioner South Andaman, (third from right) at e Stamping inauguration at Andaman and Nicobar Islands on 13-April-2018. Also seen in the picture are Smt. S. Karpagam, Regional Manager & her team.



PHOTO GALLERY

❧ BUSINESS AWARDS (2017-18) ❧



PHOTO GALLERY



Shri Ramesh N.G.S. - MD & CEO, Shri Amit Dassi – Retail Head & Smt. Meera Ranganathan, Channel Head, along with Shri Sanjib Chattopadhyay - Regional Manager, Area Managers, and Branch Heads at Mumbai Regional Meet held at Khopoli, Mumbai from 14 -16 June 2018



Shri Ramesh N.G.S. - MD & CEO, Shri Amit Dassi – Retail Head & Smt. Meera Ranganathan - Channel Head, Pramod Joshi - Regional Manager, Area Managers, and Branch Heads at Regional Meet of North held at Rishikesh, Uttarakhand on June 1, 2018.



Shri Kaushik Bhattacharya, Regional Manager, Area Managers, and Branch Heads at Regional Meet of East held at Dooars from 29 - 30 June, 2018



Shri Jagdish Thakur, SVP & CFO, Shri Amit Dassi – Retail Head & Smt. Meera Ranganathan - Channel Head, along with Shri Ravi Muppavarapu – AP & Telangana Regional Manager, Area Managers, and Branch Heads at Regional Meet held at Ramoji Film City, Hyderabad from 22 - 23 June 2018.



❧ CSR Initiatives ❧



❧

Ms. Chandni Lamba, Trustee (sitting centre) and Ms. Pooja Srivastava, Volunteer (sitting left) are seen with tribal women in Kuani village near Jamshedpur in Jharkhand where SHCIL Foundation has partnered with Life Craft for supporting life skill development of tribal women and providing them with hygienic sanitation.

❧

❧

SHCIL Foundation as a part of its CSR initiative has donated a computer lab to Patamda Inter College, Jharkhand for the benefit of the under privileged tribal students in the neighbouring areas.

❧



❧

SHCIL Foundation's initiative towards strengthening and enhancing the education drive through the bridge school run by Anchalika Jan Seva Anushthan for children belonging to tribal area.

❧

PHOTO GALLERY



Winning team of StockHolding in inter group (women) Cricket Tournament held at Vashi Sports Club, Navi Mumbai



Winning team of SDMS in inter group (men) Cricket Tournament held at Vashi Sports Club, Navi Mumbai



Runner up team of SSL in inter group (women) Cricket Tournament held at Vashi Sports Club, Navi Mumbai



Runner up team of StockHolding in inter group (men) Cricket Tournament held at Vashi Sports Club, Navi Mumbai



Shri Ramesh NGS - MD & CEO (sitting in center) along with Shri L. Viswanathan - EVP & Group CFO, Shri R. H. Mewawala - EVP (sitting from left to right)

Shri Shashikant L. Nayak - VP & Company Secretary, Shri Sanjeev Vivrekar - MD & CEO - StockHolding Document Management Services Limited, Shri Umesh Punde - SVP, Shri Jagdish Thakur - SVP & CFO, Shri Sanjay Pote - 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
 - Insurance Policies
- ◆ Professional Clearing Member
- ◆ National Pension System
- ◆ GoldRush (Gold Accumulation Plan)

SHCIL

Stock Holding Corporation of India LimitedTM

Registered Office: 301, Centre Point, Dr. B. A. Road, Parel,
Mumbai - 400 012, Maharashtra, India

Website: www.stockholding.com

CIN - U67190MH1986GOI040506

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