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25th Annual Report
2019-20

Board of SHCIL Services Limited



Ramesh N. G. S.
Non-Executive Chairman



G Anantharaman
Independent Director



D. C. Jain
Independent Director



Umesh Punde
Director



Amit Dassi
Director



Sarala Menon
Director



Sanjay Pote
MD & CEO

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BOARD OF DIRECTORS (AS ON JULY 20, 2020)

Ramesh N.G.S.	Non - Executive Chairman
G. Anantharaman	
D. C. Jain	
Umesh Punde	
Amit Dassi	
Sarala Menon	
Sanjay Pote	Managing Director & CEO
Rajneesh Singh	Company Secretary
Statutory Auditors	L. S. Nalwaya & Co., Chartered Accountants, Mumbai
Internal Auditors	Kochar & Associates, Chartered Accountants, Mumbai
Concurrent Auditors	Kalyaniwala & Mistry LLP, Chartered Accountants, Mumbai
Compliance Auditors	Mehta Sanghvi & Associates, Chartered Accountants, Mumbai
Secretarial Auditors	SVVS & Associates Company Secretaries LLP, Navi Mumbai
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 Web: www.shcilservices.com
Mumbai Office:	12/14, UTI Building, Bank Street, Cross Lane, Near Old Custom House, Fort, Mumbai - 400 023 Tel: 91 - 22 2262 2713

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the Twenty Fifth Annual Report of your Company along with the Audited Statement of Accounts for the financial year ended March 31, 2020.

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

During the year ended March 31, 2020, your company earned gross total income of Rs. 5304.90 lakhs which was higher by 4% as compared to previous year. The Profit after tax was Rs. 600.48 lakhs down by 46% as compared to previous year mainly due to provision made in the current year. The financial results are summarized below:

	(₹ In lacs)	
Particulars	2019-20	2018-19
Total Income	5304.90	5,098.50
Total Expenditure	4658.52	3,908.34
Profit/(Loss) Before Tax	646.38	1,190.16
Profit/(Loss) After Tax	600.48	858.90
Total Comprehensive Income	593.37	858.10
Net Worth	6935	6,603
Book Value per Equity Share (₹)	113.88	108.42
Earnings per share (₹)	9.86	14.10

Dividend

The Board of Directors are pleased to recommend a final dividend of Rs. 4 per equity share (40%) of face value of Rs.10/- each for the financial year ended March 31, 2020. The dividend payment is subject to approval of members at the ensuing Annual General Meeting. This dividend shall be subject to dividend distribution tax to be paid by Company.

Transfer to reserves

The Company does not propose to transfer any amount to the general reserve. An amount of Rs. 593.37 lakhs is retained in the Profit & Loss Account.

Economic and capital market development

Global growth has hit unprecedented depths of despair amidst COVID-19 with substantial risks of even more severe outcomes. IMF's World Economic Outlook projects global output in 2020 to contract by 3 per cent with output of advanced countries contracting more than emerging market and developing economies. Global Lockdown saw major indices of manufacturing and services across countries declining to record lows on the back of supply-side disruptions. Real GDP in the US declined 4.8 per cent in the first quarter of 2020, due to contraction in consumer spending and stoppage of output. Unemployment rate surged sharply to 14.7 per cent in April 2020 as against 4.4 per cent in March 2020. Global energy prices plunged, Euro zone consumer confidence and UK retail spending fell, signalling the onset of a demand crisis.

The Indian economy expanded 3.1 percent year-on-year in the first quarter of 2020, slowest GDP growth since 2004, as the country imposed a nationwide lockdown from 24th March, 2020 aiming to contain the spread of the coronavirus. India's government fiscal expenditure dropped 0.2 percent year-on-year to INR 5.12 trillion in April-May of the fiscal 2020-2021. Manufacturing and services activity came to a standstill resulting in supply side disruptions and demand falling to unprecedented lows that lead into PMI indices going into a free fall. Agriculture and allied activities, however, showed continued resilience on the back of all-time production highs and huge buffer stocks.

Governments and Central Banks have responded by announcing stimulus packages and liquidity injections. On 12th May, 2020, the Prime Minister of India announced a package of Rs. 20 lakh crore for the country, amounting to 10 per cent of GDP, inclusive of all previous liquidity support by RBI and fiscal stimulus by the government. However, banks response remained lukewarm and credit to commercial sector continued to see muted growth.

Historically, the India SENSEX Stock Market Index reached an all-time high of 42273.87 in January of 2020. January-March saw Nifty 50 tumble 29.3 percent to as low as 7511.10 level, the worst quarter since 1992. It was the worst ever drop for the Sensex, which tumbled 28.57 percent during the period. However, largest gains in April 2020 were witnessed by optimism over lockdown easing in major global economies, stimulus packages by Central Banks and governments and encouraging COVID-19 drug trial results in the US. The FMCG firms gained in each of the first three months of the year while all other sectoral indices fell in March, led by Nifty media, realty, bank, auto and metal indices.

Operations review

Your Company is in the business of Stock Broking and is a member of BSE- Cash, NSE-Cash, Derivatives, Currency Derivatives and MCX commodities segment. The Stock Broking services are offered to both retail investors and institutional clients. To achieve better growth and improve its product offering your company has forwarded its application for the Depository Participant license of Central Depository Services India Limited (CDSL).

After a successful up gradation of the Online & Mobile Trading Platform, your company has further invested in the overhauling its Back-Office by shifting it to newer advanced software which has additional features to streamline the processes and allow dynamic structuring of the systems. With the improved trading & operation platforms, your Company is actively looking to enhance the business through Alternate Channel Partners in the Retail space and Foreign Portfolio Investors in the Institutional space.

Your Company is leveraging on the technology and digital platforms which are the key initiatives for revenue generation. Over the past year, your company has undertaken several initiatives to enhance customer service viz. introduction of Margin Trading facility, online onboarding of customers through online onboarding, Mobile/ Online Trading Platform, Online/Mobile Application and

WhatsApp Services for Back Office reports for clients. SSL has re-engineered its business model as well as its approach towards clients. SSL is aggressively targeting its reach through increase in APs through its promoter Stock Holding under a Master Franchise agreement. Your company has launched various promotional schemes for activation of dormant clients which has yielded good results and doubled the dormant client's activation. Your company also has proper system of client's grievance redressal mechanism, through which the complaints are resolved promptly.

Impact on Business in view of COVID-19

The spread of the COVID-19 pandemic and the adverse impact on the businesses and economies are unprecedented. The world over is facing one of the most challenging times amidst Covid-19 pandemic. However, during the lockdowns since March 2020, as announced by the Central and State Governments to curb the rapid spread of the virus, your Company has shown efficient adaptation and effective resilience to minimise the impact of this unforeseen business disruption. Your Company has ensured smooth functioning of all critical business activity and has undertaken the following steps to ensure smooth continuity of business:

Implementation of Work from Home

In view of Covid-19 your Company has followed the guidelines and directives of the Government and has encouraged and enabled 'Work from Home' amongst its workforce thus ensuring their safety and well-being. Only the most critical / essential staff are coming to work at office. SSL has provided need based secured Virtual Private Network (VPN) connectivity to its employees to handle business activities from home i.e. Work from Home (WFH). Due to the WFH facility all the functions of the organisation are working smoothly. The various internal and other meetings are carried out on video conferencing/virtual meetings. The other meetings if any are conducted with social distancing norms. The Company has adopted the prescribed standard operating procedure for working in office.

As Stock Exchange related activities were declared as part of essential services, the offices and branches were opened and maintained with minimum staffs and the guidelines of the Statutory Authorities at local levels were adhered to. With the relaxation in lockdowns, the offices and branches are functioning within the guidelines of the local Government authorities.

Digital initiatives

With the advent of Covid 19, your Company has been adding further impetus to its digital strategy and leveraging its digital platform to provide seamless service to the customers. Your Company has a number of digital platforms for trading, onboarding and has launched aggressive steps to onboard the customers on its digital platforms. Your Company has been educating the branches by conducting webinars on the features of the Digital Platforms to encourage the clients to move to digital platforms.

Business Profitability

Due to lockdown, there was no significant impact on business in the months of April - June, 2020. With help of digital initiatives and increase in Stockmarket transactions, the income of your Company for the first three months is up by impressive 43%. While, it is too early to assess the

magnitude of impact of COVID-19 on business profitability, your Company is taking all possible measures to generate businesses using digital means, cost rationalisation and other measures to lessen the impact to the extent possible.

Subsidiaries

Your Company does not have any subsidiary.

Details to be reported u/s 134 (3) (ca) of the Companies Act, 2013

The details of the one incident of fraud noticed/ reported by Auditors and corrective actions taken were provided in detail in the last year's Annual Report of 2018-19.

Directors Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(5) of the Companies Act, 2013 and confirm that:

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any
- (b) 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, 2020 and of the profit of the Company for the year ended on that date;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) proper internal financial controls were in place and such financial controls are adequate and operating effectively.
- (f) systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Internal Financial Controls

The Company had laid down internal financial controls to be followed by the company and such internal financial controls are adequate and were operating effectively. The internal audit in addition to ensuring compliance to policies, regulations, processes etc., also test and report adequacy of internal financial controls with reference to financial reporting/statements.

Directors and Key Managerial Personnel (KMP)

Shri Ramesh N.G.S. is the Non-Executive Chairman and Shri Sanjay Pote is MD & CEO of your Company. Your Company has seven Directors which include one Woman Director and two Independent Directors.

During the year, on the recommendation of Nomination and Remuneration Committee, the Board appointed Shri Umesh Punde, Shri Amit Dassi and Smt. Sarala Menon as a Director of the Company, with effect from July 26, 2019, liable to retire by rotation and their appointment has been

approved by the Shareholders of the Company by approving the ordinary resolution at the Annual General Meeting held on September 9, 2019.

Smt. Neha Sunke, Chief Financial Officer had resigned from the services of the Company and was relieved w.e.f. July 15, 2020.

Shri Sanjay Pote, Managing Director and CEO; and Rajneesh Singh, Company Secretary are the Key Managerial Personnel 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.

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

Annual Evaluation of Performance of the Board

The Board of Directors is the cornerstone of the corporate governance framework of the Company. An effective Board ensures that the long-term strategic objectives of the Organization 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, and Board as a whole.

The responses were sought from Directors through questionnaires on various aspects of the Board's functioning in close alignment with the stated objectives of the Company. On the basis the response received from the Directors, the Board carried out an annual performance evaluation of its own performance, Directors individually as well as the evaluation of the working of the regular committees of Board. The Nomination & Remuneration Committee undertook an evaluation of each Director's performance.

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 as well as Chairman 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

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 comprises sitting fees for attending the meetings of Board/ Committees of the Board. None of the Directors were entitled to Stock Options.

The MD & CEO is entitled to fixed pay 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 placed on the website of your Company at www.shcilservices.com

Audit Committee

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

Auditors

Being subsidiary of Government Company, your Company is also a Government Company. The Office of Comptroller and Auditor General of India (CAG) vide its letter dated August 1, 2019 had appointed M/s. L. S. Nalwaya & Co, Chartered Accountants as Statutory Auditors of your Company under Section 139 of the Companies Act, 2013 for the financial year 2019-20.

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

Statutory Auditors Report

The Auditors' Report does not contain any qualifications, reservations or adverse remarks.

Comptroller and Auditor General of India (C&AG) Audit

The Comptroller and Auditor General of India (C&AG), vide letter dated September 3, 2020, informed that C&AG have decided not to conduct the supplementary audit of financial statements of your Company for the year ended March 31, 2020 under section 143(6)(a) of the Companies Act, 2013. Copy of the same is placed next to the Statutory Auditors' Report forming part of the financial statements.

Particulars of Loans, Guarantee and Investments

Your Company has not given any loans, guarantees and investments within the purview of Section 186 of the Companies Act, 2013.

Related Party Transactions

All the Related Party Transactions (RPTs) that were entered into during the financial year were on arms' length basis and were in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 as well as the Policy on Related Party Transaction adopted by the Company. As prescribed under section 177(3)

of the Companies Act, 2013, RPTs are placed before the Audit Committee. None of the transactions with related parties falls under the scope of section 188(1) of the Act.

All the RPTs have been approved by the Audit Committee of the Board on the strength of Management representation that they are in the ordinary course of business at arm's length price.

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 annexed as **Annexure A** to this Report.

Significant and Material Orders Passed by the Regulators or Courts or Tribunal:

There are no material orders passed by the regulators or courts or tribunals impacting the going concern status and the company's operations in future

Risk Management

The Company recognizes 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. The Risk Management Committee inter-alia reviews various risks your Company is exposed to and considers the mitigants suggested by the business heads/ departmental heads. The details of Risk Management Committee are included in Corporate Governance Report which forms part of this report. The Company is committed to managing the risk by continuously upgrading its LD Software features, automation and elimination of manual intervention. Standard Operating Procedures (SOPs) have been aligned and reviewed time to time. In addition to the existing back-up your company has also initiated the setting-up of Disaster Recovery (DR) site which is in testing phase.

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 2019-20.

Code of Conduct to regulate, monitor and report trading

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

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 annexed at **Annexure B**.

Corporate Governance

Your Company is not a listed entity. Nevertheless, it endeavors to comply with Corporate Governance norms. A

report thereof is annexed at **Annexure C**.

Corporate Social Responsibility

The brief outline of the Corporate Social Responsibility (CSR) policy of our Company and the initiatives undertaken on CSR during the year are set out in the **Annexure D** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy is also available on the website of the Company at www.shcilservices.com

Particulars of Employees

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

Fixed Deposits

The Company has not accepted any fixed deposits from the public during the financial year 2019-20. Hence, no information is required to be appended to this report.

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. The company uses energy efficient LED lights equipped with latest technology having features of lower power usage and improved performance. The Company is using energy efficient VRF/VRV system of air conditioning.

Foreign exchange earnings and outgo

Foreign exchange earnings and outgo during the year under review:

Foreign Exchange earnings - Nil

Foreign Exchange outgo - Nil

Acknowledgements

The Board places on record its deep appreciation for the excellent support and patronage of Government of India, the Governments of various States & the concerned Government departments / agencies, Securities and Exchange Board of India (SEBI). The Board also expresses its sincere thanks to National Stock Exchange of India Limited (NSEIL), Bombay Stock Exchange Limited (BSE), Metropolitan Stock Exchange of India Limited (MSEI), Multi Commodity Exchange of India Limited (MCX) National Securities Depository Limited (NSDL), Central Depository Services Limited (CDSL), Clearing Corporation of India Limited (CCIL), Association of Mutual Funds, Banks, Clients and the Shareholders for their cooperation and support in various spheres of your Company's activities. The Board of Directors also expresses its gratitude for the exemplary services rendered by the employees of your Company.

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

Place: Mumbai
Date: July 20, 2020

Ramesh N.G.S.
Non-Executive Chairman

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: None

(a) Name(s) of the related party and nature of relationship	Not Applicable
(b) Nature of contracts/arrangements/transactions	Not Applicable
(c) Duration of the contracts / arrangements/transactions	Not Applicable
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Not Applicable
(e) Justification for entering into such contracts or arrangements or transactions	Not Applicable
(f) Date(s) of approval by the Board	Not Applicable
(g) Amount paid as advances, if any:	Not Applicable
(h) Date on which the special resolution was passed	Not Applicable
(i) Amount paid as advances, if any	Not Applicable
(j) Date on which special resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act,2013	Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis: None

(a) Names(s) of the related party and nature of relationship	Not Applicable
(b) Nature of contracts/arrangements/transactions	Not Applicable
(c) Duration of the contracts/arrangements/transactions	Not Applicable
(d) Salient terms of the contracts or arrangements of transactions including the value, if any	Not Applicable
(e) Date(s) of approval by the Board, if any	Not Applicable
(f) Amount paid as advances, if any	Not Applicable

For and on behalf of the Board of Directors

Place: Mumbai
Date : July 20, 2020

Ramesh N.G.S.
Non-Executive Chairman

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2020

[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:
 Link Intime India Pvt. Ltd.
 C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai - 400083
 Tel. No. +91 22 49186000

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	Share Broking	9971520	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name & 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(46) read with the Section 2(87)
2.	IFCI Limited	L74899DL1993GOI053677	Ultimate Holding	----	Section 2(46) 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	
A. Promoters										
(1) Indian										
a) Individual/HUF										
b) Central Govt										
c) State Govt (s)										
d) Bodies Corp.	--	6,089,703*	6,089,703*	100	5,759,703*	3,30,000	6,089,703*	100	Nil	
e) Banks / FI										
f) Any Other										
Sub-total (A) (1):-	--	6,089,703*	6,089,703*	100	5,759,703*	3,30,000	6,089,703*	100	Nil	
(2) Foreign										
a) NRIs - Individuals										
b) Other - Individuals										
c) Bodies Corp.										
d) Banks / FI										
e) Any Other .										
Sub-total (A) (2):-	--	6,089,703*	6,089,703*	100	5,759,703*	3,30,000	6,089,703*	100	Nil	
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	--	6,089,703*	6,089,703*	100	5,759,703*	3,30,000	6,089,703*	100	Nil	
B. Public Shareholding										
1. Institutions										
a) Mutual Funds	--	--	--	--	--	--	--	--	--	
b) Banks / FI										
c) Central Govt										
d) State Govt(s)										
e) Venture Capital Funds										
f) Insurance Companies										
g) FIIs										
h) Foreign Venture Capital Funds										
i) Others (specify)										
Sub-total (B)(1):-	--	--	--	--	--	--	--	--	--	
2. Non-Institutions										
a) Bodies Corp.	--	--	--	--	--	--	--	--	--	
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital uptoRs. 1 lakh										
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh										
c) Others (specify)										
Sub-total (B)(2):-	--	--	--	--	--	--	--	--	--	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	--	--	--	--	--	--	--	--	--	
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--	
Grand Total (A+B+C)	--	6,089,703	6,089,703	100	5,759,703*	3,30,000	6,089,703	100	--	

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

(ii) Shareholding of Promoters

S. 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)	--	6,089,703	6,089,703	100	5,759,703*	3,30,000	6,089,703	100	Nil

(iii) Change in Promoters` Shareholding

S. No.	Shareholding at the beginning of the year	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company
	At the beginning of the year	No change during the year	
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year	
	At the End of the Year	No change during the year	

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

S. 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

S. 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
Directors							
1	Shri Ramesh N.G.S.	--	--	--	--	--	--
2	Shri G. Anantharaman	--	--	--	--	--	--
3	Shri D.C. Jain	--	--	--	--	--	--
4	Shri Umesh Punde (Nominee of SHCIL)	1	--	1	--	1	--
5	Shri Amit Dassi	--	--	--	--	--	--
6	Ms. Sarala Menon	--	--	--	--	--	--
7	Shri Sanjay Pote	--	--	--	--	--	--
KMPs							
1	Shri Sanjay Pote-MD & CEO	--	--	--	--	--	--
2	Shri Rajneesh Singh-Company Secretary	--	--	--	--	--	--
3	Ms. Neha Sunke	--	--	--	--	--	--

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	--	--	--
Change in Indebtedness during the financial year				
· Addition	--	--	--	--
· Reduction	--	--	--	--
Net Change	--	--	--	--
Indebtedness at the end of the financial year				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	--	--	--

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

S. No	Particulars of Remuneration	Name of the Managing Director Shri Sanjay Pote
1	Gross Salary (excluding Commission)	
(a)	Salary as per provisions contained in Section 17 (1) of the Income tax Act,1961	29,82,269.00
(b)	Value of perquisites u/s 17 (2) Income tax Act,1961	80,400.00
(c)	Profits in lieu of salary under section 17(3) Income-tax Act,1961	
2	Stock Option	0
3	Sweat Equity	0
4	Commission - as% of profit	0
5	Others -Employer contribution to provident and other funds	114,538.00
	Total	31,77,207.00
	Ceiling as per the Act*	48,30,734.00

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

B. Remuneration to other directors:

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of Directors		Total Amount	
	Independent Directors	Shri G. Anantharaman	Shri D. C. Jain		
·	Fee for attending board / committee meetings	8,20,000/-	7,40,000/-	15,60,000/-	
·	Commission	--	--	--	
·	Others, please specify	--	--	--	
	Total (1)	8,20,000/-	7,40,000/-	15,60,000/-	
S. No.	Other Non-Executive Directors	Shri Ramesh N.G.S.**	Shri Umesh Punde**	Shri Amit Dassii**	Total Amount
·	Fee for attending board / committee meetings	Rs.3,00,000/-	Rs.3,50,000/-	Rs.1,90,000/-	8,40,000/-
·	Commission	--	--	--	
·	Others, please specify	--	--	--	
	Total (2)	Rs.3,00,000/-	Rs.3,50,000/-	Rs.1,90,000/-	8,40,000/-

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

S. No.	Other Non-Executive Directors	Ms. Sarala Menon**	Shri Vineet Potnis**	Ms. Kalpana Joshi**	Total Amount
	• Fee for attending board / committee meetings	Rs.3,20,000/-	Rs.2,60,000/-	Rs.1,80,000/-	7,60,000/-
	• Commission	--	--	--	
	• Others, please specify	--	--	--	
	Total (2)	Rs.3,20,000/-	Rs.2,60,000/-	Rs.1,80,000/-	7,60,000/-

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

(Amount in Rs)

Sr. No	Particulars of Remuneration	CEO *	Key Managerial Personnel		Total
		Shri Sanjay Pote	Company Secretary	CFO	
			Shri Rajneesh Singh	Ms. Neha Sunke	
1	Gross Salary (excluding Commission)				
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act,1961		27,74,370.00	11,23,310.00	38,97,680.00
	(b) Value of perquisites u/s 17 (2) Income tax Act,1961		72,356.00	--	72,356.00
	(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		1,17,169.00	1,05,083.00	2,22,252.00
	Total		29,63,895.00	1,228,393.00	41,92,288.00

* Shri. Sanjay Pote 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:

There are no penalties, punishment or compounding of offences during the year ended March 31, 2020.

REPORT ON CORPORATE GOVERNANCE

(Forming part of Directors` Report for financial year ended March 31, 2020)

The Company's philosophy on code of Governance

The Company is not a listed entity. Nevertheless, it endeavors to comply with Corporate Governance norms as specified under SEBI Listing and Disclosure Regulation 2015. 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 7 members, of which 2 are independent directors. The day-to-day management of the company vests in the hands of the MD & CEO.

The details of Directorships held by the Directors as on July 20, 2020 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	Stockholding Document Management Services Limited (Formerly SHCIL Projects Limited)	Non-Executive Chairman
3	Wonder Home Finance Limited	Director
4	StockHolding Securities IFSC Limited	Director
5	IFCI Financial Services Limited	Non-Executive Chairman
6	IFIN Securities Finance Limited	Non-Executive Chairman
7	IFIN Credit Limited	Non-Executive Chairman
8	IFIN Commodities Limited	Director

Shri G Anantharaman

Sr. No	Name of company/Institution	Nature of interest
1	Shriram General Insurance Company Limited	Independent Director
2	Central Insurance Repository Limited	Independent Director
3	Invesco Trustee Private Limited	Director

Shri D. C. Jain

Sr. No	Name of company/Institution	Nature of interest
1	Wonder Home Finance Limited	Director
2	IIFL Asset Reconstruction Limited	Chief Executive Officer

Shri Sanjay Pote

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

Shri Umesh Punde

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

Shri Amit Dassi

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

Smt. Sarala Menon

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

Details of the Board Meeting and Attendance

The Board of Directors meet at least once in every three months. Six meetings were held during the financial year 2019-20. Details of Board Meetings held are as follows:

S. No.	Date of the Board Meeting	Total number of Directors on the date of the meeting	No. of Directors attended	% of Attendance
1	April 25, 2019	6	6	100%
2	June 10, 2019	6	6	100%
3	July 26, 2019	7	6	85%
4	October 24, 2019	7	6	85%
5	January 24, 2020	7	7	100%
6	March 09, 2020	7	7	100%

Attendance of Directors at Board Meetings and Annual General Meeting during the financial year 2019-20:

S. No.	Name of the Director	April 25, 2019	June 10, 2019	July 26, 2019	October 24, 2019	January 24, 2020	March 09, 2020	Attendance at the AGM held on September 9, 2019
1	Shri Ramesh N.G.S	√	√	√	√	√	√	√
2	Shri Sanjay Pote	√	√	√	√	√	√	√
3	Smt. Sarala Menon	NA	NA	√	√	√	√	√
4	Shri D. C. Jain	√	√	√	√	√	√	√
5	Shri Umesh Punde	NA	NA	LoA	√	√	√	√
6	Shri Amit Dassi	NA	NA	√	LoA	√	√	LoA
7	Shri G. Anantharaman	√	√	√	√	√	√	√
8	Smt. Kalpana Joshi	√	√	NA	NA	NA	NA	√
9	Shri Vineet Potnis	√	√	NA	NA	NA	NA	√

LoA = Leave of absence. √ = attended NA =Not Applicable

Details of Audit Committee and Attendance

The accounts of your Company are audited every quarter and the audited quarterly and annual financial statements are placed before the Audit Committee for their consideration, review and recommendations before submission to the Board for approval.

The terms of reference of the Audit Committee of the Board inter alia includes the terms referred to under Section 177 (4) of the Companies Act, 2013.

As on March 31, 2020, the Audit Committee comprised of three members viz., Shri G. Anantharaman (Chairman), Shri D. C. Jain, Independent Director and Shri Umesh Punde, Director. The details of attendance of the Directors at the Audit Committee meetings during the FY 2019-20 are as follows:

Sr. No.	Name of the Director	Category	Attendance at the Audit Committee Meeting				
			25-Apr-19	10-June 19	26-July 19	24-Oct 19	24-Jan 20
1	Shri G Anantharaman	Independent	√	√	√	√	√
2	Shri D. C. Jain	Independent	√	√	√	√	√
3	Shri Umesh Punde	Director	NA	NA	NA	√	√
4	Shri Vineet Potnis	Director	√	√	NA	NA	NA

LoA = Leave of absence; √ = attended. NA= Not Applicable

Details of Risk Committee

The Risk Management Committee inter-alia review various risks your Company is exposed to/ risk associated with any new activities and considers the mitigants suggested by the business heads/ departmental heads. As on March 31, 2020, the Risk Committee comprised of Shri G Anantharaman (Chairman), Shri Umesh Punde and Shri Amit Dassi. The details of attendance of the Directors at the Risk Management Committee meetings during the FY 2019-20 are as follows:

Sr. No.	Name of the Director	Category	Attendance at the Risk Management Committee Meeting		
			25-April-19	24 October 19	24 January 20
1	Shri G Anantharaman	Independent	√	√	√
2	Shri Vineet Potnis	Director	√	NA	NA
3	Smt. Kalpana Joshi	Director	√	NA	NA
4	Shri Amit Dassi	Director	NA	LoA	√
5	Shri Umesh Punde	Director	NA	√	√

Details of Nomination Remuneration Committee (NRC) and Attendance

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

As on March 31, 2020, the Committee comprised of four directors viz., Shri G. Anantharaman (Chairman), Shri D. C. Jain, Smt. Sarala Menon as members. The details of attendance of the Directors at the Nomination and Remuneration Committee meetings during the FY 2019-20 are as follows:

Sr. No.	Name of the Director	Category	Attendance at the Nomination & Remuneration Committee Meeting			
			25-Apr-19	26 July 19	Oct 24, 2019	09 Mar 20
1	Shri G Anantharaman	Independent	√	√	√	√
2	Shri D. C. Jain	Independent	√	√	√	√
3	Shri Vineet Potnis	Director	√	NA	NA	NA
4	Smt. Kalpana Joshi	Director	√	NA	NA	NA
5	Smt Sarala Menon	Director	NA	NA	√	√

LoA = Leave of absence; √ = attended.

Details of Corporate Social Responsibility (CSR) Committee and Attendance

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

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

The CSR Committee comprises of Shri Umesh Punde (Chairman), Shri D.C Jain (Independent Director) and Smt. Sarala Menon (Director) as members.

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

Sr. No.	Name of the Director	Category	Attendance 24 October 2019
1	Shri Umesh Punde	Chairman	√
2	Shri D. C. Jain	Independent	√
3	Ms. Sarala Menon	Director	√

√ = attended.

General Meetings

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

General Meeting	22 nd AGM	23 rd AGM	24 th AGM
Year	2016-17	2017-18	2018-19
Venue	SHCIL House, P-51,T.T.C Industrial Area, MIDC Mahape, Navi Mumbai- 400710	The Regenza by Tunga Plot No. 37, Sector-30A, Vashi, Navi Mumbai Maharashtra - 400703	Stock Holding Corporation of India Limited 301, Centre Point, Dr. Babasaheb Ambedkar Road, Parel, Mumbai - 400012
Date of Meeting	September 8,2017	September 7, 2018	September 9, 2019

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

Meeting no.	Resolution No.	Particulars of Resolution
22 nd AGM	-	-
23 rd AGM	-	-
24 th AGM	-	-

Disclosures

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

Shareholder Information

- a) **Annual General Meeting**
September 16, 2020 at 4.00 p.m. at Stock Holding Corporation of India Limited, 301, Centre Point, Dr. Babasaheb Ambedkar Road, Parel, Mumbai - 400012
- b) **Date of Book closure/record date**
September 16, 2020
- c) **Dividend payment date**
Dividend after September 16, 2020 but within the statutory time limit.
- d) **Listing on Stock Exchange**
The Company's shares are not listed in any stock exchange.
- e) **Distribution of shareholdings as on March 31, 2020**
The Company is wholly owned subsidiary of Stock Holding Corporation of India Limited (StockHolding).
- 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 your Company`s CSR policy including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

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

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

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

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

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

2. Composition of the CSR Committee

Your Company has a CSR Committee of Directors comprising of the following members.

- Shri Umesh Punde, Chairman
- Shri D. C. Jain, Independent Director
- Smt Sarala Menon, Director

3. Average net profit of the Company for last three financial years for the purpose of computation of CSR 1153 Lakhs

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

The Company is required to spend Rs.23 lakh.

5. Details of CSR spent for the financial year :

a. Total amount spent for the financial year: Rs.23.10 lakh.

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 i. Local area or other ii. Specify the State and district where project or programs was undertaken	Amount outlay (budget) project or program-wise (in Rs.)	Amount spent on the projects or programs Sub-heads 1.Direct expenditure on projects or programs 2.Overheads (In Rs.)	Cumulative expenditure upto the reporting period (inRs.)	Amount spent ; direct or through implementing agency
1	Hurt Foundation (ITI Mankhurd),	Promoting Education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently able and livelihood enhancement projects.	Chembur Mumbai	5,00,000/-	5,00,000/-	5,00,000/-	Through SHCIL Foundation, a Public Charitable Trust registered under Section 12 (A) of Income Tax Act, 1961 with the Holding Company, Stock Holding as the settlor.
2	Lifecraft	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation (including contribution to the swach bharkosh set up by Central Govt. for promotion of sanitation) and making available safe drinking water.	Kuiani Village, Jamshedpur, Jharkhand	2,00,000/-	2,00,000/-	7,00,000/-	Through SHCIL Foundation, a Public Charitable Trust registered under Section 12 (A) of Income Tax Act, 1961 with the Holding Company, Stock Holding as the settlor.

S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs i. Local area or other ii. Specify the State and district where project or programs was undertaken	Amount outlay (budget) project or program-wise (in Rs.)	Amount spent on the projects or programs Sub-heads 1.Direct expenditure on projects or programs 2.Overheads (In Rs.)	Cumulative expenditure upto the reporting period (inRs.)	Amount spent ; direct or through implementing agency
3	YUVA (Youth for Voluntary Action)	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Hazaribagh, Jharkhand	10,00,000/-	10,00,000/-	17,00,000/-	Through SHCIL Foundation, a Public Charitable Trust registered under Section 12 (A) of Income Tax Act, 1961 with the Holding Company, StockHolding as the settlor.
4	Shri Sai Trust	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Neral Raigad District, Maharashtra	1,50,000/-	1,50,000/-	18,50,000/-	Through SHCIL Foundation, a Public Charitable Trust registered under Section 12 (A) of Income Tax Act, 1961 with the Holding Company, StockHolding as the settlor.
5	Akshaypatra	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation (including contribution to the swach bharkosh set up by Central Govt. for promotion of sanitation) and making available safe drinking water.	Bhilai, Chhattisgarh	4,60,000/-	4,60,000/-	23,10,000/-	Through SHCIL Foundation, a Public Charitable Trust registered under Section 12 (A) of Income Tax Act, 1961 with the Holding Company, StockHolding as the settlor.

* Shri Vineet Potnis, Chairman CSR Committee resigned on July 15, 2019.

Place : Mumbai
Date : July 20, 2020

Sanjay Pote
MD & CEO

Umesh Punde
Chairman, CSR Committe

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INDEPENDENT AUDITORS REPORT

To,

The Members of, SHCIL Services Limited Mumbai

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the Financial Statements of SHCIL Services Limited (“the company”), which comprise the Balance Sheet as at 31st March 2020, the Statements of Profit and Loss, (including other comprehensive Income) for the year then ended on that date the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and Notes to the Financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the “Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (“the IND-AS”), of the state of affairs of the Company as at 31st March 2020, its profit, its Cash flows and Changes in equity for the year then ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SA) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of Financial Statements section of our report. We are Independent of the company in accordance with the Code of Ethics issued by The Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	RESPONSE TO KEY AUDIT MATTER
<p>Accuracy and Completeness of Revenue in respect of Brokerage Income</p> <p>Brokerage Income is received from numerous clients through Contract Notes (Billing). Accounting software based on master data of each client and transactions of respective client on exchange accounts for Brokerage Income on daily basis.</p>	<p>Principal Audit Procedures:</p> <p>Our Audit Approach was a combination of test of Internal control and substantive procedures which are as follows:</p> <ul style="list-style-type: none"> • Evaluated the design of Internal controls relating exchange files being uploaded in accounting Software. • Selected sample of exchange files and verified the same with accounting records. • Selected sample clients and verified percentage of brokerage in system with brokerage slab as per KYC • Verified Contract Notes on sample basis for evaluating calculation of brokerage. <p>Conclusion</p> <p>Our Procedure did not Identify any material exceptions.</p>

Other Matter

The Comparative Financial Information of the Company for the Year ended March 31st 2019 included in these Financial Statements were Audited by another Auditor, who expressed modified Opinion on these Financial Statements on 25th April 2019 respectively.

Responsibilities of the management and those charged with governance for the financial statements:

The Company’s Board of Directors is responsible for matters as stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparations and presentation of the Financial Statements that give a true and fair view of the financial position, financial performance including other Comprehensive Income, Cash flows and Changes in Equity of the company in accordance with the accounting principles generally accepted in India, including, the Indian Accounting Standard (IND-AS) as specified under section 133 of the Companies Act, 2013 (“the act”) read with the rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment rules, 2016 (the ‘relevant rules’).

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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation & presentation of the Financial Statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the ability of the Company to continue as Going Concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation, as has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our Objective are to obtain reasonable assurance about whether the Financial Statements as a whole are free from Material Misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SA's will always detect a material Misstatements when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statement.

As part of an audit in accordance with SA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the Financial Statement, whether due to fraud and error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatements resulting from fraud is higher than for one resulting from error, as fraud may Involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain and understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the company has in place and adequate internal financial control systems over financial reporting and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management use of going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company ability to

continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentations, structure and content of Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and event in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among others matters the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matters should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Report on Others Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2016 ("the order") Issued by the Central Government of India in terms of section 143 (II) of the act, we give in "Annexure - A" statement on the matters specified in the paragraph's 3 and 4 of the Order to the extent applicable.
2. As required by sections 143(3) of the act (to the extent applicable), we report that:
 - a) We have sought and obtained all the information and explanations with to the best of our knowledge and belief which were necessary for the purpose of our audit;
 - b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examinations of those books;
 - c) The Balance sheet, the statements of profit and loss, the cash flow statements and the statement of changes in equity dealt by this Report are in agreement with the books of accounts;
 - d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under sections 133 of the act, read with the relevant rules and the rule 7 of the companies (Audit and Auditors) Rules, 2014,
 - e) In terms of directions u/s 143(5) of the act, issued by Comptroller and Auditor General of India and based on information as available with us we state;

- i) According to information and explanation's given to us, the company has a system in place to process all the accounting transactions through IT system and all accounting transactions are processed in IT only.
- ii) According to information and explanations given to us by the company has not taken any loan from lenders, hence there are no instances waiver / write off of debts/loans/interests etc. by the lender.
- iii) According to information and explanations given to us by the company they have not received any specific funds for specific schemes from central/state agencies.
- f) On the basis of written representations received from the directors as on 31st March 2020 taken on record by the board of directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in term of section 14(2) of the Act.
- g) With respect to the adequacy of the Internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure - B". Our report expresses unmodified opinion on the adequacy and the operating effectiveness of the company's internal financial controls over financial reporting.
- h) With respect to the others matters to be included in the Auditor's Report in accordance with Rule 11 of the companies (Audit & Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending Litigations on its financial position in Note 23 to the Financial Statements;
- ii. The company does not have any long term contracts including derivative contracts and also as per the Board's estimates, there are no material foreseeable losses, requiring provision under the applicable law or India Accounting Standards;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For L. S. Nalwaya and Co.
Chartered Accountants
FRN- 115645W

Ashish Nalwaya
Partner

Place: Mumbai
Date : 23.06.2020

MRN-110922
UDIN: 20110922AAAAAY2563

ANNEXURE - 'A' TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred in our Independent Auditors' Report of even date to the members of SHCIL Services Limited ("the company) for the year ended 31st March 2020. We report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification.
- (c) There are no immovable properties in the name of the company and therefore sub clause 3 (i)(c) does not apply.
- (ii) In respect of Inventories, the company' nature of operations does not require it to hold inventories. Consequently clause 3(ii) of the Order is not applicable.
- (iii) According to information and explanations given to us the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly sub clauses (a) (b) and (c) of clause 3(iii) of the order are not applicable.
- (iv) According to the information and explanations given to us, company has not given any loans, investments, guarantees and security accordingly provisions of section 185 and 186 of the Act are not applicable.
- (v) The company has not accepted any deposits as per the 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 and the rules framed there under. Accordingly, clause 3 (v) of the order is not applicable.
- (vi) The company is not a manufacturing concern; therefore it does not require to maintain cost records under clause 3(vi) of the order under sub section (1) of section 148 of the companies Act, 2013.
- (vii) a. According to the information and explanations given to us and the records of the Company examined by us, In our opinion the Company is generally regular in depositing applicable undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, Goods and service tax, profession tax, cess and any other applicable statutory dues with the appropriate authorities during the year and no such dues are outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us there are no dues in respect of service tax or duty of customs or duty of excise or value added tax or Goods and Service Tax or cess which have not been deposited on account of any dispute. However as on 31st March 2020 according to information and explanations given to us, the following dues of income tax have not been deposited by the company on account of disputes.

Name of the Statute	Nature of Dues	Amount (In ₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Regular	8,06,597	AY 2012-13	CIT (A)
Income Tax Act, 1961	Regular	1,32,10,184	AY 2015-16	CIT (A)

- viii) According to the information and explanation given to us and as per our examination of books of account the company has not borrowed any money from financial institutions, banks or debenture holders. Accordingly, the provision of clause 3(viii) of the order does not apply.
- ix) The company has not raised any money by way of initial public offer or further public offer or from term loan.
- x) During the course of our examination of books of accounts, carried out in accordance with generally accepted Auditing Standards in India and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have been informed of such case by management.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid or provided managerial remuneration during the year according to provision of section 197 read with schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as defined under section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in Note 28 to the financial statements as required by the applicable Indian Accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For L. S. Nalwaya and Co.
Chartered Accountants
FRN- 115645W

Ashish Nalwaya
Partner

Place: Mumbai
Date : 23.06.2020

MRN-110922
UDIN: 20110922AAAAAY2563

ANNEXURE “B’ TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).

We have audited the internal financial controls over financial reporting of SHCIL Services Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors` Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the Internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For L. S. Nalwaya and Co.
Chartered Accountants
FRN- 115645W

Ashish Nalwaya
Partner

Place: Mumbai
Date : 23.06.2020

MRN-110922
UDIN: 20110922AAAAAY2563

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 2020

The preparation of financial statements of SHCIL Services Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 23 June 2020.

I, on 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 2020 under section 143(6)(a) of the Act.

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

**(P V Hari Krishna)
Principal Director of Audit (Shipping), Mumbai**

Place: Mumbai
Date: 03.09.2020

BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Note	March 31, 2020 ₹	March 31, 2019 ₹
ASSETS			
Non-current assets			
Property plant and equipment	2.1	11,308,395	7,716,954
Intangible assets	2.2	12,368,120	1,340,947
Capital Work-in-Progress	2.1	-	-
		23,676,515	9,057,901
Financial assets			
Advances, Deposits and Receivables	3a	75,625,000	11,131,998
Other financial assets	4a	65,750,000	5,750,000
Deferred Tax Assets (net)	5	11,806,243	4,307,601
Non - Current Tax Asset	6	41,100,678	41,328,114
Total Non-Current Assets		217,958,436	71,575,614
Current assets			
Financial assets			
Advances, Deposits and Receivables	3b	231,976,520	112,650,910
Other financial assets	4b	25,535,852	29,450,976
Investments	7	17,958,439	163,766,156
Trade receivables	8	433,884,189	665,585,409
Cash and cash equivalents	9a	1,467,978,970	442,572,596
Bank Balance other than Cash and Cash equivalents	9b	216,398,397	347,312,034
Total Current Assets		2,393,732,367	1,761,338,081
Total Assets		2,611,690,803	1,832,913,695
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	60,897,030	60,897,030
Other equity		632,591,990	599,375,592
Total Equity		693,489,020	660,272,622
Liabilities			
Non-current liabilities			
Financial liabilities		-	-
Long term provisions	11	2,704,840	2,068,541
Total Non-Current Liabilities		2,704,840	2,068,541
Current liabilities			
Financial liabilities			
Trade payables	12	1,734,566,941	1,030,667,516
Other financial liabilities	13	101,638,512	84,523,389
Short-term provisions	14	888,823	336,367
Other current liabilities	15	78,402,667	55,045,260
Total Current Liabilities		1,915,496,943	1,170,572,532
Total Equity and liability		2,611,690,803	1,832,913,695

The accompanying notes are an integral part of these financial statement.

Significant accounting policies and Notes to Financial Statement

1 to 44

As per Our Report of even date attached

For and on behalf of
L.S. Nalwaya & Co.
 Chartered Accountants
 FRN: 115645W

Ashish Nalwaya
 Partner
 Membership No. 110922

For and on behalf of Board of Directors
SHCIL Services Limited

Neha Sunke
 Chief Financial Officer

Rajneesh Singh
 Company Secretary

Sanjay Pote
 Managing Director
 & Chief Executive Officer
 DIN:08085505

Umesh Punde
 Director
 DIN :00670403

Ramesh N.G.S.
 Non Executive
 Chairman
 DIN:06932731

Place: Mumbai
 Date : June 16, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Note	March 31, 2020 ₹	March 31, 2019 ₹
Revenue:			
Revenue from operations (Net)	16	489,142,701	447,050,065
		489,142,701	447,050,065
Other income	17	41,347,515	62,799,635
Total Revenue		530,490,216	509,849,700
Expenses:			
Employee benefits expense	18	53,583,444	51,529,873
Finance costs	19	432,341	-
Sub - brokerage expenses	20	290,095,652	261,910,035
Depreciation and amortisation	2	11,558,933	5,306,430
Other expenses	21	110,182,170	72,087,408
Total expenses		465,852,540	390,833,746
Profit before tax		64,637,676	119,015,954
Tax expenses	22		
Current tax expenses		23,228,806	33,311,459
Current tax adjustment for earlier years		(11,315,046)	-
Deferred tax expenses/(Income)		(7,323,969)	(185,544)
Net profit for the year		60,047,885	85,890,039
Other Comprehensive Income			
OCI items not reclassified to profit or loss			
Remeasurement of net defined benefit liability		(711,213)	(80,040)
Income tax relating to item not to be classified in profit and loss in subsequent period		-	-
Net OCI items not reclassified to profit or loss		(711,213)	(80,040)
Total comprehensive Income for the period		59,336,672	85,809,999
Earnings per equity share:			
	25		
(1) Basic (in ₹)		9.86	14.10
(2) Diluted (in ₹)		9.86	14.10
Weighted average number of equity shares used in computing earning per shares			
Basic		6,089,703	6,089,703
Diluted		6,089,703	6,089,703

The accompanying notes are an integral part of these financial statement.

Significant accounting policies and Notes to Financial Statement

1 to 44

As per Our Report of even date attached

For and on behalf of
L.S. Nalwaya & Co.
Chartered Accountants
FRN: 115645W

For and on behalf of Board of Directors
SHCIL Services Limited

Ashish Nalwaya
Partner
Membership No. 110922

Neha Sunke
Chief Financial Officer

Sanjay Pote
Managing Director
& Chief Executive Officer
DIN:08085505

Ramesh N.G.S.
Non Executive
Chairman
DIN:06932731

Rajneesh Singh
Company Secretary

Umesh Punde
Director
DIN :00670403

Place: Mumbai
Date : June 16, 2020

STATEMENT OF CHANGES IN EQUITY

Particulars	Equity Share Capital	Reserve & Surplus			Total Equity
		Retained earnings	Securities premium account	Other components of equity*	
Opening Balance - April 1, 2019	60,897,030	488,988,846	92,845,447	17,541,299	660,272,622
Ind As II6 impact	-	(425,164)	-	-	(425,164)
Dividend paid during the year for FY 2018-19	-	(21,313,961)	-	-	(21,313,961)
Dividend Distribution Tax	-	(4,381,149)	-	-	(4,381,149)
Retained Earnings - Transferred from current period P&L	-	60,047,885	-	-	60,047,885
Other comprehensive income- Defined Benefit Employee Cost	-	(711,213)	-	-	(711,213)
Closing Balance - March 31, 2020	60,897,030	522,205,244	92,845,447	17,541,299	693,489,020
Closing Balance - March 31, 2019	60,897,030	488,988,846	92,845,447	17,541,299	660,272,622

* Other components of equity includes Bank Commission on Guarantee given by Holding Company and Preference shares - Deemed Equity Contribution

Securities premium - received on equity shares issued are recognized in securities premium account

The accompanying notes are an integral part of these financial statement.

Significant accounting policies and Notes to Financial Statement 1 to 44

As per Our Report of even date attached

For and on behalf of
L.S. Nalwaya & Co.
 Chartered Accountants
 FRN: 115645W

For and on behalf of Board of Directors
SHCIL Services Limited

Ashish Nalwaya
 Partner
 Membership No. 110922

Neha Sunke
 Chief Financial Officer

Sanjay Pote
 Managing Director
 & Chief Executive Officer
 DIN:08085505

Ramesh N.G.S.
 Non Executive
 Chairman
 DIN:06932731

Rajneesh Singh
 Company Secretary

Umesh Punde
 Director
 DIN :00670403

Place: Mumbai

Date : June 16, 2020

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

	March 31, 2020 ₹	March 31, 2019 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	64,637,676	119,015,954
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation	11,558,933	5,306,430
Interest On Income Tax Refund	(1,272,690)	(18,620,652)
Dividend from Mutual Funds	(6,712,836)	(6,987,007)
Interest Income	(31,888,036)	(32,292,231)
Finance cost & Commission	432,341	-
Reversal of Provisions	(553,090)	(1,705,319)
Provision for Doubtful Debts	29,391,947	83,389
Remeasurement of net defined benefit liability	(711,213)	(80,040)
Operating profit before working capital changes	64,883,032	64,720,524
Working capital adjustments :		
(Increase)/ Decrease in Trade Receivables	202,309,273	(37,200,259)
(Increase)/ Decrease in Advance and Deposits & other financial Assets	(119,325,610)	(43,520,331)
(Increase)/Decrease in Other Current Financial Assets	(57,029,861)	23,563,879
Increase/ (Decrease) in Other Current Liability	23,357,407	26,048,187
Increase/ (Decrease) in Trade payables and Other Current Financial Liabilities	720,535,462	(78,966,740)
Increase/ (Decrease) in Short Term and Long Term Provisions	1,188,755	135,539
Cash generated from operations	835,918,458	(45,219,201)
Direct Taxes paid	(11,686,324)	11,642,262
Net cash from operating activities	824,232,134	(33,576,939)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(16,983,215)	(5,847,318)
Lease outflow	(9,194,332)	-
Sale/(Purchase) of Investments	145,807,717	(112,985,053)
Dividends from Mutual Funds	6,712,836	6,987,007
Interest Earned	32,833,021	33,221,344
Interest On Income Tax Refund	1,272,690	18,620,652
(Increase)/Decrease in Security Deposit with Others	(45,000)	-
(Increase)/Decrease in Deposit with Exchanges	(64,448,002)	(6,301,998)
Net cash used in investing activities	95,955,715	(66,305,366)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(21,313,961)	(24,054,327)
Dividend Distribution Tax paid	(4,381,149)	(4,944,438)
Net cash from financing activities	(25,695,110)	(28,998,765)
NET (DECREASE)/INCREASE IN CASH & CASH EQUIVALENTS	894,492,739	(128,881,070)
Cash and Cash equivalents at the beginning of the period	789,884,628	918,765,698
Cash and Cash equivalents at the end of the period	1,684,377,367	789,884,628

	March 31, 2020 ₹	March 31, 2019 ₹
Notes		
1. Cash & Cash Equivalents		
Cash on Hand	3,097	34,303
Balances with Banks:		
- In Current Accounts	1,456,719,483	299,874,514
- In Fixed Deposits	227,654,787	489,975,811
Cash & Cash Equivalents considered for Cash flow	1,684,377,367	789,884,628
Other Bank Balances	-	-
Cash and Bank Balances as per Note 9	1,684,377,367	789,884,628

The accompanying notes are an integral part of these financial statement.

Significant accounting policies and Notes to Financial Statement

1 to 44

As per Our Report of even date attached

For and on behalf of
L.S. Nalwaya & Co.
 Chartered Accountants
 FRN: 115645W

For and on behalf of Board of Directors
SHCIL Services Limited

Ashish Nalwaya
 Partner
 Membership No. 110922

Neha Sunke
 Chief Financial Officer

Sanjay Pote
 Managing Director
 & Chief Executive Officer
 DIN:08085505

Ramesh N.G.S.
 Non Executive
 Chairman
 DIN:06932731

Rajneesh Singh
 Company Secretary

Umesh Punde
 Director
 DIN :00670403

Place: Mumbai

Date : June 16, 2020

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 1

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

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. & hence IFCI Ltd. is the Ultimate Holding Company for SHCIL Services Ltd. from the said date.

1. Significant Accounting Policies

Overall consideration

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

1.1 Basis of preparation

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain assets and liabilities where fair value model has been used, e.g. certain financial assets and liabilities measured at fair value, etc. The Ind AS are prescribed under section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Ind AS is applicable to the Company with effect from 1st April, 2016, being a Subsidiary of the Stock Holding Corporation of India Limited falling under the mandatory Phase 1.

1.2 Use of Estimates

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

1.3 Current / non-current classification

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

1.4 Foreign currency translation

Functional and presentation currency

The financial statements are presented in INR, which is the functional currency

Foreign currency transactions and balances

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

1.5 Fair value measurement

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

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

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

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

1.6 Revenue

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from Contracts with Customers, to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

i) Brokerage fee income

It is recognized on trade date basis and is exclusive of goods and service tax and securities transaction tax (STT) wherever applicable. Commission income on Initial Public Offer (IPO) and Follow on Public Offer (FPO) which are being booked on receipt basis

ii) Account opening charges

It is recognising entire account opening charges upfront on intimation of trading account number to the Customer. This is shown as a part of Revenue from operations.

iii) Dividend Income

Dividend is recognized when the Company's right to receive dividend is established by the reporting date.

iv) Interest Income

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 "Revenue from operations" in the statement of profit and loss.

v) Cheques dishonoured/bounced Income

Charges collected on cheques dishonoured/bounced are recognized on actual basis.

1.7 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

1.8 Property, plant and equipment

Items of property, plant and equipment (PP&E) are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure related to an item of PP&E are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

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

Particulars	Useful life as per Schedule II (in year)	Useful life as per estimated by the management (in year)
1. Motor Car	8	3
2. Mobiles	5	2
3. Servers & Networks	6	4

Useful life & residual value for other items of PP&E:

Particulars	Useful life w.e.f. 01.04.2014 Residual Value - Nil	Useful life up to 31.03.2014 Residual Value 5 %
1. Plant & Machinery	15	20
2. Furniture & Fixtures	10	15
3. Electrical Installations and Equipment	10	20
4. Office Equipment	5	20
5. Computer Hardware: End user devices such as Desktops, Laptops etc.	3	3

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Useful life of leased hold premises is considered at 8 years.

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

1.9 Intangible assets

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

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

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

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

Particulars	Useful life w.e.f. 01.04.2014 Residual Value - Nil	Useful life up to 31.03.2014 Residual Value 5 %
1. Computer Software	3	3

Amortisation has been included within 'depreciation and amortisation expense. Subsequent expenditures on the maintenance of intangible assets are expensed as incurred. When an intangible asset is disposed off, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

1.10 Leased Assets

Ind AS 116 requires lessees to recognize most leases in the books to accounts. Lessees are required to initially recognize a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. The lease liability is measured at the present value of the lease payments to be made over the lease term. The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the lessee's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs. Lessees accrete the lease liability to reflect interest and reduce the liability to reflect lease payments made. The related right-of-use asset is depreciated in accordance with the depreciation requirements of Ind AS 16 Property, Plant and Equipment. For lessees that depreciate the right-of-use asset on a straight-line basis, the aggregate of interest expense on the lease liability and depreciation of the right-of-use asset generally results in higher total periodic expense in the earlier periods of a lease. Lessees re-measure the lease liability upon the occurrence of certain events (e.g., change in the lease term, change in variable rents based on an index or rate), which is generally recognized as an adjustment to the right-of-use asset.

Finance leases

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

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interests. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

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

Operating leases

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

1.11 Impairment testing of goodwill, other intangible assets and property, plant and Equipment

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognized in the Statement of Profit and Loss when the carrying

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net of selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on appropriate discount rate. If at the balance sheet date there is any indication that a previously assessed impaired loss no longer exists then such loss is reversed and the asset is restated to that extent

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Company at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Company's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

1.12. Financial Instruments:

a. Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b. Subsequent measurement

i. Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

1.13 Income taxes

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

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

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

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

1.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with othershort-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

1.15 Equity, Reserves and Dividend payments

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

- remeasurement of net defined benefit liability - comprises the actuarial losses from changes
- in demographic and financial assumptions and the return on plan assets

Retained earnings include all current and prior period retained profits.

All transactions with owners of the parent are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

1.16 Post-employment benefits and short-term employee benefits

Post-employment benefit plans

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

Defined contribution plans

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

Defined benefit plans

Retirement Benefit in the form of gratuity is considered as defined benefit obligation and is provided for on the basis of an actuarial valuation using the projected unit credit method, as at the date of the balance sheet. Actuarial gain or losses if any are immediately recognised in the statement of Profit & Loss.

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Short-term employee benefits

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

1.17 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and as realisable estimate can be made of the amount of the obligation. When the Company expects some or all of the provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

1.18 Contingent liabilities

Contingent Liabilities are not recognised but are disclosed in notes in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

1.19 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss before other comprehensive income 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 before other comprehensive income 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.

1.20 Financial risk management

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior managements supported by Risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The policies for managing each of these risks are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price. Financial instruments affected by market risk include loans and borrowings and deposits. The company is not exposed to currency risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations and company's investment in debt based financial assets viz. Fixed Deposits & Investments in Liquid Mutual Funds.

Credit risk

Credit risk is the risk that counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade & other receivables, placing fixed deposits, investment in mutual funds, etc.

The company continuously monitors defaults of customers and other counterparties, identified by the company, and incorporates this information into its credit risk controls. The company's policy is to deal only with creditworthy customers wherein the credit given is backed by either cash margin in client's account or guarantee by the Sub brokers.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Liquidity risk

Liquidity risk is that the company might be unable to meet its obligations. The company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business.

The company's objective is to maintain cash and marketable securities to meet its liquidity requirements. The company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The company's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade and other receivables are all contractually due within six months.

1.21 Significant accounting judgements, estimates and assumptions

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

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

Recognition of deferred tax assets

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

Useful lives of depreciable assets

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

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

Defined benefit obligation (DBO)

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

Fair value measurement

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

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

2.1 Property plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2020:

Particulars	Leasehold Premises	Furniture and fixture	Office Equipment	Mobiles	Vehicles	Computer Hardware	Servers & Network	Total	Capital work in progress
Gross carrying value as of April 1, 2019	5,063,418	745,319	923,617	633,897	4,136,398	7,023,750	37,690,389	56,216,788	-
Additions	3,554,806	-	2,555,869	-	-	1,042,809	586,510	7,739,994	-
Deletions	-	-	-	-	-	-	-	-	-
Gross carrying value as of March 31, 2020	8,618,224	745,319	3,479,486	633,897	4,136,398	8,066,559	38,276,899	63,956,782	-
Accumulated depreciation as of April 1, 2019	5,063,415	555,790	815,343	352,518	2,519,951	6,681,690	32,511,127	48,499,834	-
Depreciation	184,539	37,949	257,648	178,325	583,649	261,638	2,644,805	4,148,553	-
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-	-
Accumulated depreciation as of March 31, 2020	5,247,954	593,739	1,072,991	530,843	3,103,600	6,943,328	35,155,932	52,648,387	-
Carrying value as of March 31, 2020	3,370,270	151,580	2,406,495	103,054	1,032,798	1,123,231	3,120,967	11,308,395	-
Carrying value as of March 31, 2019	3	189,529	108,274	281,379	1,616,447	342,060	5,179,262	7,716,954	-

2.2 Intangible assets

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2020:

Particulars	Intangible Assets- Computer Software	Right To Use of Lease Assets	Total
Gross carrying value as of April 1, 2019	33,713,265	-	33,713,265
Additions	9,243,221	9,194,332	18,437,553
Deletions	-	-	-
Gross carrying value as of March 31, 2020	42,956,486	9,194,332	52,150,818
Accumulated depreciation as of April 1, 2019	32,372,318	-	32,372,318
Depreciation	4,231,186	3,179,194	7,410,380
Accumulated depreciation on deletions	-	-	-
Accumulated depreciation as of March 31, 2020	36,603,504	3,179,194	39,782,698
Carrying value as of March 31, 2020	6,352,982	6,015,138	12,368,120
Carrying value as of March 31, 2019	1,340,947	-	1,340,947

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 3

Financial Assets

Advance, Deposits and Receivable

3a. Non-Current

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Base capital deposit with Exchanges	74,250,000	9,801,998
Deposits with Professional Clearing Member (Holding Co.)	1,200,000	1,200,000
Security deposits - Others	175,000	130,000
Total 3a	75,625,000	11,131,998

3b. Current

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Secured, considered good		
Advances for Margin Trading	-	-
	-	-
Unsecured, considered good unless otherwise stated		
Prepayments	10,069,633	9,659,459
Margin Deposit F&O & Others	208,162,847	92,810,714
Deposit with Exchanges	13,625,000	10,055,104
	231,857,480	112,525,277
Other Advances		
Advance paid to the Gratuity Fund	-	-
	-	-
Receivable		
Other receivable	119,040	125,633
	119,040	125,633
Total 3b	231,976,520	112,650,910
Total Carrying Value (3a+3b)	307,601,520	123,782,908

Note 4

Other financial assets

4a. Non current assets

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Long term deposits with banks with original maturities more than 12 months *	65,750,000	5,750,000
Total 4a	65,750,000	5,750,000

*The above Fixed deposits balace are lien with Stock exchanges as Margin.

4b. Current assets

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Accrued interest on fixed deposit	2,230,756	3,175,740
Input-Goods and Service Tax	19,635,043	25,860,228
	21,865,799	29,035,968
Other Current Assets		
Considered Good :-	3,670,053	415,008
Considered Doubtful	29,393,657	-
Less: Provision For doubtful debts	(29,393,657)	-
	3,670,053	415,008
Total 4b	25,535,852	29,450,976
Total Carrying Value (4a+4b)	91,285,852	35,200,976

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 5

Deferred Tax Asset (net)

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Timing difference due to depreciation as per Income Tax and Companies Act	2,563,480	2,720,697
Provision for doubtful debts	8,163,637	886,595
Provision for compensated Absences/Leave Encashment	646,715	692,996
Provision for Gratuity	257,738	7,313
Time differences due to Lease assets	174,673	-
Total	11,806,243	4,307,601

Note 6

Non - Current Tax Assets (net)

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Advance payment of taxes and Tax Deducted at Source (net of provision for taxes)	41,100,678	41,328,114
Total	41,100,678	41,328,114

Note 7

Current Investments

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Unquoted Mutual Funds	17,958,439	163,766,156
Details of investment		
Daily Dividend Plan of Liquid Schemes of Mutual Funds		
Nil Units at ₹ 1,002.0849 of Baroda Pioneer Mutual Fund (March 19: 35,096.567 Units at ₹ 1,002.0849 of Baroda Pioneer Mutual Fund)	-	35,169,740
Nil Units at ₹ 1,019.4457 of UTI Liquid Cash Plan (March 19 : 49,341.644 Units at ₹ 1,019.4457 of UTI Liquid Cash Plan)	-	50,301,129
Nil Units at ₹ 100.1082 of ICICI Mutual Fund (March 19: 35,009.873 Units at ₹ 100.1476 of ICICI Mutual Fund)	-	3,506,155
Nil Units at ₹ 100.1950 of Birla Sunlife Cash Plus (March 19: 2,32,454.555 Units at ₹ 100.2410 of Birla Sunlife Cash Plus)	-	23,301,477
17,916.250 Units at ₹ 1002.3548 of IDBI Mutual Fund (March 19: 51,366.693 Units at ₹ 1002.3548 of IDBI Mutual Fund)	17,958,439	51,487,655
Total	17,958,439	163,766,156

Note 8

Trade Receivables

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Considered Good-Secured *	433,884,190	665,585,409
Considered Good-Unsecured	3,042,916	3,044,627
	436,927,106	668,630,036
Less: Provision For doubtful debts	(3,042,916)	(3,044,627)
Total	433,884,189	665,585,409

1.* In term of agreement with SHCIL, trade receivables are Guaranteed by SHCIL.

2. Trade receivables includes ₹ 261 Lakhs (March 31, 2019 - ₹ 1,665 Lakhs) receivable from Stock Exchanges on behalf of customers. Also it includes the last two days clients balances of F.Y 2019-20, which are settled in next F.Y. 2020-21 amounting to ₹ 2,752 Lakhs (March 31, 2019 ₹ 2,516 Lakhs). Refer Note 31.

3. Trade Receivables includes ₹ 69 Lakhs (March 31, 2019 - ₹ 34 Lakhs) due from Holding company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Provision For doubtful debts

Particulars	March 31, 2020	March 31, 2019
	₹	₹
Opening	3,044,627	2,961,238
Add : Addition during the period	29,391,947	83,389
Less : Reversal during the period	-	-
Closing Balance	32,436,574	3,044,627

Note 9

9a. Cash and cash equivalents

Particulars	March 31, 2020	March 31, 2019
	₹	₹
Cash and cash equivalents		
Cash in hand	3,097	34,303
Balance with Bank		
- Balances with banks - In current accounts*	1,456,719,483	299,874,514
- Cheques in hand	-	-
- Fixed deposit with banks (Maturity within 3 months)	11,256,390	142,663,779
Total	1,467,978,970	442,572,596

* Balances With Bank in Current Account includes, Clients Bank Balance of ₹ 1,15,17,48,332/- and Own Bank Balance of ₹ 30,49,71,151/- as on March 31, 2020.

9b. Bank Balance other than Cash and cash equivalents

Particulars	March 31, 2020	March 31, 2019
	₹	₹
Fixed deposit with bank (more than 3 months but less than 12 months maturity)*	216,398,397	347,312,034
Total	216,398,397	347,312,034

* The above Fixed deposits balance are lien with Stock exchanges as Margin.

10 Equity Share Capital

(A) Authorised, Issued, Subscribed & Paid up

Particulars	March 31, 2020		March 31, 2019	
	Number	₹	Number	₹
Authorised				
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
	20,000,000	200,000,000	20,000,000	200,000,000
Issued, Subscribed and Paid up				
Equity Shares of ₹ 10 each fully paid	6,089,703	60,897,030	6,089,703	60,897,030
Total	6,089,703	60,897,030	6,089,703	60,897,030

(B) Reconciliation of shares outstanding at the beginning and end of the period

Particulars	March 31, 2020		March 31, 2019	
	Number	₹	Number	₹
Equity Shares				
Shares outstanding at the beginning of the period	6,089,703	60,897,030	6,089,703	60,897,030
Addition during the year	-	-	-	-
Shares outstanding at the end of the period	6,089,703	60,897,030	6,089,703	60,897,030

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(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.

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

Particulars	March 31, 2020		March 31, 2019	
	Number	₹	Number	₹
Equity Shares				
Stock Holding Corporation of India Ltd	6,089,696	99.99	6,089,696	99.99

(E) Information regarding issue of shares in the last five years

In FY 2015-16, 319,703 Equity shares of ₹ 10/- each (face value) has been allotted as fully paid up pursuant to conversion of 7 % Non-cumulative preference shares without payment being received in cash. The said 7 % Non-cumulative preference shares payment received by Company through bank.

The Company has not issued any bonus shares.

The Company has not undertaken any buyback of shares.

Note 11

Long term provisions

Particulars	March 31, 2020	March 31, 2019
	₹	₹
Provision for employee benefits		
Provision for compensated absences	2,189,155	2,056,073
Provision for gratuity	515,685	12,468
Total	2,704,840	2,068,541

Note 12

Trade payables

Particulars	March 31, 2020	March 31, 2019
	₹	₹
Due to micro, small and medium enterprises (Refer Note 24)	-	-
Other than micro, small and enterprises:		
Dues to holding company - sub brokerage	-	-
Dues to other Sub Brokers	134,992	7,551
Client Dues *	1,734,431,948	1,030,659,965
Total	1,734,566,941	1,030,667,516

* It includes the last two days clients balances of F.Y 2019-20, which are subsequently settled in the next F.Y. 2020-21 amounting to ₹ 2,962 Lakhs (March 31, 2019 - ₹ 4,120 Lakhs). Refer Note 31.

Note 13

Other Financial Liabilities

CURRENT

Particulars	March 31, 2020	March 31, 2019
	₹	₹
Other Financial Liabilities		
Margin deposits from Holding Company as sub broker	20,000,000	20,000,000
Margin deposits from other sub broker	1,423,247	902,247
Deposits from others	200,000	-
Due to Holding Company - Others	16,038,967	9,935,654
Employee benefits payable	9,109,536	9,500,000
For Other Expenses		
Other provisions (includes provision for expenses)	40,262,617	27,116,345
Other payables (includes payable to vendors)	14,604,145	17,069,143
Total	101,638,512	84,523,389

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

* Provision for expenses

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Opening	27,116,345	19,745,352
Add : Addition during the period	40,262,617	27,116,345
Less : Reversal during the period	(27,116,345)	(19,745,352)
Closing Balance	40,262,617	27,116,345

Note 14

Short-term provisions

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Provision for employee benefits		
Provision for gratuity	508,384	12,645
Provision for compensated absences	380,439	323,722
Total	888,823	336,367

Note 15

Other Current liabilities

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Statutory dues including provident fund and taxes (includes amount due on settlement - Refer Note 31)	20,320,712	25,186,760
Others-(Client's Fund)	42,416,641	29,125,918
Payable to Exchange	1,058,988	712,772
Income Received In Advance	14,606,326	19,810
Total	78,402,667	55,045,260

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 16

Revenue from operations (Net)

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Commission and Brokerage (net)	478,837,168	439,216,796
Other Operational Revenue	10,305,533	7,833,269
Total	489,142,701	447,050,065

Note 17

Other income

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Interest Income		
Interest on Deposits with Banks	31,888,036	32,292,231
Interest on IT Refund	1,272,690	18,620,652
Dividend on Current Investments	6,712,836	6,987,007
Other Income		
Sundry balances written back (refer note 33)	64,640	157,867
Reversal of Provisions	553,090	1,705,319
Profit on Pro Trading	461,414	-
Insurance Claim Received	-	2,863,025
Miscellaneous Income	394,809	173,534
Total	41,347,515	62,799,635

Note 18

Employee benefits expense

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Employee Costs		
Salaries, allowances and bonus	48,713,989	47,380,918
Contribution to provident and other funds	1,685,867	1,621,366
Staff welfare expenses	2,905,057	1,293,956
Training and Development	278,531	1,233,633
Total	53,583,444	51,529,873

Note 19

Finance costs

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Interest on Lease liability	432,341	-
Total	432,341	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 20

Sub - brokerage expenses

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Sub - Brokerage Expenses	290,095,652	261,910,035
Total	290,095,652	261,910,035

Note 21

Other expenses

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Outsourcing Expenses - Professional	1,155,241	1,642,985
Outsourcing Expenses - Contractor	11,355,107	7,612,098
Exchange Expenses	722,524	1,144,117
Bank Charges	1,022,827	1,032,671
Connectivity Charges	560,329	824,293
Depository Participant/Custodian Fees	514,756	159,804
Rent & Taxes	3,666,640	5,484,847
Electricity Charges	1,611,575	1,574,846
Service Tax and GST Expenses	1,053,700	934,410
Security Charges	928,917	854,096
Sub-Broker Dealer Incentive	475,716	1,136,935
Insurance Charges	3,894,688	2,072,052
Subscription Charges	4,006,332	3,761,715
Repairs & Maintenance - Software	18,112,733	14,057,202
Repairs & Maintenance - Plant & Machinery	1,247,095	4,334,217
Repairs & Maintenance - Others	1,622,931	3,551,433
Travelling & Conveyance	1,297,898	962,986
Postage & Courier	2,935,031	3,367,631
Telephone & Communication	347,819	201,909
Printing & Stationery Charges	3,173,767	3,333,669
Directors Sitting Fees	3,380,000	2,620,000
Legal Fees	1,759,000	490,750
Professional Fees*	8,489,398	6,028,486
Corporate Social Responsibility	2,310,000	2,100,000
Training-Others	583,413	-
Sales Promotion Expenses	1,450,004	-
Provision For Doubtful Debts/ Advances	29,391,947	83,389
Sundry Balances Written Off (Refer Note 33)	51,035	143,724
Pro Trading Expenses	377,428	-
Advertisement & Publicity	55,245	104,425
Other Miscellaneous Expenses	2,629,074	2,472,718
Total	110,182,170	72,087,408

* Inclusive of Auditor remuneration Refer note 27

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 22

Income Taxes

Tax expense in the statement of profit and loss comprises:

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Current Taxes (Including OCI)	23,228,806	33,311,460
Current tax adjustment for earlier years	(11,315,046)	-
Deferred Taxes	(7,323,969)	(185,544)
Income Tax expense	4,589,791	33,125,916

A reconciliation of Income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Profit before income taxes	63,926,463	118,935,914
Enacted tax rates in India	25.17%	29.12%
Computed expected tax expense	16,089,012	34,634,138
Effect of exempt non-operating income	(1,689,487)	(2,034,616)
-Provision for doubtful debts/advances	7,258,164	(472,306)
-Employee benefits (net)	299,186	120,001
-Depreciation	540,679	231,191
-Other non-deductible expenses	731,251	833,052
Income tax expense	23,228,806	33,311,460

The following table provides the details of income tax assets and income tax liabilities as of March 31, 2020 and March 31, 2019:

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Income tax assets	64,329,484	74,639,573
Current income tax liabilities	(23,228,806)	(33,311,459)
Net income tax assets/ (liability) at the end	41,100,678	41,328,114

The gross movement in the current income tax asset/ (liability) for the Year ended March 31, 2020 and March 31, 2019 is as follows:

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Net current income tax asset/ (liability) at the beginning	41,328,114	86,281,835
Income tax paid	11,686,324	(11,642,262)
Current income tax expense	(23,228,806)	(33,311,459)
Income tax on other comprehensive income	-	-
Current tax adjustment for earlier years	(11,315,046)	-
Net income tax asset/ (liability) at the end	41,100,678	41,328,114

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

23 Contingent liabilities

i) Under Income Tax Act, 1961

Nature of Dues and Assessment Year (A Y)	Amount ₹	Forum
A Y 2012-13 - Regular Assessment	806,597	CIT(A)
A Y 2015-16 -Regular Assessment	13,210,184	CIT(A)
	14,016,781	

Note:- The Demand of A.Y. 2012-13 and A.Y. 2015-16 amount of ₹ 35,04,195 are adjusted against refund of A.Y. 2010-11. The demand of A.Y. 2013-14 and A.Y. 2014-15 amount of ₹ 2,23,01,290 are fully adjusted against refund of A.Y. 2011-12 and A.Y. 2012-13.

ii) Estimated amount of contracts remaining to be executed on capital account and not provided for the period ended March 31, 2020 ₹ 27,25,361 /- (Previous year ended March 31, 2019 - ₹ 2,13,61,729)

iii) The Company has received summons dated 6th March 2018 from Court of Additional Chief Metropolitan Magistrate, 4th court, Girgaon, Mumbai) for violation of provisions of section 81, 193 and 285 of Companies Act 1956 which took place prior to financial year 2008-09. SHCIL Services Limited had earlier filed the compounding applications with Regional Director, Mumbai. However on follow up it was understood that the compounding applications are not traceable. Now on the advice of legal consultants we have filed a fresh compounding application dated September 11, 2018 with ROC. The Compounding fee is the prerogative of Court, however based on past compounding orders, penal provision and as discussed with Advocates, the liability on account of Compounding application will not be a material amount and the same is unascertainable at the present.

24 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 at March 31, 2020 on account of principal amount together with interest is ₹ NIL. (Previous period ended March 31, 2019 - ₹ NIL)

The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under:

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the period	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remain unpaid	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

25 Basic and Diluted Earnings per share (EPS) has been computed as under:-

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Profit for the period - for basic EPS	60,047,885	85,890,039
Weighted average no. of shares - basic EPS	6,089,703	6,089,703
Basic EPS	9.86	14.10
Profit for the period - for diluted EPS	60,047,885	85,890,039
Weighted average no. of shares - diluted EPS	6,089,703	6,089,703
Diluted EPS	9.86	14.10
Face value per share	10	10

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

26 Leases (Cancellable)

The Company has entered into Operating Lease Agreement with SHCIL for Office Premises in :

- 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, 2017 purely as a License-cum-Allottee of office space, without having any right, title or interest upon the demised premises. (Exemption under Ind As 116 because lease period is less than 12 months after the applicability of Ind As 116.)
- ML Tower, Navi 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 Six month w. e. f. from March 18, 2019 purely as a License-cum-Allottee of office space, without having any right, title or interest upon the demised premises.(Exemption under Ind As 116 because lease period is less than 12 months after the applicability of Ind As 116.)
- Server Rack space had grated to the company, the liability to use and occupy the demised premised as keeping of server for the period of five years w. e. f. from July 2015 as license -cum- Allottee of office Server space without having any right , title , or interest upon the demised premises.
- Mahape, Navi Mumbai, whereby SHCIL has granted to the Company, the liberty to use and occupy the Demised Premises as a office space for a period of three years w. e. f. from April 1, 2019 purely as a License-cum-Allottee of office space, without having any right, title or interest upon the demised premises
- Lease liability amounting to ₹ 62.96 Lacs has been grouped under Note 13 under due to Vendor.

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
a) Depreciation charge for right-of-use assets	3,179,194	-
b) Interest expense on lease liabilities	432,341	-
c) The expense relating to Short Term lease	3,375,039	-
e) Additions to right-of-use assets	9,194,332	-
f) the carrying amount of right-of-use assets at the end of the reporting period	6,015,138	-
Total	22,196,044	-

27 Auditor`s Remuneration (excluding GST)

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Statutory audit	1,500,000	1,050,000
Tax audit	100,000	150,000
Certification Fees	-	-
In other capacity:		
Out of Pocket Expenses	80,000	98,944
Total	1,680,000	1,298,944

28 Related Party Disclosures

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

(a) Ultimate Holding Company of SSL

IFCI LIMITED

(b) Holding Company of SSL

Stock Holding Corporation of India limited (SHCIL)

(c) Associate Company of SSL

Stock Holding Document Management Services Limited (subsidiary of SHCIL)

(d) Key Management Personnel of SSL

- Shri Ramesh N G S - Non executive Director (Chairman)*
- Umesh Laxman Punde-Non executive Director*(W.e.f. 26th July 2019)
- Amit Dassi-Non executive Director*(W.e.f. 26th July 2019)
- Sarala menon-Non executive Director*(W.e.f. 26th July 2019)
- Shri G Anantharaman -Independent Director*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

6. Shri D.C. Jain -Independent Director *
 7. Shri Sanjay Pote - Managing Director and Chief Executive Officer (w. e. f. 1st April 2018)
 8. Mrs. Neha Sunke-Chief Financial Office (w.e.f.24th April,2019)
 9. Shri Rajneesh singh - Company Secretary
- * The ICAI - Ind AS Transition facilitation group's bulletin dated July 31,2017 clarified independent directors coverage under definition of KMP under para 9 of Ind AS 24. Disclosures being made in this section accordingly for said purposes.

B. Particulars of Transaction with Related Parties

March 31, 2020 (₹)	Period Ended		
March 31, 2019 (₹)			
Nature of Transaction	Holding Company	Key Managerial Personnel and their Relatives	Associate Company
Brokerage Income (IFCI LIMITED)	88,686		
<i>For March 31, 2019</i>	<i>347,518</i>	<i>-</i>	<i>-</i>
Brokerage Income	743,970	10,973	
<i>For March 31, 2019</i>	<i>1,273,553</i>	<i>933</i>	<i>-</i>
Service charges received	2,569,107		
<i>For March 31, 2019</i>	<i>2,334,210</i>	<i>-</i>	<i>-</i>
Outsourcing Expenses			7,337,750
<i>For March 31, 2019</i>	<i>-</i>	<i>-</i>	<i>5,684,115</i>
Sub- Brokerage Expenses	273,660,723		
<i>For March 31, 2019</i>	<i>259,989,521</i>	<i>-</i>	<i>-</i>
Reimbursement of Expenses (Net)	13,247,936		
<i>For March 31, 2019</i>	<i>13,958,679</i>	<i>-</i>	<i>-</i>
Sitting Fees		1,560,000	
<i>For March 31, 2019</i>	<i>-</i>	<i>1,260,000</i>	<i>-</i>
Salary / Deputation Cost of Employees	2,842,500	7,478,173	
<i>For March 31, 2019</i>	<i>3,888,916</i>	<i>5,105,788</i>	<i>-</i>
Outstanding balances :			
Trade and other payable	23,916,815		665,223
<i>For March 31, 2019</i>	<i>17,263,229</i>	<i>-</i>	<i>549,455</i>
Trade and other receivable	6,935,355		
<i>For March 31, 2019</i>	<i>3,435,752</i>	<i>-</i>	<i>-</i>
Deposits payable	20,000,000		
<i>For March 31, 2019</i>	<i>20,000,000</i>	<i>-</i>	<i>-</i>
Deposits receivable	209,312,847		
<i>For March 31, 2019</i>	<i>93,960,714</i>	<i>-</i>	<i>-</i>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

29 Managerial Remuneration

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
MD&CEO , Company Secretary & CFO		
Salary , Allowances & Incentives (Including GST : For March 2020 ₹ 11,10,758/-; For March 2019 ₹ 9,19,042/-)	8,299,684	5,817,948
Contribution to Provident Fund	289,247	206,882
Contribution to Retirement Benefits	190,497	178,164
Total	8,779,428	6,202,993

30 Employee benefits

Defined contribution plans:

(i) Particulars	March 31, 2020 ₹	March 31, 2019 ₹
The company has recognised the following amounts in the Statement of Profit and Loss for the period		
Contribution to Employees Provident and other Funds	1,685,867	1,621,366
Contribution to Employees Superannuation Fund	-	-
Total	1,685,867	1,621,366

(ii) Defined benefits plans:

(A) Gratuity

(i) Funded status of the plan

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Present value of unfunded obligations	-	-
Present value of funded obligations	3,355,068	2,832,402
Fair value of plan assets	(2,330,999)	(2,807,289)
Net Liability (Asset)	1,024,069	25,113

(ii) Profit and loss account for the period

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Service cost:		
Current service cost	447,228	395,621
Past service cost and loss/(gain) on curtailments and settlement	-	-
Net interest cost	(15,086)	7,997
Total included in 'Employee Benefit Expense`	432,142	403,618

Other Comprehensive Income for the current period

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	295,083	37,577
Due to change in demographic assumption	(3,262)	-
Due to experience adjustments	380,274	52,746
Return on plan assets excluding amounts included in interest income	39,118	(10,283)
Amounts recognized in Other Comprehensive Income	711,213	80,040

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(iii) Reconciliation of defined benefit obligation

Particulars	March 31, 2020	March 31, 2019
	₹	₹
Opening Defined Benefit Obligation	2,832,402	2,335,427
Transfer in/(out) obligation	-	-
Current service cost	447,228	395,621
Interest cost	212,136	177,185
Actuarial loss/(gain) due to change in financial assumptions	295,083	37,577
Actuarial loss/(gain) due to change in demographic assumption	(3,262)	-
Actuarial loss/ (gain) due to experience	380,274	52,746
Past service cost	-	-
Loss (gain) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Sub-total included in OCI	-	-
Benefits paid	(808,793)	(166,154)
Closing Defined Benefit Obligation	3,355,068	2,832,402

(iv) Reconciliation of plan assets

Particulars	March 31, 2020	March 31, 2019
	₹	₹
Opening value of plan assets	2,807,289	2,033,762
Transfer in/(out) plan assets	-	-
Expenses deducted from the fund	-	-
Interest Income	227,222	169,188
Return on plan assets excluding amounts included in interest income	(39,118)	10,283
Assets distributed on settlements	-	-
Contributions by employer	144,399	760,210
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(808,793)	(166,154)
Closing value of plan assets	2,330,999	2,807,289

Category of Assets at the end of the year

Particulars	Gratuity March 31, 2020 (Funded)	Gratuity March 31, 2019 (Funded)
	₹	₹
Insurer Managed Fund	2,330,999	2,807,289
Central Govt Security	24.71%	24.71%
State Govt Security	36.96%	36.96%
Other Loans	0.03%	0.03%
Other Approved Security	1.04%	1.04%
Ncd/Bonds	25.78%	25.78%
Equity	6.98%	6.98%
Fixed Deposit	4.16%	4.16%
Mutual Fund	0.00%	0.00%
CBLO	0.34%	0.34%
TOTAL	100%	100%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(v) Reconciliation of net defined benefit liability

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Net opening provision in books of accounts	25,113	301,665
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense as per Annexure 2	432,142	403,618
Amounts recognized in Other Comprehensive Income	711,213	80,040
	1,168,468	785,323
Benefits paid by the Company	-	-
Contributions to plan assets	(144,399)	(760,210)
Closing provision in books of accounts	1,024,069	25,113

Reconciliation of asset Ceiling

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Opening value of asset ceiling	-	-
Interest on opening value of asset ceiling	-	-
Loss/(gain) on assets due to surplus/deficit	-	-
Closing value of plan asset ceiling	-	-

(vi) Composition of the plan assets

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Government of India Securities	0%	0%
State Government Securities	0%	0%
High quality corporate bonds	0%	0%
Equity shares of listed companies	0%	0%
Property	0%	0%
Special Deposit Scheme	0%	0%
Policy of insurance	100%	100%
Bank Balance	0%	0%
Other Investments	0%	0%
Total	100%	100%

(vii) Bifurcation of liability as per schedule III

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Current Liability*	508,384	12,645
Non-Current Liability	515,685	12,468
Net Liability	1,024,069	25,113

* The current liability is calculated as expected contributions for the next 12 months or the net liability whichever is lower.

(viii) Principle actuarial assumptions

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Discount Rate	6.90%	7.60%
Salary Growth Rate	5.00%	5.00%
Withdrawal Rates	2% at all ages	2% at all ages
Rate of Return on Plan Assets	6.90%P.a.	7.60%P.a.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(ix) Sensitivity to key assumptions

Particulars	March 31, 2020	March 31, 2019
	(12 months) ₹	(12 months) ₹
Discount rate varied by 0.5%		
+ 0.5%	3,140,608	2,651,061
Change in DBO (%)	-6.39%	-6.40%
-0.5%	3,589,565	3,030,817
Change in DBO (%)	6.99%	7.01%
Salary growth rate varied by 0.5%		
+ 0.5%	3,589,416	3,028,396
Change in DBO (%)	6.98%	6.92%
-0.5%	3,137,537	2,648,548
Change in DBO (%)	-6.48%	-6.49%
Withdrawal rate (W.R.) varied by 20%		
W.R. x 110%	3,370,914	2,852,710
Change in DBO (%)	0.47%	0.72%
W.R. x 90%	3,338,699	2,811,475
Change in DBO (%)	-0.49%	-0.74%

(x) Expected benefit payments

Particulars	March 31, 2020		March 31, 2019	
	(12 months) ₹		(12 months) ₹	
	Cash flows (₹)	%	Cash flows (₹)	%
2019			82,273	0.9%
2020	86,966	0.9%	88,907	1.0%
2021	92,865	1.0%	94,188	1.0%
2022	102,332	1.1%	102,546	1.1%
2023	108,260	1.1%	107,658	1.2%
2024	115,246	1.2%	-	-
2024 - 2028	-	-	710,145	7.7%
2025 - 2029	1,320,444	13.8%	-	-

The future accrual is not considered in arriving at the above cash-flows.

(B) Leave Encashment

Ordinary Leave Benefits

(i) Funded status of the plan

Particulars	March 31, 2020	March 31, 2019
	₹	₹
Present value of unfunded obligations	1,484,008	1,472,051
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Net Liability (Asset)	1,484,008	1,472,051

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(ii) Profit and loss account for current period

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Service cost:		
Current service cost	941,397	809,948
Past service cost and loss/(gain) on curtailments and settlement	-	-
Net interest cost	102,922	102,023
Net value of remeasurements on the obligation and plan assets	(391,151)	(183,440)
Total included in 'Employee Benefit Expense'	653,168	728,531
Actuarial loss/(gain) due to change in financial assumptions	45,320	6,549
Actuarial loss/(gain) due to change in demographic assumption	268	-
Actuarial loss/ (gain) due to experience adjustments	(436,739)	(189,989)
Return on plan assets excluding amounts included in interest income	-	-
Net actuarial Loss/(Gain)	(391,151)	(183,440)

(iii) Reconciliation of defined benefit obligation

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Opening Defined Benefit Obligation	1,472,051	1,324,970
Transfer in/(out) obligation	-	-
Current service cost	941,397	809,948
Interest cost	102,922	102,023
Actuarial loss/(gain) due to change in financial assumptions	45,320	6,549
Actuarial loss/(gain) due to change in demographic assumption	268	-
Actuarial loss/ (gain) due to experience adjustments	(436,739)	(189,989)
Past service cost	-	-
Losses (gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits Paid	(641,211)	(581,450)
Benefits Payable	-	-
Closing Defined Benefit Obligation	1,484,008	1,472,051

(iv) Reconciliation of net defined benefit liability

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Net opening provision in books of accounts	1,472,051	1,324,970
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee benefit expense as per annexure 2	653,168	728,531
	2,125,219	2,053,501
Benefits paid by the company	(641,211)	(581,450)
Amounts transferred to 'payable account'	-	-
Contributions to plan assets	-	-
Closing provision in books of accounts	1,484,008	1,472,051

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020
(v) Bifurcation of liability as per schedule III

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Current Liability*	275,856	235,621
Non-Current Liability	1,208,152	1,236,430
Net Liability	1,484,008	1,472,051

* The current liability is calculated as expected benefits for the next 12 months.

(vi) Principle actuarial assumptions

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Discount Rate	6.90%	7.60%
Salary Growth Rate	5.00%	5.00%
Withdrawal Rates	2% at all ages	2% at all ages
Leave Availment Rate	5% p.a.	5% p.a.
Leave Encashment Rate	10% p.a.	10% p.a.

(vii) Sensitivity to key assumptions

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Discount rate varied by 0.5%		
+ 0.5%	1,451,345	1,439,895
(% Change)	-2.20%	-2.18%
-0.5%	1,518,206	1,505,700
(% Change)	2.30%	2.29%
Salary growth rate varied by 0.5%		
+ 0.5%	1,518,674	1,506,383
(% Change)	2.34%	2.33%
-0.5%	1,450,614	1,438,962
(% Change)	-2.25%	-2.25%
Withdrawal rate (W.R.) varied by 10%		
W.R. x 110%	1,481,430	1,469,306
(% Change)	-0.17%	-0.19%
W.R. x 90%	1,486,616	1,474,816
(% Change)	0.18%	0.19%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(viii) Expected benefit payments

Particulars	March 31, 2020 (12 months)		March 31, 2019 (12 months)	
	₹		₹	
	Cash flows (₹)	%	Cash flows (₹)	%
2019			235,621	11.70%
2020	275,856	12.80%	229,434	11.40%
2021	242,336	11.30%	201,527	10.00%
2022	212,863	9.90%	176,989	8.80%
2023	186,948	8.70%	155,414	7.70%
2024	164,161	7.60%		
2024 - 2028	-	0.00%	543,717	26.90%
2025 - 2029	604,516	28.20%		

The future accrual is not considered in arriving at the above cash-flows.

(2) Sick Leave Benefits

(i) Bifurcation of liability as per schedule III

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Current Liability*	104,583	88,101
Non-Current Liability	981,003	819,643
Net Liability	1,085,586	907,744

* The current liability is calculated as expected benefits for the next 12 months.

(ii) Principle actuarial assumptions

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Discount Rate	6.90%	7.60%
Salary Growth Rate	5.00%	5.00%
Withdrawal Rates	2% at all ages	2% at all ages
Leave Availment Rate	3% p.a.	3% p.a.
Leave Encashment Rate	0% p.a.	0% p.a.

(iii) Sensitivity to key assumptions

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Discount rate varied by 0.5%		
+ 0.5%	1,047,321	1,752,852
(% Change)	-3.52%	93.10%
-0.5%	1,126,336	1,882,094
(% Change)	3.75%	107.34%
Salary growth rate varied by 0.5%		
+ 0.5%	1,126,896	1,883,465
(% Change)	3.81%	107.49%
-0.5%	1,046,467	1,751,050
(% Change)	-3.60%	92.90%
Withdrawal rate (W.R.) varied by 20%		
W.R. x 110%	1,068,574	1,787,259
(% Change)	-1.57%	96.89%
W.R. x 90%	1,103,003	1,844,366
(% Change)	1.60%	103.18%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

31 Amount due on settlement (net) represents amount receivable from/ (payable to) Clearing House, Clients and Brokers as under:

As at the end of current period

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Due to Clearing House	(54,693,725)	(88,745)
Due from Clearing House	80,816,642	166,519,796
Due to Clients	(296,259,860)	(412,047,655)
Due from Clients	275,225,691	251,632,525
Government - Taxes	(1,734,370)	(1,899,249)
Net Receivable/ Payable	3,354,378	4,116,672

32 The Company operates only in one segment i.e. stock broking and hence there are no reportable segments as defined in Indian Accounting Standard (IND AS -108) on "Segment Reporting".

33 During the period ended March 31, 2020 the Company has written back certain payables for which no claim was received amounting to ₹ 64,640/- (Previous year ended March 31, 2019 - ₹ 1,57,867/-). The Company has also written off old balances of ₹ 51,035/- (Previous period ended March 31, 2019 - ₹ 1,43,724/-). The above has been done in line with the policy as approved by the Board of Directors.

34 SSL enters into a contract with its customers at the time of on boarding through client registration Kits. Specific performance obligations of SSL, Brokerage slabs, charges for other facilities, interest on delayed payments etc have been defined in the contract (Client registration kits) with the customers. Once the orders given by clients are executed by SSL in exchange the performance obligation of SSL is satisfied and we are eligible to book brokerage income and the client is obliged to pay before Pay in. Also contract notes (billing) are subsequently generated and delivered to clients.

Break up of brokerage income being majority of income is as follows.

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
NSE (Cash)	262,609,235	185,710,421
BSE (Cash)	197,862,358	232,798,549
Futures & Options	17,613,810	20,539,185
Other Commission	751,765	168,642
Total	478,837,168	439,216,797

35 Financial assets and liabilities

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Categories of financial assets		
Carrying values of financial assets measured at amortised cost		
Advances, Deposits and Receivable (Refer Note :3)	307,601,520	123,782,908
Deposits with banks (Refer Note :4)	65,750,000	5,750,000
Trade and other receivables (Refer Note :8)	433,884,189	665,585,409
Cash and cash equivalent (Refer Note :9)	1,684,377,367	789,884,630
	2,491,613,077	1,585,002,947
Measured at FVPL		
Investment in mutual funds (quoted and unquoted) (Refer Note :7)	17,958,439	163,766,156
	17,958,439	163,766,156
Total carrying values of financial assets	2,509,571,516	1,748,769,103
Total fair values of financial assets	2,509,571,516	1,748,769,103

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Categories of financial liabilities		
Carrying value of financial liabilities measured at amortised cost		
Trade payables (Refer Note :12)	1,734,566,941	1,030,667,516
Other financial liabilities (Refer Note :13)	101,638,512	84,523,389
Total carrying values of financial liabilities	1,836,205,453	1,115,190,905
Total fair values of financial liabilities	1,836,205,453	1,115,190,905

36 Financial Risk Management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price. Financial instruments affected by market risk include loans and borrowings and deposits. The Company is not exposed to currency risk and other price risk. SSL has been offering exposure to the clients which may have impact of market fluctuations, however the Company has robust risk management system which is monitoring the risk on continuous basis and taking all the risk mitigation measures.

Credit risk analysis

Credit risk refer to the risk of default on its obligation by the counter party resulting in financial loss. Credit risk always managed by the Company by proper approvals. Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the end of the reporting period, as summarised below:

Classes of financial assets – carrying amounts:

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Investments (Refer Note :7)	17,958,439	163,766,156
Advances & Deposit -Non current (Refer Note :3)	307,601,520	123,782,908
Trade and Other Receivables (Refer Note :8)	433,884,189	665,585,409
Total	759,444,149	953,134,473

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by the credit rating agencies. Investments primarily include investment in liquid mutual fund units.

The trade receivables at reporting date analysed by the length of time past due, are:

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Up to 6 months	424,513,826	659,146,201
More than 6 months	9,370,363	6,439,209
Total	433,884,189	665,585,410

In term of agreement with SHCIL, trade receivable is Guarantee by SHCIL. To manage credit risk, the Company periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company doesn't have significant credit risk exposure to any single counter party or a group of counter parties as it has robust risk management, provisioning and write off policy for debtors. Trade receivables are monitored on periodic basis for any non-recoverability of the dues.

Liquidity risk analysis

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of March 31, 2020, the Company had a working capital of ₹ 47,82,35,425/- including cash and cash equivalents & Bank Balance other than Cash and Cash equivalents of ₹ 168,43,77,367/- and current investments of ₹ 1,79,58,439/-

As of March 31, 2020 the outstanding employee benefit obligations were ₹ 35,93,663/- , out of which Gratuity obligation

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

has been substantially funded and for compensated absence Company have positive cash flow. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

Particulars	Less than 6 months	6 to 12 months
Trade payables (Refer Note :12)	1,730,971,584	3,595,357
Other current financial liabilities (Refer Note :13)	101,638,512	-

37 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Hierarchy of financial assets and liabilities measured at fair value

Financial assets:

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Level 1		
Quoted equity shares	-	-
Mutual funds at NAV (Refer Note :7)	17,958,439	163,766,156
Total Level 1	17,958,439	163,766,156
Level 2		
	-	-
Total Level 2	-	-
Level 3		
	-	-
Total Level 3	-	-
Total	17,958,439	163,766,156

38 Capital management policies

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The gearing ratio at the end of the period was as follows:-

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Debt	-	-
Less: Cash and cash equivalents and Bank Balance other than Cash and Cash equivalents	(1,684,377,367)	(789,884,630)
Net Debt	(1,684,377,367)	(789,884,630)
Total equity Capital	60,897,030	60,897,030
Capital gearing ratio	(27.66)	(12.97)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

39 Corporate Social Responsibility (CSR) Expenses

- (i) Gross amount required to be spent by the company during the current year is ₹ 23,10,000/- (March 31, 2019 ₹ 21,00,000/-)
- (ii) Amount spent during the year

	In Cash	Yet to be paid in cash	Total
Construction/acquisition of any assets	-	-	-
On purpose other than above	2,310,000.00	-	2,310,000.00

- (iii) Related party transaction during the year to CSR expenditure is ₹ 23,10,000/- (March 31, 2019 ₹ 21,00,000/-)
- (iv) Corporate social Responsibility (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.
- 40 There were certain unreconciled items amounting to ₹ 3.50 Cr. grouped in trade receivable as on 31st March 2019. On further investigation it has been revealed that one of the employee of the company had fraudulently made payments to the non clients amounting to ₹ 2.94Cr.(net after recovery) from Client Bank accounts. The company has filed a First Information Report to the Rabale police station. Company can determine the amount of fraudulent payments to prior accounting periods however it cannot determine the amount of period specific loss as required under INDAS 8, as amounts recoverable from the employee and that from the Insurance claim is not fully determinable at this stage. Therefore it falls under the exception to INDAS 8 which states that if the quantum of loss cannot be ascertained clearly during the current period the accounting effects can be taken prospectively. The company on a conservative assessment, has provided for the entire recoverable of ₹ 2.94 Cr from the employee in the profit & loss account for the period ended 31st March 2020. Also the company had appointed an outside agency to prepare the bank reconciliation of the said bank account from F.Y 2014-15 to F.Y 2018-19. Rectification entries have been passed on receipt of Revised Bank reconciliation statement in the Current Financial Statements.
- 41 The company had appointed a forensic auditor to conduct detailed analysis of the fraud. The final report has been submitted by Forensic Auditor. Based on report management believes that there is unlikely of any further material financial impact of the same on the financial statements.
- 42 The company has filed an insurance claim to national insurance company limited for the matter as stated in note no. 40.
- 43 The Board has recommended the final dividend of ₹ 4 /- per equity share for the financial year 2019-20 subject to approval of Shareholders in the Annual General Meeting . Hence the total outflow will be of ₹ 2,43,58,812 /- .
- 44 Figures for the corresponding previous Financial period have been regrouped and rearranged to confirm to those of current Financial period.

As per Our Report of even date attached

For and on behalf of
L.S. Nalwaya & Co.
Chartered Accountants
FRN: 115645W

For and on behalf of Board of Directors
SHCIL Services Limited

Ashish Nalwaya
Partner
Membership No. 110922

Neha Sunke
Chief Financial Officer

Sanjay Pote
Managing Director
& Chief Executive Officer
DIN:08085505

Ramesh N.G.S.
Non Executive
Chairman
DIN:06932731

Rajneesh Singh
Company Secretary

Umesh Punde
Director
DIN :00670403

Place: Mumbai

Date : June 16, 2020

PHOTO GALLERY



Employees of SHCIL Services Limited taking Swachhata Pledge at ML Tower, Navi Mumbai.



Shri Rajneesh Singh, Company Secretary felicitating Ms. Nootan Bhoir, representing her team (Corporate & Trade Finance) the winners of Bay Decoration competition.



Shri Sanjay Pote, MD & CEO, SHCIL Services Limited, inaugurating the refurbished SHCIL House office of SSL by cutting ribbon on Diwali. Also present Shri Prabhat Dubey, Chief Risk Officer, StockHolding and Shri Rajneesh Singh, Company Secretary & Head Legal.



Shri Rajendra Chaudhary with his spouse, performing Diwali puja at SHCIL House Office, Mahape, Navi Mumbai.



Shri R.H. Mewawala, Executive Vice President, StockHolding with the Winning team of SHCIL Services Ltd. in Inter Group (Men) Cricket Tournament held at Vashi Sports Club, Navi Mumbai.

SHCIL Services Ltd. team participated in Inter Group Football League 2019 Tournament held at Dr. Antonio Da Silva High School and Jr. College, Dadar, Mumbai.



Shri Sanjay Pote, MD & CEO, cutting cake on the occasion of SSL`'s 25th Foundation day celebration, also present Shri R. H. Mewawala, EVP, StockHolding (second from left), Shri Shashikant Nayak, Company Secretary, StockHolding (second from right), Smt. Parvathy Vaidyanath, Head-Business Development and Shri Rajneesh Singh, Company Secretary.



Shri Amit Dassi, Director, SSL, Smt. Parvathy Vaidyanath, Head – Business Development and Shri Sanjay Pote, MD & CEO (sitting in middle row from Left to Right) along with the winners of Reward and Recognition – Achiever`s Club 2018-19 at Lonavala, Maharashtra.



Shri Amit Dassi, Director, SSL & Retail Head- StockHolding, Shri Sanjay Pote, MD & CEO, Smt. P. Sreelakshmi, Channel Head, StockHolding (sitting second from left) Shri Sanjib Chattopadhyay, Regional Manager, Mumbai Region, StockHolding (sitting extreme left), Shri Manish Agrawal, Regional Manager, Rajasthan Region, StockHolding (sitting second from right) and Smt. Parvathy Vaidyanath, Head, Business Development, SSL (sitting extreme right) along with the winners of contest Chase and Win at Goa.

Celebrating



of Investors Delight

SHCIL Services Ltd.

Registered Office: SHCIL House, P-51, TTC Industrial Area, MIDC, Mahape, Navi Mumbai - 400 710

Website: www.shcilservices.com | **CIN** - U65990MH1995GOI085602

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