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**BOARD OF DIRECTORS (AS ON AUGUST 6, 2015)**

Ramesh N.G.S.	Non - Executive Chairman
G. Anantharaman	
P. H. Kutumbe	
Vineet Potnis	
Kalpana Joshi	
Nitin Jog	Managing Director & CEO
Mitul Palankar	Company Secretary
Statutory Auditors	M/s Chokshi & Chokshi LLP
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.

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**Registered Office:** SHCIL House, P-51, T.T.C. Industrial Area,  
MIDC, Mahape, Navi Mumbai 400 710  
CIN NO : U65990MH1995GOI085602  
Tel: 91 - 22 6177 8600 Fax: 91-22 6177 8609

**Mumbai Office:** 12/14, UTI Building, Bank Street, Cross Lane,  
Near Old Custom House, Fort, Mumbai – 400 023  
Tel: 91 – 22 2262 2713

**Web:** [www.shcilservices.com](http://www.shcilservices.com)

## PERFORMANCE HIGHLIGHTS

(₹ In Lakhs)

PARTICULARS	2014-15	2013-14	2012-13	2011-12	2010-11
<b>EARNINGS :</b>					
Income From Operations	4,462	2,610	2,598	2,533	3,278
Other Income	266	229	236	159	77
Total Income	4,727	2,839	2,834	2,692	3,355
<b>EXPENSES &amp; PROFITABILITY :</b>					
Operating Expenses	3,317	2,176	2,164	2,120	2,786
Interest And Financial Charges	3	2	7	8	12
Profit before Depreciation	1,407	661	663	564	557
Depreciation	50	55	109	135	92
Profit/(Loss) Before Taxation	1,357	606	554	429	465
Provision for Taxation	447	200	215	148	175
Deferred Tax	9	13	(19)	(1)	(8)
Profit/(Loss) After Taxation	901	393	358	282	298
<b>ASSETS EMPLOYED :</b>					
Net Fixed Assets	110	65	80	174	289
Capital Work-In-Progress	-	-	-	20	3
Investments	1,124	140	-	-	2
Current / Non Current Assets, Loans & Advances	9,732	11,974	3,769	3,998	3,642
Deferred Tax Assets	45	54	67	48	46
Current / Non Current Liabilities & Provisions	(6,982)	(9,102)	(2,177)	(2,859)	(2,883)
Total Assets	4,030	3,131	1,739	1,381	1,099
<b>FINANCED BY :</b>					
Share Capital	766	*766	539	539	539
Reserves and Surplus	3,264	2,365	1,200	842	560
Total Funds	4,030	3,131	1,739	1,381	1,099
<b>KEY INDICATORS</b>					
Networth	4,030	3,131	1,739	1,381	1,099
EPS (₹)	15.62	10.50	10.24	8.05	8.51
Book Value Per Equity Share (₹)	66.57	51.00	44.31	34.07	26.01

\* In FY 2013-14, 22.70 Lac equity shares of ₹ 10/- each were issued to SHCIL at premium of ₹ 34/- per share aggregating to ₹ 9.99 Cr.

## DIRECTORS' REPORT

### BUSINESS:

The Company is in the business of Stock Broking and is a member of BSE- Cash Segment and Derivatives Segment and NSE-Cash, Future & Option and Currency derivatives Segments. The Stock Broking services are offered to both retail investors and institutional clients.

### FINANCIAL RESULTS:

During the year ended March 31, 2015, your company earned gross income of 4727 lakhs. The profit after tax was ₹901 lakhs registering a growth of 129%. The financial results are summarised below:

(₹ In lacs)

Particulars	2014-15	2013-14
Total Income	4727	2839
Profit/ (Loss) Before Tax	1357	606
Profit/ (Loss) After Tax	901	393
Net Worth	4030	3131
Book Value per Equity Share (₹)	66.57	51
Earning per share (₹)	15.62	10.5

### FUTURE OUTLOOK:

India's Real GDP growth picked-up during FY15 and is likely to improve further in the current fiscal year. The expected pick-up in government-led infrastructure spending combined with revival in consumer demand are likely to provide the necessary thrust to economic growth.

Company expects weakness in commodity prices, especially crude oil, which may help the economy to manage both the current account deficit (CAD) and fiscal deficit during FY16. Inflation has also been on a downward trajectory over the last one year. While there are upside risks to inflation from weakening currency and below-normal rains, the consumer price inflation is expected below the RBI's target of 6% by January 2016. The Company expects the interest rates to ease going forward. The year FY15 marked the return of retail investors after a gap of around 5 years and was a turnaround year for Indian Equities.

Your Company has invested in technology, manpower and multi-channel distribution strategy and as the market

activity levels increase, your Company is well poised to benefit from the same.

### NEW INITIATIVE:

Your company has started trading in NSE currency Derivatives segment and will shortly start BSE currency derivatives segment. Your company has started offering IPO/FPO, MF & OFS online and ODIN-Diet platform a replica of the Dealer terminal which will facilitate all the clients to place the trades from the comfort of their homes. ODIN-Diet platform will help in attracting & retaining the regularly trading active clients.

Considering the overall financial inclusion policy of the Government of India, your company is aggressively targeting business partner tie-ups across Tier 2 & Tier 3 towns so as to facilitate the large rural Indian population to invest in financial instruments especially Equities.

### CHANGE IN STATUS OF COMPANY

SHCIL Services Limited is a Wholly Owned Subsidiary of Stock Holding Corporation of India Limited which in turn is a subsidiary of IFCI Limited.

IFCI Limited has become a Government Company as per the provisions of Section 2(45) of the Companies Act, 2013 w.e.f. April 7, 2015.

In terms of Section 2(45) read with the Section 2(87) of the Companies Act, 2013, SHCIL Services Limited being a step down subsidiary of IFCI Limited has also become a Government Company w.e.f. April 7, 2015.

Accordingly, the Registrar of Companies, Maharashtra (Mumbai) has issued new CIN U65990MH1995GOI085602 to your Company.

### DIVIDEND:

With a view to conserving resources for business expansion, your Directors do not recommend any dividend for financial year 2014-15.

### TRANSFER TO RESERVES

The Company proposes to transfer ₹ Nil to the general reserve. An amount of ₹9,01,43,578/- is proposed to be retained in the statement of Profit & Loss.

## DIRECTORS

The present Board of Directors comprises of the following:

Name of Director	Category
1. Shri Ramesh N.G.S.	Non Executive Chairman (Nominee of SHCIL)
2. G. Anantharaman	Independent Director
3. Shri P H Kutumbe	Independent Director
4. Shri Vineet Potnis	Nominee of SHCIL
5. Ms. Kalpana Joshi	Nominee of SHCIL
6. Shri Nitin Jog	Managing Director & CEO (Nominee of SHCIL)

### Changes During the year:

#### Appointment:

At the Annual General Meeting of the Company held on September 15, 2015, the Members had approved the appointment of Shri Ramesh N.G.S as a Director and Non Executive Chairman of the Company and Smt. Kalpana Joshi as a Director of the Company.

Shri G. Anantharaman was appointed as an Independent Director w.e.f. January 2, 2015.

Shri P H Kutumbe who was on the Board of Directors of the Company since June 21, 2007 was appointed as an Independent Director under Companies Act, 2013 w.e.f. March 25, 2015.

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

#### Resignation/Retirement:

Shri Ashok Motwani demitted his office of Director and Non Executive Chairman with effect from July 28, 2014.

At the Annual General Meeting of the Company held on September 15, 2015, Shri V S Nair did not seek re-appointment upon expiry of his term. Hence, he was not re-appointed as a Director of the Company.

## 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.

10 meetings of the Board of Directors of the Company were held during the year. The details of meetings of the

Board and various Committees of the Board are given in the Corporate Governance Report.

## DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

- In the preparation of the annual accounts for the financial year ended March 31, 2015, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- 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 your Company as at March 31, 2015 and of the profit and loss of the Company for the financial year ended March 31, 2015;
- 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 Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a 'going concern' basis;
- Proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

## DECLARATION OF INDEPENDENCE

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued thereunder.

## EVALUATION OF PERFORMANCE OF THE BOARD

The Board of Directors are the cornerstone of the corporate governance framework of the Company. An effective Board ensures that the long term strategic objectives of the Organisation are being achieved, and are in line with the interests of multiple stake holders.

In line with the above philosophy and pursuant to Section 149 read with Schedule IV of the Companies Act, 2013, the Company has put in place a mechanism to facilitate evaluation of performance of Board as a whole, which includes evaluation of the performance of each of the Directors, including Independent Directors, Chairperson, Board as a whole, as well as the Board Committees.

For the purpose, responses were sought from Directors through questionnaires on various aspects of the Board's functioning. On the basis the response received from the Directors, evaluation and review and was conducted as multiple levels as follows:

The Independent Directors met separately without the attendance of non-independent directors and members of management, where they discussed and reviewed the performance of non-independent directors, and Board as a whole; and also performance of the Chairperson. They further assessed the quality, quantity and timeliness of flow of information between the Company management and the Board. Overall, the Independent Directors expressed their satisfaction on the performance and effectiveness of the Board.

The Nomination & Remuneration Committee undertook an evaluation of each Director's performance.

There has been no material adverse observation or conclusion consequent to such evaluation and review.

### KEY MANAGERIAL PERSONNEL

Shri. Nitin Jog, Managing Director and CEO; Shri. Manoj Kabra, Chief Financial Officer; and Shri Mitul Palankar, Company Secretary are the Key Managerial Personnel of the Company.

### Changes during the year:

The term of Shri Nitin Jog as the Managing Director and CEO had expired on November 30, 2014. He was re-appointed as the Managing Director and CEO of the Company for the period commencing from December 1, 2014 till March 31, 2015.

He was again re-appointed as the Managing Director and CEO of the Company for the period of three year commencing from April 1, 2015.

Shri Manoj Kabra was appointed as Chief Financial Officer of the Company w.e.f. January 19, 2015.

### PARTICULARS OF EMPLOYEES

Since none of the employees of your Company earned income in excess of the amount specified under the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the relevant provisions are not applicable.

### NOMINATION AND REMUNERATION POLICY

In terms of the requirements under the Companies Act, 2013, the Company has put in place a Policy on remuneration of Directors, Key Managerial Personnel and other employees.

The said Policy is guided by the set of principles and objectives as particularly envisaged under Section 178 of the Companies Act, 2013. The Policy outlines attributes and criteria to be taken into account while appointing a Director, which includes academic and professional qualifications, experience, skill sets, etc. Appointment of Directors are considered and recommended by the Nomination & Remuneration Committee in the first instance, and thereafter approved by the Board and Shareholders, as necessary or required.

The Remuneration of Non-Executive Directors comprise sitting fees for attending the meetings of Board/ Committees of the Board. Independent Directors are not entitled to Stock Options.

The Managing Director is entitled to fixed pay which is also bench marked to competition, as well as variable pay linked to performance. The payment of remuneration to the Managing Director is subject to approval by Nomination & Remuneration Committee, Board and Shareholders.

The NRC Policy of the Company is attached as **Annexure A**

### STATUTORY AUDITORS OF THE COMPANY

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India. M/s. Chokshi & Chokshi, LLP were the Statutory Auditors of the Company for financial year 2014-15.

### COMPTROLLER AND AUDITOR GENERAL'S COMMENTS

The Comptroller and Auditor General (C&AG) vide letter dated June 2015 informed that C&AG have decided not to conduct the supplementary audit of the financial

statement of your Company for the year ended March 31, 2015 and as such no comments to make under section 143(6)(b) of the Companies Act, 2013.

### RELATED PARTY TRANSACTIONS

All the Related Party Transactions that were entered into during the financial year were on arms' length and were in compliance with the applicable provisions of the Companies Act, 2013 and Policy on Related Party Transaction adopted by the Company.

All the Related Party Transactions have been approved by the Audit Committee of the Board.

The Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies Act, (Accounts) Rules, 2014 is mentioned in **Annexure B** to this Report.

### RISK MANAGEMENT

The Company recognises that risk is an integral part of business and is committed to managing the risk in a proactive and efficient manner. The Company periodically assesses risk in the internal and external environment

There is a Risk Management Department with various levels of accountability. The Company has in place Risk Management Policy.

### SUBSIDIARIES, JOINT VENTURES, ASSOCIATE COMPANIES

Your Company does not have any subsidiary, joint venture company or associate company.

### PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS

The Details of loans, guarantees and investment under Section 186 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rule, 2014 are as follows:

- A. Details of Investment made by the Company as on March 31, 2015 (including investment made in previous year): Nil
- B. Details of Guarantee given by the Company as on March 31, 2015 : Nil

- C. Details of Loan given by the Company as on March 31, 2015 : Nil

### FIXED DEPOSITS

The Company has not accepted any Fixed Deposits from the public during the financial year 2014-15.

### COMMITTEE ON PREVENTION OF SEXUAL HARASSMENT

Your Company has constituted an Anti Sexual Harassment Committee as required under "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013." The Committee includes an external Independent Member viz., Ms. Sneha Khandekar.

The Company has not received any complaint of sexual harassment during the financial year 2014-15.

### EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT.9 is annexes a **Annexure C**.

### CORPORATE GOVERNANCE

Your Company is not a listed entity. Nevertheless, it endeavours to comply with Corporate Governance norms as specified under Clause 49 of the Listing Agreement. A report thereof is as per details at **Annexure D**.

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

#### Conservation of energy & technology absorption

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

#### Foreign exchange earnings and outgo

Foreign exchange earnings and outgo during the year under review:

Foreign Exchange earnings	-	Nil
Foreign Exchange outgo	-	Nil

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL: Nil**

### **CORPORATE SOCIAL RESPONSIBILITY**

The Board of Directors has constituted a Corporate Social Responsibility Committee headed by Shri. Vineet Potnis as Chairman, with Shri P. H. Kutumbe and Smt. Kalpana Joshi as Members.

The Board of Directors has approved the Corporate Social Responsibility (CSR) Policy for your Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, on the recommendations of the CSR Committee.

Pursuant to CSR policy and recommendation of CSR Committee, the Company has contributed ₹11 lacs towards CSR contribution to SHCIL Foundation, a Trust established by Stock Holding Corporation of India Limited i.e. Holding Company of your Company.

Your Company was informed that the money contributed

by your Company is yet to be utilized by SHCIL Foundation towards the CSR activities.

The Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, is set out herewith as **Annexure E** to this Report.

### **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, BSE Ltd., National Stock Exchange of India Ltd., Clients, Banks, IFCI Ltd., and 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**

**Ramesh N.G.S.  
Non Executive Chairman**

Place: Mumbai  
Date: August 6, 2015



**NOMINATION AND REMUNERATION POLICY**  
**SHCIL SERVICES LIMITED**

Version no.	1.0 dated March 25, 2015
Recommended by	NRC
Approved by	Board of Directors

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### Part A

#### a. Introduction

In pursuance of the Company's policy to attract, motivate and retain manpower in the Competitive market, and in terms of the provisions of the Section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement, this policy on nomination, remuneration and evaluation of Directors, Key Managerial Personnel and other employees has been formulated and put in place.

#### b. Objective

##### The Objectives of the Policy are:

- Guide to the Board the on setup and composition of the Board. This shall include "Formulation of the criteria for determining qualifications, positive attributes and independence of a director". The committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the Board the appointment or reappointment & removal of directors.
- Devise a policy on Board diversity.
- Recommend to the Board appointment and removal of Key Managerial Personnel ("KMP" as defined by the Act) and executive team members of the company (as defined by this committee).
- Support the Board and IDs in evaluation of the performance of the Board, its committees and individual directors. This shall include "Formulation of criteria for evaluation of Independent Directors and the Board". Additionally, the committee may also oversee the performance review process of the KMP and the executive team of the company.
- Recommend to the Board the remuneration policy for directors, executive team/KMP as well as the rest of the employees.
- On an annual basis, recommend to the Board the remuneration payable to directors and executive team/KMP of the company.
- Oversee familiarization programmes for directors.
- Oversee the HR philosophy, HR and People strategy and HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for Board, KMP and executive team) and regularly review the plan.

#### c. Definitions:

1. **'Act'** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
2. **'Board'** means Board of Directors of the Company.
3. **'Director'** means Directors of the Company.
4. **'Committee'** means Nomination and Remuneration Committee of the Board of the Company as constituted or reconstituted by the Board.
5. **'Company'** means SHCIL Services Limited (SSL).
6. **'Independent Director'** means a director referred to in Section 149 (6) of the Companies Act, 2013.
7. **'Key Managerial Personnel'** (KMP) means-
  - (i) Chief Executive Officer or Managing Director or Manager;
  - (ii) Whole-Time Director;
  - (i) Company Secretary;

- (ii) Chief Financial Officer;
- (iii) Such other officer as may be prescribed under the applicable statutory provisions / regulations.

8. **‘Senior Management Personnel’** mean personnel of the Company who are members of its core management team excluding the Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time, shall have the meaning respectively assigned to them therein.

**d. Applicability:**

The Policy is applicable to

- 1. Directors (Executive and Non Executive)
- 2. Key Managerial Personnel
- 3. Senior Management Personnel and other employees

**e. Effective Date:**

This policy shall be effective from the date of approval by the Board.

**f. Nomination & Remuneration Committee-Board (NRC-B):**

The Committee shall comprise of three or more nonexecutive directors out of which not less than one-half shall be independent directors. The Chairman of the Company can be a member of the Committee but cannot chair the Committee. The Board has the power to reconstitute the Committee consistent with the applicable statutory requirement. The policy shall be disclosed in the Directors’ Report.

**1. Membership**

- i. The Committee shall consist of a minimum 3 non-executive directors, not less than 50% of them being independent.
- ii. Minimum two (2) members shall constitute a quorum for the Committee meeting.
- iii. Membership of the Committee will be reported in the Annual Report.
- iv. Term of the Committee shall be continued unless terminated by the Board of Directors.

**2 Chairman**

- i. Chairman of the Committee shall be an Independent Director.
- ii. Chairperson of the Company may be appointed as a member of the Committee but shall not be Chairman of the Committee.
- iii. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- iv. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders’ queries.

**3. Frequency of Meetings**

- i. The meeting of the Committee shall be held at such regular intervals as may be required.

**4. Committee Members’ Interests**

- i. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- ii. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

### 5. Secretary

- i. The Company Secretary of the Company shall act as Secretary of the Committee.

### 6. Voting

- i. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- ii. In the case of equality of votes, the Chairman of the meeting will have a casting.

### g. Nomination Duties

The duties of the Committee in relation to nomination matters include:

1. Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
2. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
3. It is the responsibility of the Committee to make recommendation to the Board in relation to appointment of new Directors and setting a formal and transparent procedure for selecting new Directors for appointment to the Board and also recommending Directors who are to be put forward for retirement by rotation;
4. It is the responsibility of the Committee to devise the competitive requirement of the Board based on industry and strategy of the Company and determining the appropriate size, diversity and composition of the Board.
5. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
6. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
7. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
8. The Committee will ensure the effective familiarisation programme for the new Directors.
9. The Chairman of the Committee would convene an annual meeting of Independent Directors to review the performance of Non Independent Directors and Chairperson and Board as whole of the Company taking into account the views of the Executive and Non Executive Directors.
10. Delegating any of its powers to one or more of its members or the Secretary of the Committee;
11. Recommend any necessary changes to the Board.
12. Considering any other matters as may be requested by the Board

### Part B

### b. Key Principles of Compensation:

Key principles of compensation

- a) Attract and Retain: Remuneration packages shall be designed to attract high-caliber executives in a competitive global market and remunerate executives fairly and responsibly having regard to the Company's financial health, growth plans as well as the dynamics of market conditions. The remuneration shall be competitive and based on the individual responsibilities and performance.
- b) Motivate and Reward: Remuneration shall be designed to motivate delivery of the Company's key business strategies, create a strong performance –orientated environment and reward achievement of meaningful targets over the short-and long –term.

- c) **Non-Monetary Benefits:** The Executives, depending upon the grade, will be entitled to non-monetary benefits such as company medi-claim, Terms Insurance, news paper, mobile, telephone expenses reimbursement etc. as per approved policy.

**i. Composition of Board**

The Committee shall ensure a transparent Board composition and nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board. It ensures that the Board is of right size and has a knowledge, experience and skill that are necessary for achieving the vision of the Company.

**j. Criteria to be considered while recommending appointment of Directors, KMPs and Senior Management Personnel**

The Nomination and Remuneration Committee shall consider, inter alia, following factors in determining the qualification, positive attributes, integrity, etc. while recommending the appointment of Directors, KMPs and Senior Management Personnel:

1. The overall experience of the Directors, KMP and Senior Management Personnel in the relevant field of their expertise including experience in relevant field/industry;
2. Academic records/background, educational qualifications, including specialized qualification in relevant areas like business /corporate Management, finance, marketing, risk, compliance, legal, etc;
3. Background, experience and the field of his/her work/specialization;
4. Any other relevant professional qualification and experience.
5. Fit and Proper person without any disqualification under any extant applicable Laws/Regulations.
6. A Director shall not attract any disqualification as prescribed under Section 164 of the Companies Act, 2013 or any other statutory provision as applicable.

**Independent Directors**

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director,—

- (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;  
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (e) who, neither himself nor any of his relatives—
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

- (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
- (iii) holds together with his relatives two per cent. or more of the total voting power of the company; or
- (iv) is a Chief Executive or director, by whatever name called, of any non profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or
- (f) who possesses such other qualifications as may be prescribed.

### PART C

#### **k. Remuneration – Executive Directors, Key Managerial Person, Senior Management Personnel and Other Employees**

Compensation /Remuneration for Executives (including the Managing Director & Chief Executive Officer, Executive Director, Key Managerial Personnel (KMP) and other Executives and Employees) of the Company is determined as per the Salary Structure in force and as amended from time to time. Such Salary Structure, and as updated /amended from time to time, shall be deemed to be part of and incorporated into this Policy. The Executive Remuneration is evaluated annually against performance and a bench mark of companies in the same industry. The remuneration structure inter-alia hinges on the following:

1. The remuneration payable to Key Managerial Personnel, Senior Management Personnel and other employees shall be as per industry standards and as per the salary structure in force and as amended from time to time.
2. The Committee may consult the Human Wealth Department (HWD) of the Company while recommending the remuneration payable to the Key Managerial Personnel, Senior Management Personnel and other employees.
3. The Committee shall recommend to the Board the remuneration payable to the Managing Director & CEO / Executive Directors, Key Managerial Personnel (KMP) and Senior Management Personnel.
4. Every Whole Time KMP (i.e. MD & CEO, Company Secretary & Chief Financial Officer) shall be appointed by means of a resolution of the Board specifying the terms and conditions of the appointment including the remuneration based on expertise, experience, qualification and other personal attributes.
5. The remuneration payable to Directors is subject to the approval of the Board, shareholders of the Company and Central Government, wherever required as per the provisions of the Companies Act, 2013, and the rules made thereunder.
6. The remuneration payable to Managing Director & CEO /Executive Director shall be in accordance with the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
7. Where any insurance is taken by the Company on behalf of its Managing Director & CEO/ Executive Director, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
8. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/ Executive Directors in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
9. If any Managing Director/Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, holds it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

10. Variable Pay for Performance - Over and above the fixed compensation individuals may be rewarded with annual /periodic bonus linked to performance.  
The Committee may also recommend the performance linked incentive to the executives of Sales and Business Development Department at percentage higher than the other executives.
11. Learning & Development – The Company may invest in providing the best of learning and development opportunities for each individual to enable them to enhance their skills and knowledge.
12. The remuneration and other terms of the Key Managerial Personnel /other employees shall also be subject to terms and conditions as specified in their respective letter of appointment or as may be decided by the Board from time to time.
13. The components of the total remuneration of other employees other than KMPs would be grade specific and would be governed by HR policy of the Company.

#### **Part D**

### **I. Remuneration to Non- Executive / Independent Director**

#### **Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof as approved by the Board.

Provided that the amount of such fees shall not exceed Rupees One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

#### **Part E**

### **m. Evaluation of the performance of the Board**

1. It is the responsibility of the Committee to organise the evaluation process and formulate the criteria for evaluation of Independent Directors and the Board
2. The Chairman of the Committee would convene an annual meeting of Independent Directors to review the performance of the Board as a whole. In the same meeting Independent Directors will also review the performance of Non Independent Directors and Chairperson. After the annual meeting of Independent Directors, the feedback of the meeting on the performance of the Board as a whole will be discussed by the Chairman of the Committee with the Chairman of the Board.
3. The performance evaluation of the Independent Directors shall be done by the Board of Directors excluding the Director being evaluated.
4. The committee may also oversee the performance review process of the KMP and the executive team of the Company.

### **Amendments and Review**

This Policy is subject to review by the Nomination and Remuneration Committee once in two years or earlier, if necessary or required.

**ANNEXURE {B} TO BOARD'S REPORT**  
**FORM AOC -2**

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188 (1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	NA  NA
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed	
(i)	Amount paid as advances, if any	
(j)	Date on which special resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act, 2013	

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a)	Names(s) of the related party and nature of relationship	NA
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements of transactions including the value, if any	
(e)	Date(s) of approval by the Board ,if any	
(f)	Amount paid as advances, if any	

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

Place: Mumbai  
Date: August 6, 2015

**Ramesh N.G.S.  
Non Executive Chairman**



**FORM NO. MGT-9**
**EXTRACT OF ANNUAL RETURN**
**as on the financial year ended on March 31, 2015**

[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:- U65990MH1995GOI085602
- ii) Registration Date : February 14, 1995
- iii) Name of the Company : SHCIL Services Limited
- iv) Category / Sub-Category of the Company : Government Company
- v) Address of the Registered office and contact details: SHCIL House, Plot No.P-51, TTC Industrial Area, MIDC, Mahape, Navi Mumbai-400710
- vi) Whether listed company Yes / No : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any :Not Applicable

**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	Securities Broking Services	9971520	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	Stock Holding Corporation of India Limited	U67190MH1986GOI040506	Holding	100	Section 2(45) read with the Section 2(87)
2.	IFCI Limited	L74899DL1993GOI053677	Holding	----	Section 2(45) read with the Section 2(87)

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

## (i) Category-wise Share Holding

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	% of Total Shares
<b>A. Promoters</b>									
(1) Indian									
g) Individual/HUF									
h) Central Govt									
i) State Govt (s)									
j) Bodies Corp.	--	5,770,000*	5,770,000	100	--	5,770,000*	5,770,000	100	Nil
k) Banks / FI									
l) Any Other....									
<b>Sub-total (A) (1):-</b>									
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
<b>Sub-total (A) (2):-</b>									
<b>Total shareholding of Promoter (A) = (A) (1)+(A)(2)</b>	--	5,770,000	5,770,000	100	--	5,770,000	5,770,000	100	Nil

\* of the above 7 equity shares are held by seven nominees (one share each) of Stock Holding Corporation of India Limited

<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	--	--	--	--	--	--	--	--	--
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>									

<b>2. Non-Institutions</b>										
a) Bodies Corp.	--	--	--	--	--	--	--	--	--	---
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh										
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh										
c) Others (specify)	--	--	--	--	--	--	--	--	--	---
<b>Sub-total (B)(2):-</b>										
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>										
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--	---
<b>Grand Total (A+B+C)</b>		5,770,000	5,770,000	100	--	5,770,000	5,770,000	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 during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1.	Stock Holding Corporation of India Limited (Equity Shares )	--	5,770,000	5,770,000	100	--	5,770,000	5,770,000	100	Nil

### (iii) Change in Promoters' Shareholding (There is no change in Promoters' Shareholding)

Sr. No.		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	--	--	--	--
	Date wise Increase / Decrease in Promoters 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	--	--	--	--

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (All the shares of the Company are held by its Holding Company SHCIL)

Sr. No.	For Each of the top 10 Shareholders	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	----	----	----	----
	Date wise Increase / Decrease in Promoters 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	----	----	----	-----

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For Each of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Directors</b>							
1	Shri Ramesh N.G.S.	--	--	--	--	--	--
2.	Shri G. Anantharaman	--	--	--	--	--	--
3	Shri P H Kutumbe	--	--	--	--	--	--
4	Shri Vineet Potnis (Nominee of SHCIL )	1	--	1	--	1	--
5	Ms. Kalpana Joshi	--	--	--	--	--	--
<b>KMPs</b>							
1	Shri Nitin Jog-MD &CEO (Nominee of SHCIL )	1	--	1	--	1	--
2	Shri Manoj Kabra-CFO	--	---	--	--	--	--
3	Shri Mitul Palankar-CS	--	--	--	--	--	---

## V INDEBTEDNESS-NIL

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

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

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sr. No	Particulars of Remuneration	Name of the Managing Director
		Shri Nitin Jog
1	Gross Salary (excluding Commission)	
	(a) Salary as per provisions contained in Section 17 (1) of the Income tax Act,1961	24,82,655.96
	(b) Value of perquisites u/s 17 (2) Income tax Act,1961	85,484.00
	(c) Profits in lieu of salary under section 173(3) Income-tax Act,1961	-----
2	Stock Option	-----
3	Sweat Equity	-----
4	Commission - as% of profit	-----
5	Others –Employer contribution to provident and other funds	99,264.00
	Total	26,67,403.96
	Ceiling as per the Act*	69,81,414

\*Remuneration paid to the Managing Director is within the ceiling provided under Section 196 of the Companies Act, 2013

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### B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	Independent Directors	Shri G. Anantharaman	Shri P H Kutumbe#	--	--	
	• Fee for attending board / committee meetings	₹ 60,000	₹1,20,000	--	--	₹1,80,000/-
	• Commission	--	--	--	--	--
	• Others, please specify	--	--	--	--	--
	<b>Total (1)</b>	₹ 60,000	₹1,20,000			₹ 1,80,000/-
	Other Non-Executive Directors	Shri Ramesh N.G.S. ##	Shri Ashok Motwani* ##	Shri Vineet Potnis ##	Ms. Kalpana Joshi ##	
	• Fee for attending board / committee meetings	₹60,000/-	₹20,000/-	₹1,20,000/-	₹ 1,15,000/-	₹3,15,000/-
	• Commission	---	---	---	---	---
	• Others, please specify	---	---	---	---	---
	<b>Total (2)</b>	₹60,000/-	₹20,000/-	₹1,20,000/-	₹ 1,15,000/-	₹3,15,000/-
	<b>Total (B)=(1+2)</b>					₹4,95,000/-
	Total Managerial Remuneration					Not Applicable
	Overall Ceiling as per the Act					Not Applicable

\*Shri Ashok Motwani demitted his office of Director and Non Executive Chairman with effect from July 28, 2014.

#Fees for attending the meetings paid to LIC of India.

## Fees for attending the meetings paid to Stock Holding Corporation of India Limited.

### C. Remuneration to Key Managerial personnel other than MD/Manager/WTD

(Amount in ₹)

Sr. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO *	Company Secretary	CFO	Total
1	Gross Salary (excluding Commission)				
	(a) Salary as per provisions contained in Section 17 (1) of the Income tax Act,1961		14,09,044	12,86,049	26,95,093
	(b) Value of perquisites u/s 17 (2) Income tax Act,1961		----	----	----
	(c) Profits in lieu of salary under section 173(3) Income-tax Act,1961		----	----	----
2	Stock Option		---	---	--
3	Sweat Equity		---	---	--
4	Commission - as% of profit		---	----	--
5	Others –Employer contribution to provident and other funds Total		42,557	43,789	86,346

\*Shri Nitin Jog is a Managing Director and CEO of the Company. Hence, details of his remuneration are mentioned in the Table A above under the heading Remuneration to Managing Director, Whole-time Directors and/or Manager

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Type**

	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
<b>B. DIRECTOR</b>					
<b>C. OTHER OFFICER IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

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

Place: Mumbai  
Date: August 6, 2015

**Ramesh N.G.S.  
Non Executive Chairman**

## REPORT ON CORPORATE GOVERNANCE

(forming part of Directors' Report for financial year ended March 31, 2015)

### 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 6 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. Ten meetings were held during the financial year 2014-15. Details of Board Meetings held are as follows:

Sr. No	Date of the Board Meeting	Board Strength	No. of Directors present
1	April 11, 2014	6	5
2	May 12, 2014	6	5
3	June 26, 2014	6	5
4	July 17, 2014	6	6
5	August 19, 2014	6	5
6	October 21, 2014	5	5
7	November 11, 2014	5	5
8	December 1, 2014	5	4
9	January 19, 2015	6	6
10	March 25, 2015	6	6

Attendance of Directors during 2014-15 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 Ramesh N.G.S	10	6(6)	19.08.14	NA
2	*Shri Nitin Jog	10	10(10)	24.11.06	NA
3	Shri Vineet Potnis	10	9(10)	19.11.09	NA
4	Shri P.H.Kutumbe	10	9(10)	21.06.07	NA
5	Shri V.S.Nair	10	2(5)	09.01.08	15.09.14
6	Smt.Kalpana Joshi	10	9(10)	20.03.14	NA
7	Shri.G Anantharaman	10	2(2)	02.01.15	NA
8	Shri Ashok Motwani	10	4(4)	08.07.11	28.07.14

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

\*Shri Nitin Jog was re-appointed as the Managing Director and CEO w.e.f. April 1, 2015.



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

Shri Ramesh N.G.S.

Sr. No	Name of company/Institution	Nature of interest
1	Stock Holding Corporation of India Limited	Managing Director & CEO
2	SHCIL Projects Limited	Non Executive Chairman

Shri G Annatharaman

Sr. No	Name of company/Institution	Nature of interest
1	Shriram General Insurance Company Limited	Independent Director
2	Tata Value Homes Limited	Independent Director
3	Piem Hotels Limited	Independent Director
4	Multi Commodity Exchange of India Limited	Independent Director
5	Central Insurance Repository Limited	Independent Director

Shri P. H. Kutumbe

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

Shri Nitin Jog

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

Shri Vineet Potnis

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

Smt. Kalpana Joshi

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

#### Details of Audit Committee and Attendance

The Audit Committee met 8 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	Mr. G. Anantharaman	8	2 (2)
2	Shri P. H. Kutumbe	8	7 (8)
3	Shri. V. S. Nair	8	1 (3)
4	Ms. Kalpana Joshi	8	7(8)
5	Mr. Vineet Potnis	8	7(8)

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

### Details of Risk Committee and Attendance

The Risk Committee comprises of Shri P H Kutumbe, Shri Vineet Potnis and Ms. Kalpana Joshi.

### Details of Nomination Remuneration Committee (NRC) and Attendance

The NRC met two times during the year. The detail of attendance of the Directors at the NRC Committee meeting is as follows:

Sr. No	Name of the Director	No. of meetings held	No. of meetings attended
1	Shri G Anantharaman	2	2
2	Shri P. H. Kutumbe	2	2
3	Shri Vineet Potnis	2	2
4	Ms Kalpana Joshi	2	2

### Details of Corporate Social Responsibility (CSR) Committee and Attendance

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

Sr. No	Name of the Director	No. of meetings held	No. of meetings attended
1	Shri Vineet Potnis	1	1
2	Shri P. H. Kutumbe	1	1
3	Ms Kalpana Joshi	1	1

### 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	17th AGM	18th AGM	19th AGM	12th EGM
Year	2011-12	2012-2013	2013-14	2013-14
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	August 24, 2012	August 23, 2013	September 15, 2014	October 25, 2013

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

Meeting no.	Resolution No.	Particulars of Resolution
17th AGM	3	1) Appointment of M/s Kalyaniwalla & Mistry as Statutory Auditors of the Company
18th AGM	3	1) Appointment of M/s Kalyaniwalla & Mistry as Statutory Auditors of the Company
19th AGM	---	----
12th EGM	1	1) Preferential Issue of Shares to SHCIL under section 81(A) and other applicable provisions, if any, of the Companies Act 1956

## 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	September 1, 2015 at 4.30 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 31,2015

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  
P-51, T.T.C, Industrial Area  
MIDC, Mahape  
Navi Mumbai 400 710

### Annual Report on CSR activities

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The CSR policy of SHCIL Services Limited (SSL) has been prepared pursuant to the Section 135 of the Act and the CSR Rules. The CSR policy would serve as the referral document for all CSR related activities of SSL.

In line with the provisions of the Act and the CSR Rules, the budgetary allocation will be atleast 2% of the average net profits of SSL made during the three immediately preceding financial years (herein after referred to as "CSR fund").

As per the policy, CSR fund to be contributed SHCIL Foundation Trust for projects and program undertaking CSR activities directly related to subject covered in Schedule VII. Alternatively, SSL can also directly contribute to the Prime Minister's National Relief Fund or any other fund set up by the Central Government.

The policy is placed on website [www.shcilservices.com](http://www.shcilservices.com) of the Company.

2. The composition of the CSR Committee :

Corporate Social Responsibility Committee headed by Shri. Vineet Potnis as Chairman, with Shri P. H. Kutumbe and Smt. Kalpana Joshi as Members.

3. Average net profit of the company for last three financial years: ₹50,334,656/-
4. Prescribed CSR expenditure (two percent, of the amount as in item 3 above): ₹10,06,693/-
5. Details of CSR spent during the financial year
  - (a) Total amount to be spent for the financial year: ₹ 11 lacs
  - (b) Amount unspent, if any; NIL
  - (c) Manner in which the amount spent during the financial year is detailed below.

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the State and district where project or programs was undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs Sub-heads 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency
1	Contribution to SHCIL Foundation	Trust	Mumbai	₹11 lacs	₹11 lacs	₹11 lacs	Through Implementing Agency

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. NA
7. A responsibility statement: The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

**(Chief Executive Officer  
& Managing Director)**

**(Chairman CSR Committee)**

## INDEPENDENT AUDITORS' REPORT

To the Members of SHCIL Services Limited

### 1. REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of SHCIL Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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.

### 2. MANAGEMENT'S RESPONSIBILITY FOR THE 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 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these 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 there-under.

We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the 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 Directors, 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 on the financial statements.

### 4. OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31st March 2015, and its profit and its cash flows for the year ended on that date.

### 5. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

5.1 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

5.2 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, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on 31st March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164 (2) of the Act;

In terms of directions u/s.143 (5) of the Act, issued by C & AG and based on information as available with us we state;

- i. The Company has not been selected for disinvestment and hence the relevant disclosures are not applicable.
- ii. Company has written off Rs.1651510/- as bad debts in respect of debtors prior to 01.09.09 in lieu of said amount not recoverable from debtors. There are no other waivers or write off.
- iii. 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.
- iv. The legal cases are furnished in Note 21 to the financial statements all of which are pending with the concerned forum for less than 1 year. These are on account of orders received from various Income Tax Authorities received in last financial year. Based on information and explanation, in our opinion there is an effective process to monitor the said expenditure on all cases by the Management. There are no arbitration cases.
- f. 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:
  - a. The Company has disclosed the impact of pending litigations on its financial position in Note 21 to its financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Chokshi & Chokshi LLP**  
**Chartered Accountants**  
(Firm Registration No. 101872W/W100045)

Place of Signature: Mumbai  
Date: 21/04/2015

**R.S. Chokshi**  
**Partner**  
Membership No. 007498

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 5 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- i. In respect of its fixed assets:
  - (a) The Company is maintaining records showing full particulars, including quantitative details and situations of all the fixed assets.
  - (b) According to the information and explanations given to us, the fixed assets are being physically verified by the Management at all its offices in a phased manner at reasonable intervals which in our opinion is reasonable having regard to the size of the Company and nature of assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- ii. In respect of inventories the Company's nature of operations does not require it to hold inventories. Consequently, clause 3(ii) (a), (b), & (c) of the order regarding physical verification of inventories and maintenance of records is not applicable.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. As the Company has not granted any loans, secured or unsecured, to parties listed in the Registers maintained under Section 189 of the Companies Act, 2013, consequently, clause 3(iii) (a) & (b) of the order are not applicable.
- iv. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets sale of services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct any major weakness in such internal controls.
- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any public deposits and hence directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable. As per the information and explanations given to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this respect.
- vi. According to the information and explanation given to us and according to our belief, as the Company is not engaged in production, manufacturing or processing activities, the rules prescribed by the Central Government for the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company, accordingly clause 3 (vi) of the order is not applicable.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and other statutory dues, as applicable, with the appropriate authorities and no such undisputed statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date those become payable.  
  
(b) According to the records of the Company and the information and explanations given to us, disputed dues payable by the Company as on 31st March 2015 on account of Income Tax/ Sales Tax/ Wealth Tax/ Service Tax/ Duty of Custom / Duty of Excise or Value Added Tax are as under:

Sr. No	Name of Statute	Nature of Dues	Amount (In Rs.)	Period to which the amount relates	Forum where dispute is pending
1.	Income Tax Act, 1961	Regular Assessment	71,191	A.Y. 2009-10	ITAT
2.	Income Tax Act, 1961	Regular Assessment	3,601,960*	A.Y. 2010-11	ITAT
3.	Income Tax Act, 1961	Penalty	74,503,573	A.Y. 2011-12	CIT(A)
4.	Income Tax Act, 1961	Regular Assessment	66,798,350	A.Y. 2012-13	CIT(A)

\*The above amount is net off amount paid under protest Rs. 36,067,133/- for A.Y. 2010-11.

(c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- viii. There are no accumulated losses at the end of the financial year and the Company has not incurred cash losses in the current financial year and in immediately preceding financial year.
- ix. According to the information and explanations given to us the Company has not borrowed any money from financial institutions, banks or debenture holder. Accordingly, the provision of clause 3 (ix) of the Order are not applicable to the Company.
- x. According to the information and explanations given to us and the representations made by the management, the Company has not given any Guarantee for loans taken by others from any bank or financial institutions.
- xi. According to the information and explanations given to us and the representations made by the management, the Company has not taken any term loan; accordingly provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. During the course of our examination of the books of accounts carried out in accordance with the generally accepted auditing standards in India and according to the information and explanations given to us, we have not come across any instants of fraud, either noticed or reported during the year, on or by the Company.

For **Chokshi & Chokshi LLP**  
**Chartered Accountants**  
(Firm Registration No. 101872W/W100045)

Place of Signature: Mumbai  
Date: 21/04/2015

**R.S. Chokshi**  
**Partner**  
Membership No. 007498



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SHCIL SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2015**

The preparation of financial statements of SHCIL Services Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 21 April 2015.

I, on the behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of SHCIL Services Limited for the year ended 31 March 2015 and as such have no comments to make under section 143 (6) (b) of the Act.

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

Parama Sen  
Principal Director of Commercial Audit and  
ex-officio Member, Audit Board-I, Mumbai

Place: Mumbai  
Date: 09 June 2015

## BALANCE SHEET AS AT MARCH 31, 2015

	Note	March 31, 2015	March 31, 2014
		₹	₹
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' funds</b>			
Share Capital	2	76,562,500	76,562,500
Reserves and Surplus	3	326,404,409	236,546,153
		<b>402,966,909</b>	<b>313,108,653</b>
<b>Non-current liabilities</b>			
Long Term Provisions	4	1,291,918	598,499
		<b>1,291,918</b>	<b>598,499</b>
<b>Current liabilities</b>			
Trade Payables	6	655,430,344	871,606,161
Other Current Liabilities	7	40,043,971	36,744,123
Short-Term Provisions	8	1,395,420	1,296,076
		<b>696,869,735</b>	<b>909,646,360</b>
<b>TOTAL</b>		<b>1,101,128,562</b>	<b>1,223,353,512</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Fixed Assets	9		
Tangible Assets		9,550,821	4,256,880
Intangible Assets		1,449,568	2,236,940
		<b>11,000,389</b>	<b>6,493,820</b>
Deferred Tax Assets (Net)	5	4,525,736	5,404,153
Long-Term Loans And Advances	10	73,155,790	72,963,825
Other Non-current Assets	11	25,100,001	10,000,001
		<b>113,781,916</b>	<b>94,861,799</b>
<b>Current assets</b>			
Current Investments	12	112,445,080	14,048,762
Trade Receivables	13	554,804,488	595,540,904
Cash And Bank Balances	14	174,483,984	507,850,810
Short-Term Loans And Advances	15	143,120,042	8,264,470
Other Current Assets	16	2,493,052	2,786,767
		<b>987,346,646</b>	<b>1,128,491,713</b>
<b>TOTAL</b>		<b>1,101,128,562</b>	<b>1,223,353,512</b>

The accompanying notes 1 to 34 are an integral part of these financial statements.

As per our Report attached  
For and on behalf of  
**Chokshi & Chokshi LLP**  
Chartered Accountants  
FRN : 101872W/W100045

For and on behalf of Board of Directors

**R.S. Chokshi**  
Partner  
Membership No. 007498

**Manoj Kabra**  
CFO

**Ramesh N.G.S.**  
Non - Executive  
Chairman

**Nitin Jog**  
MD & CEO

**G. Anantharaman**  
Director

Place: Mumbai  
Date: April 21, 2015

**Mitul Palankar**  
Company Secretary

**P.H.Kutumbe**  
Director

**Vineet Potnis**  
Director

**Kalpana Joshi**  
Director

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Note	March 31, 2015	March 31, 2014
		₹	₹
<b><u>REVENUE</u></b>			
Revenue from operations	17	446,153,983	260,969,573
Other Income	18	26,570,032	22,898,487
<b>TOTAL</b>		<b>472,724,015</b>	<b>283,868,060</b>
<b><u>EXPENSES</u></b>			
Employee Benefits Expense	19	29,405,984	25,396,469
Sub - Brokerage Expenses		259,098,494	156,837,988
Depreciation & Amortisation	9	5,032,008	5,470,473
Other expenses	20	43,515,534	35,545,765
<b>TOTAL</b>		<b>337,052,020</b>	<b>223,250,695</b>
Profit before tax		135,671,995	60,617,365
<b>TAX EXPENSE</b>			
Current tax		44,650,000	20,000,000
Deferred tax	33	878,417	1,325,384
<b>PROFIT FOR THE PERIOD</b>		<b>90,143,578</b>	<b>39,291,981</b>
Earnings per equity share (in ₹) (Basic and Diluted)	23	15.62	10.50

The accompanying notes 1 to 34 are an integral part of these financial statements.

As per our Report attached  
For and on behalf of  
**Chokshi & Chokshi LLP**  
Chartered Accountants  
FRN : 101872W/W100045

For and on behalf of Board of Directors

**R.S. Chokshi**  
Partner  
Membership No. 007498

**Manoj Kabra**  
CFO

**Ramesh N.G.S.**  
Non - Executive  
Chairman

**Nitin Jog**  
MD & CEO

**G. Anantharaman**  
Director

Place: Mumbai  
Date: April 21, 2015

**Mitul Palankar**  
Company Secretary

**P.H.Kutumbe**  
Director

**Vineet Potnis**  
Director

**Kalpna Joshi**  
Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015	March 31, 2014
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	135,671,995	60,617,365
Adjustments for:		
Depreciation	5,032,008	5,470,473
Dividend from Mutual Funds	(6,520,488)	(1,027,440)
Deposits written off	-	1,000,000
Interest Income	(17,044,755)	(15,597,770)
(Profit)/ Loss on sale of Fixed Assets	(123,431)	(44,100)
Bad Debts Written off	1,651,510	
Provision for Doubtful Debts	-	(4,113,642)
Operating profit before working capital changes	118,666,839	46,304,886
Adjustments for :		
(Increase)/ Decrease in Trade Receivables	39,084,908	(534,830,622)
(Increase)/Decrease in Short Term Loans and Advances & other Non Current Assets	(151,529,622)	96,197,711
(Increase)/Decrease in Other Current Assets	(7,901)	369
Increase/ (Decrease) in Trade payables and Other Current Liabilities	(212,875,970)	698,744,690
Increase/ (Decrease) in Short Term and Long Term Provisions	792,763	(2,460)
<b>Cash generated from operations</b>	<b>(205,868,983)</b>	306,414,574
Direct Taxes paid	(43,267,915)	(84,708,505)
<b>Net cash (used in)/from operating activities</b>	<b>(249,136,898)</b>	221,706,069
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(9,823,968)	(3,983,054)
Sale of Fixed Assets	123,500	44,100
Purchase of Investments	(98,396,319)	(14,048,762)
Dividends from Mutual Funds	6,520,488	1,027,440
Interest Earned	17,346,371	21,242,355
Bank deposits not considered as cash & cash equivalents (net)	(1,499,998)	12,450,000
<b>Net cash (used in)/from investing activities</b>	<b>(85,729,926)</b>	16,732,079

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015	March 31, 2014
	₹	₹
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Shares	-	99,880,000
Net cash from financing activities	-	99,880,000
<b>NET (DECREASE)/INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>(334,866,824)</b>	<b>338,318,148</b>
Cash and Cash equivalents at the beginning of the year	<b>444,350,808</b>	106,032,660
Cash and Cash equivalents at the end of the year	<b>109,483,984</b>	444,350,808
<b>Notes</b>		
<b>1. Cash &amp; Cash Equivalents</b>		
Cash on Hand	<b>29,019</b>	25,140
Balances with Banks:		
- In Current Accounts	<b>78,987,825</b>	273,478,104
- In Fixed Deposits	<b>30,467,140</b>	170,847,564
<b>Cash &amp; Cash Equivalents considered for Cash flow</b>	<b>109,483,984</b>	444,350,808
<b>Other Bank Balances</b>	<b>65,000,000</b>	63,500,002
<b>Cash and Bank Balances as per Note 14</b>	<b>174,483,984</b>	507,850,810
<b>2. Figures in brackets indicate cash outflow.</b>		

Note :- Above Cash Flow Statement is prepared under indirect method as per AS 3 - 'Cash Flow Statement'.

The accompanying notes 1 to 34 are an integral part of these financial statements.

As per our Report attached  
For and on behalf of  
**Chokshi & Chokshi LLP**  
Chartered Accountants  
FRN : 101872W/W100045

For and on behalf of Board of Directors

**R.S. Chokshi**  
Partner  
Membership No. 007498

**Manoj Kabra**  
CFO

**Ramesh N.G.S.**  
Non - Executive  
Chairman

**Nitin Jog**  
MD & CEO

**G. Anantharaman**  
Director

Place: Mumbai  
Date: April 21, 2015

**Mitul Palankar**  
Company Secretary

**P.H.Kutumbe**  
Director

**Vineet Potnis**  
Director

**Kalpna Joshi**  
Director

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### 1 Corporate Information

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's registered office is at Mahape, Navi Mumbai.

With effect from 28th March, 2014 Stock Holding Corporation of India Ltd. (SHCIL) - the Holding Company, has become a subsidiary of IFCI Ltd. and hence IFCI Ltd. is the Ultimate Holding Company for SHCIL Services Ltd. from the said date.

#### Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles (GAAP) in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply with all material aspects of the accounting standards notified under the Companies (Accounting Standard) Amendment Rules, 2011 and the relevant provisions of the Companies Act, 2013. Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the company.

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 III to the Companies Act, 2013. 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.

#### Significant Accounting Policies

##### (a) 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.

##### (b) 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 :

- i) All 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.
- ii) Dividend is recognized when the company's right to receive dividend is established by the reporting date.
- iii) 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.
- iv) Charges collected on cheques dishonored/bounced are recognized on actual basis.

##### (c) 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.

**(d) Depreciation :**

With effect from 1st April, 2014 , depreciation on fixed assets is calculated on a straight line method basis using the rates arrived at based on the useful lives estimated by the management or those prescribed under the Schedule II to the Companies Act, 2013, whichever is higher. The company has used the following rates to provide depreciation on its fixed assets w.e.f.1st April, 2014.

Particulars	Useful life w.e.f. 01.04.2014	Useful life upto 31.03.2014
	Residual value NIL	Residual value 5%
1. Plant and Machinery	15	20
2. Furniture and Fixtures	10	15
3. Electrical Installations and Equipment	10	20
4. Office Equipment	5	20
5. Motor Car	3	3
6. Mobiles	2	20
7. Computer Hardware :		
(a) Servers and Network	4	3
(b) End user devices such as Desktops, Laptops etc.	3	3
8. Computer Software	3	3

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

Depreciation rates applied by the company on Motor Car, Mobiles and Servers and Network are higher than those prescribed by the Companies Act, 2013 in view of higher wear and tear and rapid change in technology applicable to those assets.

Residual value of the fixed assets at the end of their useful life has been considered as NIL.

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

**(e) 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.

**(f) 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.

### **(g) 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.

### **(h) 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 that there is reasonable certainty that sufficient taxable profits will be available in future against which the deferred tax assets can be realised. In the event of unabsorbed depreciation and carry forward losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of Profit and Loss and shown as “MAT Credit Entitlement.”The Company reviews the “MAT Credit Entitlement” asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.”

### **(i) Provisions**

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.

### **(j) 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. The company does not recognize a contingent liability but discloses its existence in the financial statements.

### **(k) Securities held as collateral**

Securities held as collateral and in the process of transfer to / from client / exchange are not recorded in the accompanying financial statements.

### **(l) 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 the plan is determined on the basis of actuarial valuation using the projected unit credit method at each year end. Actuarial gains and losses 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 twelve 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 twelve 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.

**(m) Earning per share**

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

**(n) Cash and cash equivalents**

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015		March 31, 2014	
	Number	₹	Number	₹
<b>2 SHARE CAPITAL</b>				
<b>(A) Authorised, Issued, Subscribed and Paid up</b>				
<b><u>Authorised</u></b>				
Equity Shares of ₹ 10 each fully paid	18,000,000	180,000,000	18,000,000	180,000,000
7% Non-Cumulative Convertible Preference Shares of ₹ 10 each fully paid	2,000,000	20,000,000	2,000,000	20,000,000
	<u>20,000,000</u>	<u>200,000,000</u>	<u>20,000,000</u>	<u>200,000,000</u>
<b><u>Issued, Subscribed and Paid up</u></b>				
Equity Shares of ₹ 10 each fully paid	5,770,000	57,700,000	5,770,000	57,700,000
7% Non-Cumulative Convertible Preference Shares of ₹ 10 each fully paid	1,886,250	18,862,500	1,886,250	18,862,500
<b>Total</b>	<u>7,656,250</u>	<u>76,562,500</u>	<u>7,656,250</u>	<u>76,562,500</u>
<b>(B) Reconciliation of shares outstanding at the beginning and end of the period</b>	<b>Number</b>	<b>₹</b>	<b>Number</b>	<b>₹</b>
<b>Equity Shares</b>				
Shares outstanding at the beginning of the year	5,770,000	57,700,000	3,500,000	35,000,000
Add: Shares issued during the period	-	-	2,270,000	22,700,000
Shares outstanding at the end of the period	<u>5,770,000</u>	<u>57,700,000</u>	<u>5,770,000</u>	<u>57,700,000</u>
<b>Preference Shares</b>				
Shares outstanding at the beginning of the year	1,886,250	18,862,500	1,886,250	18,862,500
Add: Shares issued during the period	-	-	-	-
<b>Shares outstanding at the end of the period</b>	<u>1,886,250</u>	<u>18,862,500</u>	<u>1,886,250</u>	<u>18,862,500</u>

**(C) Terms/rights attached to shares****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 year ended March 31, 2015.

**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 a 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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### (D) Details of shares held by holding company and shareholders holding more than 5% shares in the company

Name of Shareholder	March 31, 2015		March 31, 2014	
	Number	%	Number	%
<b>Equity Shares</b>				
SHCIL	5,769,993	99.99	5,769,993	99.99
<b>Preference Shares</b>				
SHCIL	1,886,250	100	1,886,250	100

### (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 buyback of shares.

	March 31, 2015 ₹	March 31, 2014 ₹
<b>3 Reserves and Surplus</b>		
<b><u>Securities Premium Account</u></b>		
Opening balance	77,180,000	-
Add : Premium on issue of shares on preferential basis	-	77,180,000
Closing Balance	77,180,000	77,180,000
<b><u>Surplus in Statement of Profit and Loss</u></b>		
Opening balance	159,366,153	120,074,172
Less: Depreciation Adjustment (Refer Note 9 and Note 30)	285,322	-
	159,080,831	120,074,172
Add : Net Profit/(Loss) for the period	90,143,578	39,291,981
Closing Balance	249,224,409	159,366,153
<b>Total</b>	<b>326,404,409</b>	<b>236,546,153</b>
<b>4 LONG TERM PROVISIONS</b>		
Provision For Employee Benefits		
- Provision for compensated absences	1,291,918	598,499
<b>Total</b>	<b>1,291,918</b>	<b>598,499</b>
<b>5 Deferred Tax (Net)*</b>		
<b><u>Deferred Tax (Liability) / Asset</u></b>		
Timing difference due to depreciation as per Income Tax and Companies Act	3,470,579	4,709,774
Provision for Retirement Benefits - Deputed Employees	461,271	345,856
Provision for Compensated Absences/Leave Encashment	462,765	223,363
Provision for Doubtful Debts	131,121	125,160
<b>Total</b>	<b>4,525,736</b>	<b>5,404,153</b>

\* Also refer note 33

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ₹	March 31, 2014 ₹
<b>6 TRADE PAYABLES</b>		
Due to Micro, Small and Medium Scale Enterprises (Refer Note 22)	-	-
Dues to holding company - sub brokerage	18,152,413	15,515,558
Dues to other Sub Brokers	563,320	470,143
Client Dues (Includes amount due on settlement to Clients and to Professional Clearing Member for Fand Segment) Refer Note 29	636,714,611	855,620,460
<b>Total</b>	<b>655,430,344</b>	<b>871,606,161</b>
<b>7 Other Current Liabilities</b>		
Margin Deposits from holding company as sub broker	20,000,000	20,000,000
Dues to holding company - Others	5,072,250	4,803,317
Statutory Dues including PF and TDS (Includes amount due on settlement - Refer Note 29)	3,375,258	3,052,468
Employee Benefits payable	5,387,098	4,086,312
Retention Money	188,361	165,416
Other Liabilities		
-Provision for expenses	1,333,810	1,225,930
-Others	4,687,194	3,410,680
<b>Total</b>	<b>40,043,971</b>	<b>36,744,123</b>
<b>8 SHORT TERM PROVISIONS</b>		
Provision for employee benefits		
- Provision for employee benefits for deputed employees	1,357,079	1,065,975
- Provision for gratuity	(31,216)	140,164
- Provision for compensated absences	69,557	89,937
<b>Total</b>	<b>1,395,420</b>	<b>1,296,076</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### 9 FIXED ASSETS

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK		
	As at 01.04.14 ₹	Additions ₹	Deletions ₹	As at 31.03.15 ₹	Upto 31.03.14 ₹	For the Period ₹	On Deletions ₹	Upto 31.03.15 ₹	As at 31.03.15 ₹	As at 31.03.14 ₹
<b>A Tangible Assets</b>										
Leasehold Improvements	20,273,432	-	-	20,273,432	20,273,412	-	-	20,273,412	20	20
Furniture and Fixtures	603,710	-	-	603,710	243,851	106,760	-	350,611	253,099	359,859
Office Equipments	651,862	59,000	-	710,862	282,388	335,396	-	617,784	93,078	369,474
Mobiles	74,918	-	-	74,918	18,182	51,025	-	69,207	5,711	56,736
Motor Car	2,627,628	-	-	2,627,628	1,322,284	615,481	-	1,937,765	689,863	1,305,344
Computer Hardware	7,846,646	2,310,080	1,490,399	8,666,327	5,845,951	1,511,011	1,490,353	5,866,609	2,799,718	2,000,695
Servers and Network	26,274,042	6,784,478	2,033,830	31,024,690	26,109,290	1,239,875	2,033,807	25,315,358	5,709,332	164,752
<b>Total Tangible Assets</b>	<b>58,352,238</b>	<b>9,153,558</b>	<b>3,524,229</b>	<b>63,981,567</b>	<b>54,095,358</b>	<b>3,859,548</b>	<b>3,524,160</b>	<b>54,430,746</b>	<b>9,550,821</b>	<b>4,256,880</b>
<b>B Intangible Assets</b>										
Computer Software	31,396,353	670,410	-	32,066,763	29,159,413	1,457,782	-	30,617,195	1,449,568	2,236,940
<b>Total Intangible Assets</b>	<b>31,396,353</b>	<b>670,410</b>	<b>-</b>	<b>32,066,763</b>	<b>29,159,413</b>	<b>1,457,782</b>	<b>-</b>	<b>30,617,195</b>	<b>1,449,568</b>	<b>2,236,940</b>
<b>Grand Total</b>	<b>89,748,591</b>	<b>9,823,968</b>	<b>3,524,229</b>	<b>96,048,330</b>	<b>83,254,771</b>	<b>5,317,330</b>	<b>3,524,160</b>	<b>85,047,941</b>	<b>11,000,389</b>	<b>6,493,820</b>
As At March 31, 2014	89,748,591	3,983,054	106,546	89,748,591	77,890,844	5,470,473	106,546	83,254,771	6,493,820	-

\* Depreciation For the Period" includes depreciation on assets whose remaining useful life is NIL as on April 1, 2014. ₹ 285,322 which has been debited to retained earnings in accordance with Schedule II of the Companies Act, 2013.

	Amount in ₹
Office Equipments	240,999
Mobiles	44,323
	<b>285,322</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ₹	March 31, 2014 ₹
<b>10 LONG TERM LOANS AND ADVANCES</b>		
<u>Unsecured, considered good unless otherwise stated</u>		
Security and Other Deposits		
Base capital deposit with Exchanges	14,625,000	13,625,000
Deposits with PCM	1,200,000	200,000
Security deposit - Others	174,295	600,245
Advance Tax (Net of Taxes)	57,156,495	58,538,580
<b>Total</b>	<b>73,155,790</b>	<b>72,963,825</b>
<b>11 OTHER NON CURRENT ASSETS</b>		
Long Term deposits with banks with original maturity period more than 12 months	25,100,001	10,000,001
Long term deposits include fixed deposit aggregating to ₹ 10,000,001 (As at Mar 14 ₹ 10,000,001) kept as margin deposits with the stock exchanges		
	<b>25,100,001</b>	<b>10,000,001</b>
<b>12 CURRENT INVESTMENTS</b>		
<u>Daily Dividend Plan of Liquid Schemes of Mutual Funds</u>		
14,034.43 Units at ₹ 1,001.0209 of IDBI Liquid Fund (March 14 : 14,034.43 Units at ₹ 1,001.0209)	-	14,048,762
32,832.302 Units at ₹ 1,098.00 of LIC Nomura Liquid Fund	36,049,868	-
503.843 Units at ₹ 1,001.12 of Baroda Pioneer Mutual Fund	504,407	-
25,421.84 Units at ₹ 1,003.25 of SBI Premier Liquid Fund	25,504,461	-
27,63,936.797 Units at ₹ 10.1982 of HDFC Mutual Fund	28,187,180	-
2,21,866.286 Units at ₹ 100.0565 of ICICI Mutual Fund	22,199,164	-
<b>Total</b>	<b>112,445,080</b>	<b>14,048,762</b>
<b>13 TRADE RECEIVABLES (UNSECURED)</b>		
<u>Outstanding for a period exceeding six months</u>		
Considered Good	5,014,785	4,070,548
Less: Considered doubtful & written off	1,651,510	-
(₹ 3363275/- receivable from M/s. SHCIL)	* 3,363,275	4,070,548
<u>Other Debts</u>		
Considered Good - Client Dues (Includes amount due on Settlement from clients and from exchanges - Refer Note 31)	551,441,213	591,470,356
Considered Doubtful	-	-
	<b>551,441,213</b>	<b>591,470,356</b>
<b>Total</b>	<b>554,804,488</b>	<b>595,540,904</b>

\*In term of agreement with SHCIL, any amount not received from clients is to be borne by SHCIL. Accordingly this amount represents as receivable from SHCIL and subject to confirmation from the holding company

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ₹	March 31, 2014 ₹
<b>14 CASH AND BANK BALANCES</b>		
<u>Cash and Cash Equivalents</u>		
Cash in hand	29,019	25,140
Balances with banks		
- In Current Accounts	78,987,825	273,478,104
- In Fixed Deposits with original maturity less than 3 months	30,467,140	170,847,564
<u>Other Bank Balances</u>		
In Fixed Deposits (more than 3 months but less than 12 months maturity)	65,000,000	63,500,002
Other Bank Balances include fixed deposits aggregating ₹ 65,000,000 (As at March 14 ₹ 63,500,003) kept as margin deposits with the stock exchanges		
<b>Total</b>	<b>174,483,984</b>	<b>507,850,810</b>
<b>15 SHORT-TERM LOANS AND ADVANCES</b>		
<u>Secured, considered good</u>		
Advances for Margin Trading	2,734,571	3,186,438
<u>Unsecured, considered good unless otherwise stated</u>		
Prepayments	3,996,106	3,076,352
Margin Deposit FandO - SHCIL	54,407,667	1,001,830
Margin Deposit with Exchanges	61,867,787	875,000
Margin Deposit with PCM	20,000,000	-
Other Advances	346,911	357,850
Less: Provision for doubtful advances	233,000	233,000
	113,911	124,850
<b>Total</b>	<b>143,120,042</b>	<b>8,264,470</b>
<b>16 Other Current Assets</b>		
Accrued interest on fixed deposit	2,480,964	2,782,580
<u>Other Assets</u>		
Considered Good	12,088	4,187
Considered Doubtful	385,762	385,762
	397,850	389,949
Less: Provision for doubtful debts	385,762	385,762
	12,088	4,187
<b>Total</b>	<b>2,493,052</b>	<b>2,786,767</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ₹	March 31, 2014 ₹
<b>17 REVENUE FROM OPERATIONS</b>		
Brokerage	445,400,219	260,564,000
Other operating income	753,764	405,573
<b>Total</b>	<b>446,153,983</b>	<b>260,969,573</b>
<b>18 OTHER INCOME</b>		
Dividend on Mutual Funds and Others	6,520,488	1,027,440
Interest on Fixed Deposits	17,044,755	15,597,770
Interest on Margin Trading	536,843	214,208
Profit on sale of assets	123,431	44,100
Profit on sale of shares (Net)	2,267,212	-
Provisions written back	-	4,113,642
Miscellaneous income	77,303	1,901,327
<b>Total</b>	<b>26,570,032</b>	<b>22,898,487</b>
<b>19 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, allowances and bonus	27,274,442	23,215,439
Contribution to provident fund and other funds	984,786	979,013
Staff welfare expenses	1,146,756	1,202,017
<b>Total</b>	<b>29,405,984</b>	<b>25,396,469</b>
<b>20 Other Expenses</b>		
Exchange expenses	334,069	164,580
Bank Charges	290,674	258,430
Connectivity charges	386,316	252,045
Depository charges	139,329	124,692
Electricity charges	1,977,149	1,956,260
Office expenses	3,014,400	2,270,865
Outsourcing expenses	7,753,286	6,540,711
Postage and courier	1,581,969	1,660,623
Printing and stationery	3,077,445	2,717,737
Rent and taxes	3,086,774	2,328,000
Repairs and maintenance	11,520,874	10,034,345
Telephone and communication	487,641	432,887
Travelling and conveyance	950,107	738,331
Advertisement	119,629	93,758
Directors sitting fees	600,000	125,000
Insurance	1,514,251	1,599,142
Legal fees	80,000	223,000
Deposits written off	-	1,000,000
Professional fees**	3,148,297	2,155,582
CSR Expenses *	1,100,000	-
Miscellaneous expenses	400,250	748,699
Loss on sale of shares	-	69,301
Loss on trading activity	72,114	51,777
Bad Debts written off	1,651,510	-
Prior Period Expenses	229,450	-
<b>Total</b>	<b>43,515,534</b>	<b>35,545,765</b>

\* CSR amount has been paid to M/s. SHCIL Foundation Trust. The CSR activities of the Trust include Eradicating hunger, Poverty; Promoting Healthcare, Education & Sanitation; Ensuring environmental sustainability, etc.

\*\* Inclusive of Auditor remuneration Refer note 25



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### 21 CONTINGENT LIABILITIES(INCLUDING PENDING LITIGATION)

Name of Statute	Nature of Dues	Amount	Period (A.Y.)	Forum	Year of Original Order	Year of Appllete Order
Income Tax Act, 1961	Regular Assessment	71,191	2009-10	ITAT	2011	2012
Income Tax Act, 1961	Regular Assessment	3,601,960*	2010-11	ITAT	2013	2014
Income Tax Act, 1961	Penalty	74,503,573	2011-12	CIT(A)	2014	-
Income Tax Act, 1961	Regular Assessment	66,798,350	2012-13	CIT(A)	2015	-
Income Tax Act, 1961	Regular Assessment	Nil**	2011-12	ITAT	2014	2015

\*The above amount is net off amount paid under protest Rs. 3,60,67,133/- for A.Y. 2010-11.

\*\*Demand reduced to refund as per rectification.

### 22 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, 2015 on account of principal amount together with interest is NIL. (Previous year NIL)

### 23 EARNINGS PER SHARE

	March 31, 2015 ₹	March 31, 2014 ₹
i) Net Profit as per Statement of Profit and Loss available for Equity Shareholders	90,143,578	39,291,981
ii) No. of Equity Shares :		
No. of shares as at April 1, 2014	5,770,000	3,500,000
Add: Shares Allotted during the period	-	2,270,000
No. of shares as as March 31, 2015	5,770,000	5,770,000
Weighted average no. of shares	5,770,000	3,742,548
iii) Basic and Diluted Earning Per Share	15.62	10.50

### 24 LEASES

The Company has entered into Operating Lease Agreement with SHCIL for 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 two years and two months, w. e. f. from April 1, 2013 purely as a License-cum-Allottee of office space, without having any right, title or interest upon the demised premises.
- UTI Building, Fort, Mumbai, whereby SHCIL had 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 March 1, 2014 purely as a License-cum-Allottee of office space, without having any right, title or interest upon the demised premises.

	March 31, 2015 ₹ Minimum payments	March 31, 2014 ₹ Minimum payments
Within one year	418,000	1,968,000
After one year but not more than five years	540,000	328,000
More than five years	-	-
Total minimum lease payments	958,000	2,296,000
Lease payments recognised in the Profit and Loss Account	3,086,774	2,328,000

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## 25 AUDITOR'S REMUNERATION (EXCLUDING SERVICE TAX)

	March 31, 2015 ₹	March 31, 2014 ₹
<b>As auditor</b>		
Audit Fees	*667,000	400,000
Tax Audit Fees	100,000	100,000
<b>In other capacity</b>		
Taxation matters	-	336,500
Out of pocket expenses	**29,264	5,265
<b>Total</b>	<b>796,264</b>	<b>841,765</b>

\*1,00,000/- relates to previous Auditors

\*\*14,036/- relates to previous Auditors

## 26 RELATED PARTY DISCLOSURES

## A. The related parties for SSL as per the new Companies Act would inter-alia include the following

## (a) Holding Company of SSL

SHCIL

IFCI LIMITED

## (b) Associate Company of SSL

SHCIL Projects Limited (subsidiary of SHCIL)

## (c) Key Management Personnel of SSL

1. Shri.Nitin Jog, Managing Director and Chief Executive Officer
2. Shri Manoj Kabra - Chief Financial Officer
3. Shri Mitul Palankar - Company Secretary

## B. Particulars of Transaction with Related Parties

Year ended March 31, 2015 (₹)

Year ended March 31, 2014 (₹)

Nature of Transaction	Holding Company	Key Managerial Personnel and their Relatives	Fellow Subsidiaries
Service charges received	1,767,291	-	-
Previous Period	1,794,550	-	-
Brokerage Income	4,522,084	-	-
Previous Period	141,052	-	-
Outsourcing Expenses	-	-	4,369,751
Previous Period	-	-	3,339,105
Sub- Brokerage Expenses	258,593,920	-	-
Previous Period	154,679,641	-	-
Reimbursement of Expenses (Net)	10,592,060	-	1,454,579
Previous Period	8,947,821	-	784,169
Capital Purchases	-	-	-
Previous Period	-	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Nature of Transaction	Holding Company	Key Managerial Personnel and their Relatives	Fellow Subsidiaries
Advances given	-	-	-
<i>Previous Period</i>	1,001,830	-	-
Sitting Fees	**13,500		
<i>Previous Period</i>	-		
Salary / Deputation Cost of Employees	7,277,781	*2,615,326	-
<i>Previous Period</i>	6,732,669	*1,821,417	-
<b>Outstanding balances :</b>			
Trade and other payable	24,521,213	-	1,139,356
<i>Previous Period</i>	16,362,712	-	323,390
Trade and other receivable	1,296,550	-	-
<i>Previous Period</i>	-	-	-
Deposits payable	20,000,000	-	-
<i>Previous Period</i>	20,000,000	-	-
Deposits receivable	74,407,667	-	-
<i>Previous Period</i>	-	-	-

\* Salary paid to the CFO and Company Secretary

\*\* Payment made to IFCI Ltd. Rest of the payments in this column are paid to SHCIL.

### 27 MANAGERIAL REMUNERATION

Particulars	March 31, 2015 ₹	March 31, 2014 ₹
Salary, Allowances and Incentives (Including Service tax : CY ₹ 3,25,198/- ; PY ₹ 3,78,468/-)	<b>2,856,985</b>	2,989,979
Contribution to Provident Fund	<b>99,264</b>	91,918
Contribution to Retirement Benefits	<b>154,409</b>	142,974
<b>Total</b>	<b>3,110,658</b>	3,224,871

### 28 EMPLOYEE BENEFITS

**A** The Company has recognized the following amounts in the statement of Profit and Loss for the year:

Particulars	March 31, 2015 ₹	March 31, 2014 ₹
Contribution to Employees' Provident Fund	<b>482,978</b>	602,494
Contribution to Employees' Pension Scheme	<b>350,449</b>	201,816
Contribution to Employees' Superannuation Fund	<b>57,542</b>	66,648

**B** Defined Benefit Plans and 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:

Particulars	March 31, 2015 %	March 31, 2014 %
Discount Rate	<b>7.80</b>	9.31
Rate of Return on plan Assets	<b>8.70</b>	8.70
Salary Escalation	<b>5.00</b>	5.00

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## i) Change in Benefit Obligation

Particulars	March 31, 2015 ₹	March 31, 2014 ₹
Liability at the beginning of the year	769,088	851,349
Interest Cost	71,602	70,236
Current Service Cost	181,895	166,403
Benefit paid from the Fund	(72,787)	(329,458)
Actuarial (gain)/loss on obligations	269,822	10,558
Liability at the end of the year	1,219,620	7,69,088

## ii) Fair value of Plan Assets

Particulars	March 31, 2015 ₹	March 31, 2014 ₹
Fair Value of Plan Assets at the beginning of the year	628,924	722,441
Expected Return on Plan Assets	67,327	62,852
Contributions	616,338	170,546
Benefit Paid in the Normal Course	(72,787)	(329,458)
Actuarial Gain/(Loss) on Plan Assets	11,034	2,543
Fair Value of Plan Assets at the end of the year*	1,250,836	628,924
Total Actuarial Gain/(Loss) to be recognised	11,034	2,543

\* As of date of signing the financial statements, the fund balance is awaited from LIC and the same is taken based on actuarial valuation.

## iii) Actual Return on Plan Assets

Particulars	March 31, 2015 ₹	March 31, 2014 ₹
Expected Return on Plan Assets	67,327	62,852
Actuarial Gain/(Loss) on Plan Assets	11,034	2,543
Actual Return on Plan Assets	78,361	65,395

## iv) Amount Recognized in the Balance Sheet

Particulars	March 31, 2015 ₹	March 31, 2014 ₹
Fair Value of Plan Assets at the end of the year	1,250,836	628,924
Liability at the end of the year	(1,219,620)	(769,088)
Funded Status	31,216	(140,164)
Unrecognised Past Service Cost	-	-
Unrecognised Transition Liability	-	-
Amount Recognised in the Balance Sheet	31,216	(140,164)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### v) Expenses Recognized in the Income Statement

Particulars	March 31, 2015 ₹	March 31, 2014 ₹
Current Service Cost	181,895	166,403
Interest Cost	71,602	70,236
Expected Return on Plan Assets	(67,327)	(62,852)
Actuarial Gain or Loss	258,787	8,015
Expense Recognised in P & L	444,958	181,802

### vi) Category of Assets at the end of the year

Particulars	March 31, 2015 ₹	March 31, 2014 ₹
Insurer Managed Fund*	12,50,836	6,28,924

\* Based on the data available with Company, individual Investment in portfolio or investment structure of portfolio which are managed by LIC are not available as on the Balance Sheet date.

### vii) Experience Adjustment

Gratuity	March 31, 2015 ₹	March 31, 2014 ₹	March 31, 2013 ₹	March 31, 2012 ₹	March 31, 2011 ₹
Liability at the end of the year	1,219,620	769,088	851,349	792,766	Nil
Fair Value of Plan Assets at the end of the year	1,250,836	628,924	726,617	911,702	Nil
Surplus/(Deficit)	31,216	(140,164)	(124,732)	118,936	Nil
Actuarial Gain/(Loss) on Plan Asstes	11,034	2,543	6,382	47,219	Nil
Actuarial Gain/(Loss) on Obligations	269,822	10,558	(27,077)	(8,376)	Nil
Compensated Absences					Nil
Defined Benefit Obligation	990,721	688,436	863,597	978,533	Nil
Experience Adjustment on Plan Liabilities [(Gain)/Loss]	427,280	Nil	Nil	Nil	Nil

## 29 AMOUNTS DUE ON SETTLEMENT

Particulars	March 31, 2015 (Due To) / Due From ₹	March 31, 2014 (Due To) / Due From ₹
Amounts (Due to) / Due from : Clients	(327,387,314) 282,445,228	(497,371,890) 245,179,083
Exchange / Professional Clearing Member	(103,748,239) 98,878,271	(23,698,435) 282,551,564
Government - Taxes	(1,406,053)	(1,772,100)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

**30 CHANGE IN ESTIMATED USEFUL LIFE OF FIXED ASSETS**

Pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014 the Company has changed the estimated useful life of its fixed assets. Hitherto the Company was depreciating its assets as per rates / useful life provided in Schedule XIV to the Companies Act, 1956 on a Straight Line basis.

**31 CAPITAL COMMITMENTS**

Estimated amount of contracts to be executed on capital account, not provided for - ₹ 11,00,000/- (previous year - ₹ 6,088,290).

**32** The Company operates only in one segment i.e. stock broking and hence there are no reportable segments as defined in Accounting Standard (AS -17) on "Segment Reporting".

**33 Deferred Tax (Asset) / Liability**

Particulars	March 31, 2015 ₹	March 31, 2014 ₹
Opening Balance	(5,404,153)	(6,729,537)
Adjustment due to timing difference	878,417	1,325,384
Closing Balance	(4,525,736)	(5,404,153)

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



