

18th Annual Report
2012-13



SHCIL Services Limited

SSL

SHCIL SERVICES LTD.
18th Annual Report 2012-13

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BOARD OF DIRECTORS

Ashok Motwani Non - Executive Chairman

P. H. Kutumbe

V. S. Nair

Vineet Potnis

Nitin Jog Managing Director & CEO

Mitul Palankar Company Secretary

Statutory Auditors M/s Kalyaniwalla & Mistry

Internal Auditors M/s Shah Gupta & Co.

Compliance Auditors M/s Kailashchand Jain & Co.

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

Registered office: SHCIL House, P-51, T.T.C. Industrial Area,
MIDC, Mahape, Navi Mumbai - 400 710
Tel: 91-22 6177 8600 Fax: 91-22 6177 8609

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

PERFORMANCE HIGHLIGHTS

(₹ In Lakhs)

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

DIRECTORS' REPORT

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

BUSINESS:

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

OPERATIONS:

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

(₹ in lakh)

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

FUTURE OUTLOOK:

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

NEW INITIATIVE:

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

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

DIVIDEND:

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

DIRECTORS:

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

The present Board of Directors comprises of the following:

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

AUDIT COMMITTEE:

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

STATUTORY AUDITORS:

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

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

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

FIXED DEPOSITS:

The Company has not accepted any Fixed Deposits from the public during the financial year 2012-13.

BUY BACK OF SHARES:

During the financial year 2012-13, the Company has not announced any scheme for buy back of its shares from its shareholders. Accordingly, the requirement as to disclosure of reasons for failure to complete the buy back within the time specified under Section 77A of the Companies Act, 1956 does not arise.

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

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) in the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for financial year;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis

ACKNOWLEDGEMENTS:

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

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

Place: Mumbai
Date: June 4, 2013

**Ashok Motwani
Non - Executive Chairman**

REPORT ON CORPORATE GOVERNANCE

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

The Company's philosophy on code of Governance

The Company is not a listed entity. Nevertheless, it endeavours to comply with Corporate Governance norms as specified under clause 49. The Company's philosophy on corporate governance recognizes the accountability of the Board & Officers and the importance of decisions to all constituents, including customers, employees, investors, business associates, regulatory authorities and the Community at large. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value over a period of time.

Board of Directors

The Board consists of five members, of which 2 are independent directors. The day-to-day management of the Company vests in the hands of the Managing Director and CEO.

Details of the Board Meeting and Attendance

The Board of Directors meet at least once in every three months. Four meetings were held during the financial year 2012-13. Details of Board Meetings held are as follows:

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

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

Sr.No	Name of the Director	No. of meetings held	No of meetings attended	Date of appointment	Date of resignation
1	Shri Ashok Motwani	4	4(4)	08.07.2011	NA
2	*Shri Nitin Jog	4	4(4)	24.11.06/1.12.09	NA
3	Shri Vineet Potnis	4	4(4)	19.11.09	NA
4	Shri P.H.Kutumbe	4	4(4)	21.06.07	NA
5	Shri V.S.Nair	4	1(4)	09.01.08	NA

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

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

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

Shri Ashok Motwani

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

Shri Nitin Jog

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

Shri V.S.Nair

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

Shri P.H.Kutumbe

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

Shri Vineet Potnis

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

Details of Audit Committee and Attendance

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

Sr.No	Name of the Director	No. of meetings held	No. of meetings attended
1	Shri Vineet Potnis	4	4 (4)
2	Shri P. H. Kutumbe	4	4 (4)
3	Shri.V. S. Nair	4	- (4)

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

Details of Risk Committee and Attendance

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

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

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

General Meetings

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

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

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

Meeting no.	Resolution No.	Particulars of Resolution
15th AGM	3	1) Appointment of M/s Kalyaniwalla & Mistry as Statutory Auditors of the Company
	4	2) Appointment of Shri Dinesh Shah as Whole Time Director of the Company
	5	3) Appointment and terms of appointment of Shri Nitin Jog as Managing Director and CEO
	9	4) Alteration of Articles of Association of the Company
16th AGM	3	1) Appointment of M/s Kalyaniwalla & Mistry as Statutory Auditors of the Company
	4	2) Appointment and terms of appointment of Shri Nitin Jog as Managing Director and CEO
	6	3) Preferential Issue of Shares to SHCIL under section 81(A) and other applicable provisions, if any, of the Companies Act 1956.
17th AGM	3	1) Appointment of M/s Kalyaniwalla & Mistry as Statutory Auditors of the Company

Disclosures

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

Shareholder Information

- a) Annual General Meeting
Date, time & Venue of the Annual General Meeting
- August 23rd, 2013 at 2.30 p.m.
SHCIL House, P-51,
T.T.C. Industrial Area,
MIDC, Mahape,
Navi Mumbai - 400 710

- b) Date of Book closure/record date

-

- c) Dividend payment date

NA

- d) Listing on Stock Exchange

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

- e) Distribution of shareholdings as on March 31,2013

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

- f) Address of correspondence

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHCIL SERVICES LIMITED

Report on Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditors' Report) Order (Amendment) Order 2004, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956,

- we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956, to the extent applicable;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- For and on behalf of
- KALYANIWALLA & MISTRY**
Chartered Accountants
Firm Registration No. 104607W
- VINAYAK M. PADWAL**
Partner
Membership No. F49639
- Mumbai; April 26, 2013

ANNEXURE TO THE AUDITORS' REPORT

- 1) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The fixed assets have been physically verified by the Company during the year. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were reported on such verification.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets have not been disposed of by the Company during the year which could affect the going concern assumption.
- 2) In our opinion and according to the information and explanation provided to us, the company is a service industry. Hence, clause ii(b) and clause ii(c) of paragraph 4 of the Order are not applicable.
- 3) (a) The Company has not granted any loans, secured or unsecured to a company listed in the register maintained under Section 301 of the Companies Act, 1956.
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- 4) In our opinion and according to the information and explanations given to us, the internal control procedures are commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and sale of services.
- 5) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of all the contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
(b) In our opinion and according to the information and explanation given to us, the transactions recorded in register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A and 58AA or any other relevant provisions of the Act and the rules framed thereunder.
- 7) The Company has an internal audit system, which is commensurate with the size and nature of its business.
- 8) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed for maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of the activities carried on by the Company.
- 9) (a) According to the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Customs Duty, Excise Duty, cess and other statutory dues applicable to it with the appropriate authorities.
(b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax or cess outstanding on account of any dispute.
- 10) The Company does not have accumulated losses, as at the end of the financial year, and it has not incurred cash losses in the current financial year. Also, it has not incurred any cash losses in immediately preceding financial year.

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

For and on behalf of

KALYANIWALLA & MISTRY

Chartered Accountants

Firm Registration No. 104607W

VINAYAK M. PADWAL

Partner

Membership No. F49639

Mumbai; April 26, 2013

Balance Sheet As at March 31, 2013

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

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1 to 20

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

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

Vinayak M. Padwal
Partner
Membership No. 49639

Place : Navi Mumbai
Date : April 26, 2013

Mitul Palankar
Company Secretary

Madhu Ladha
Finance

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

Nitin Jog
Managing Director & CEO

P. H. Kutumbe
Director

Vineet Potnis
Director

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

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

SIGNIFICANT ACCOUNTING POLICIES &

NOTES ON ACCOUNTS

1 to 20

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

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

Vinayak M. Padwal
Partner
Membership No. 49639

Place : Navi Mumbai
Date : April 26, 2013

Mitul Palankar
Company Secretary

Madhu Ladha
Finance

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

Nitin Jog
Managing Director & CEO

P. H. Kutumbe
Director

Vineet Potnis
Director

Cash Flow Statement for the Year ended March 31, 2013

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

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

Vinayak M. Padwal
Partner
Membership No. 49639

Place : Navi Mumbai
Date : April 26, 2013

Mitul Palankar
Company Secretary

Madhu Ladha
Finance

For and on behalf of the Board

Ashok Motwani
Non - Executive Chairman

Nitin Jog
Managing Director & CEO

P. H. Kutumbe
Director

Vineet Potnis
Director

NOTES ON ACCOUNTS

1. BACKGROUND

SHCIL Services Limited (formerly National Depository Corporation of India Ltd.) was incorporated on 14th February, 1995. It is engaged in the business of broking and advisory services from 14th March, 2006. The Company has no branches / offices other than Mumbai office.

2. SIGNIFICANT ACCOUNTING POLICIES :

1) a) Accounting Convention:

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except the amount receivable/payable from/to clients/exchanges on account of broking transactions are accounted in the books on the date of settlement instead of on the date of transaction. These financial standards have been prepared to comply in all material aspects with the accounting standards notified under section 211 (3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

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

b) Use of Estimates:

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

c) Revenue Recognition:

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

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

d) Fixed Assets:

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

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

e) Depreciation:

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

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

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

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

f) Asset Impairment:

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

g) Investments:

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

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

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

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

h) Stock-in-trade:

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

i) Taxation:

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

j) Provision:

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

k) Contingent Liabilities:

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

l) Securities on Deposit:

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

m) Retirement and other employee Benefits:

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

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

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

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

2) Share Capital:

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

Equity Shares:

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

Preference Shares:

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

- b. Terms/Rights attached to equity shares:

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

The company has not declared any dividend for the current year ended March 2013.

- c. Terms of conversion of preference shares:

The conversion of 1,886,250 7% Non-Cumulative Convertible Preference Shares of ₹ 10/- each fully paid up held by SHCIL, the Holding Company, into Equity Shares which were due for conversion on February 01, 2011 has been deferred for the further period of five years commencing from February 01, 2011. The terms of conversion will be decided by the board at the time of conversion.

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

Equity Shares

Particulars	March 31, 2013		March 31, 2012	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity shares of ₹ 10/- each fully paid held by holding company, Stock Holding Corporation of India Ltd.	35,000,000	100	35,000,000	100
Total	35,000,000	100	35,000,000	100

Preference Shares

Particulars	March 31, 2013		March 31, 2012	
	No. of Shares	% of Holding	No. of Shares	% of Holding
7% Non - Cumulative Convertible Preference Shares (5 Years) of ₹ 10/- each fully paid up, held by holding company, Stock Holding Corporation of India Ltd.	1,886,250	100	1,886,250	100
Total	1,886,250	100	1,886,250	100

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

4) Earnings per share (EPS)

Particulars	March 31, 2013	March 31, 2012
Number of shares at the beginning of the year	3,500,000	3,500,000
Number of shares at the end of the year	3,500,000	3,500,000
Weighted average of shares outstanding during the year	3,500,000	3,500,000
Net Profit / (Loss) for the year (₹)	35,845,734	28,184,653
Less : Preference dividend on non-cumulative shares provided for (₹)	-	-
Net Profit / (Loss) available for Equity Shareholders (₹)	35,845,734	28,184,653
Basic & Diluted Earning Per Share (₹)	10.24	8.05

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

- a. Effective from April 1, 2007, the company has adopted Accounting Standard 15(revised 2005) on 'Employee Benefits' issued by ICAI.
- b. The Company has recognized the following amounts in the Profit and Loss Account for the year:
- A.

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

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

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

i) Change in Benefit Obligation

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

ii) Fair value of Plan Assets

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

iii) Actual Return on Plan Assets

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

iv) Amount Recognized in the Balance Sheet

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

v) Expenses Recognized in the Income Statement

Particulars	As at March 31, 2013 (₹)	As at March 31, 2012 (₹)
Current Service Cost	199,786	196,526
Interest Cost	67,385	38,902
Expected Return on Plan Assets	(72,936)	(51,926)
Actuarial Gain or Loss	53,609	(109,076)
Expense Recognised in P & L	247,844	74,426

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

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

vii) General descriptions of significant defined plans

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

6) Leases

- i) The Company has entered into Agreement with SHCIL for occupancy of Office Premises in Mahape, Navi Mumbai, whereby SHCIL has granted to the Company, the liberty to use and occupy the Demised Premises as a office space for a period of three years, w. e. f from April 1, 2010 purely as a License-cum-Allottee of office space, without having any right, title or interest upon the demised premises.
- ii) UTI Building, Fort, Mumbai whereby SHCIL has granted to the Company, the liberty to use and occupy the Demised Premises as a office space for a period of three years, commencing from March 1, 2011 purely on Leave and License basis, without having any right, title or interest upon the demised premises.

Particulars	March 31, 2013 (₹)		March 31, 2012 (₹)	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within 1 year	330,000	-	2,328,000	-
After one year but not more than five years	-	-	330,000	-
More than five years	-	-	-	-
Total minimum lease payments	330,000	-	2,658,000	-
Less: Amounts representing finance charges	-	-	-	-
Present value of minimum lease payments	-	-	-	-

7) Related Parties

List of Related Parties :-

a. Holding Company

Stock Holding Corporation of India Limited

b. Fellow Subsidiary

SHCIL Projects Limited

c. Key Management Personnel

Nitin Jog – MD & CEO

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

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

8) Managerial Remuneration

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

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

9) Auditor's Remuneration (Excluding Service Tax)

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

10) Capital Commitment

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

11) Contingent Liability

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

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

Based on the information with the Company, the amount overdue to the suppliers as defined under the "Micro, Small, and Medium Enterprises Development Act 2006" as on March 31, 2013 on account of principal amount together with interest is NIL.

13) Previous year figures

Figures for the corresponding previous year have been regrouped, recast and rearranged to conform to those of current year.

NOTES TO FINANCIAL STATEMENTS

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

NOTES TO FINANCIAL STATEMENTS

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

NOTES TO FINANCIAL STATEMENTS

9. FIXED ASSETS

(Amount in ₹)

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

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

NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2013 (₹)	As at March 31, 2012 (₹)
10. DEFERRED TAX ASSETS (NET)		
The major components of deferred tax assets and liabilities arising on account of timing differences are as under :		
Provision for doubtful debts / advances	1,529,348	1,378,275
Provision for gratuity	-	40,798
Provision for leave encashment	293,537	317,485
Difference in net block	4,906,652	3,034,760
	6,729,537	4,771,318
11. LONG TERM LOANS AND ADVANCES		
<u>(Unsecured and considered good unless otherwise stated)</u>		
Base capital deposit - BSE	12,000,000	17,000,000
Base capital deposit - NSE Cash & F&O	22,700,000	12,800,000
Base capital deposit - MCX Stock Exchange Ltd.	1,000,000	-
Security deposit - Others	739,703	949,619
	36,439,703	30,749,619

12. STOCK IN TRADE

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

NOTES TO FINANCIAL STATEMENTS

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

NOTES TO FINANCIAL STATEMENTS

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

NOTES TO FINANCIAL STATEMENTS

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



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