



StockHolding Document Management Services Limited



ANNUAL REPORT 2021 - 2022



BOARD OF STOCKHOLDING DMS

(as on July 21, 2022)



Ramesh N. G. S.
Chairman (Non-Executive)



Umesh Punde
Vice Chairman (Executive)



Venkatraman Iyer
Independent Director



Sanjay Sharma
Independent Director



Jagdish Thakur
Director



Rita Kaul
Director



Pandula Sreelakshmi
Director



Sanjeev Vivrekar
Managing Director & CEO

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Vision

“SDMS will be a partner of choice with a strong leadership position and a strong brand name in the document management business maximizing wealth through differentiated and profitable business operations.”

Mission and Goals

- SDMS will provide End to End services in Document Management Solutions, both in the Physical Storage and Electronic Management space as well as provide workflow solutions.
- SDMS will grow both the Physical and Electronic Document Management business with a special focus on the Electronic Document Management Solution (DMS/EDMS) business that promises a high growth potential and return on capital.

Board of Directors (as on July 21, 2022)

Shri Ramesh N.G.S.	-	Chairman (Non-Executive)
Shri Umesh Punde	-	Vice Chairman (Executive)
Shri Venkatraman Iyer	-	Independent Director
Shri Sanjay Sharma	-	Independent Director
Shri Jagdish Thakur	-	Director
Smt Rita Kaul	-	Director
Smt Pandula Sreelakshmi	-	Director
Shri Sanjeev Vivrekar	-	MD & CEO
Ms. Jyoti Katira	-	Chief Financial Officer
Ms. Jajvalya Raghavan	-	Company Secretary
Statutory Auditors	-	M/s. Karnavat & Co. Chartered Accountants, Mumbai
Internal Auditors	-	M/s. PKF Sridhar & Santhanam LLP Chartered Accountants, Mumbai
Secretarial Auditors	-	M/s. D. A. Kamat & Co. Practicing Company Secretaries

Registered Office

SHCIL House, P - 51, T.T.C. Industrial Area,
MIDC, Mahape, Navi Mumbai – 400 710
Tel No: 022-6177 8777
CIN : U74140MH2006GOI163728
Website : www.stockholdingdms.com

Performance Highlights

(₹ in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income from Operations	50.27	40.07
Other Income	17.50	2.48
Total Income	67.77	42.56
Expenditure		
- Cost of software licenses sold	-	-
- Financial Cost	8.25	9.60
- Employees Benefit Exp.	14.88	13.41
- Other Expenses	24.15	24.30
- Depreciation	7.08	6.34
- Right of use lease depreciation	8.39	8.31
Total Expenditure	62.76	61.96
Profit/(Loss) before tax & Prior Period Adjustment	5.01	(19.40)
- Exceptional Items / Prior period	(2.85)	2.37
Profit/ (Loss) before tax	2.16	(17.03)
Tax Expenses	0.60	(4.03)
Profit/(Loss) after tax	1.57	(13.00)
Other Comprehensive Income	0.03	0.004
Profit/(Loss) including other Comprehensive Income	1.60	(12.99)

Directors' Report

Dear Members,

The Directors are pleased to present the Sixteenth Annual Report of the Company along with the Audited Financial Statements for the financial year ended March 31, 2022.

Industry Overview

Document management has always been key to business operations but current methods are vastly different from those of even few years ago. Organizations have moved away from paper documents and are digital. Web based computing has revolutionized software and has had a profound impact on document management systems. It ensures that documents are available anytime, anywhere. Web-based document management also supports scalability, making it a solution for businesses of all sizes. Since it offers ease of access and reduced costs, web based computing drives the best document management systems. SDMS has already identified on how to address this ever-changing world of technology and has invested in process automation, results of which are overwhelming. SDMS is the only Government Institution in India to offer end-to-end data management solution, providing both Physical and Digital Record Management with a Pan India presence.

Awards, Certifications and Memberships

SDMS continues to commit itself to the latest certifications and are happy to inform that SDMS has upgraded itself from CMMI-DEV V1.3 Maturity Level 5 organization to CMMI-DEV V2.0 Maturity Level 5 organization (valid from 2022-25), an internationally recognized standard given by Carnegie Mellon University's Software Engineering Institute (SEI) for assessing software development practices. The CMMI Level 5 is a globally recognized standard and a testament of SDMS commitment to consistently deliver high quality, reliable, cost effective & efficient software solutions and related services to clients.

The Company also has seven ISO certifications – ISO 9001:2015, ISO 27001:2013, ISO 15836:2017, ISO/TR 15489:2016, ISO/IEC 20000-1:2013, ISO 14721:2012 and ISO 10244:2010 in the end-to-end document management arena.

SDMS has taken membership of National Association of Software and Services Companies (NASSCOM). NASSCOM is the premier trade body and the chamber of commerce of the IT-BPM industries in India. NASSCOM is a global

trade body with more than 1300 members, which include both Indian and multinational companies that have a presence in India.

The Company is enrolled as a member of PRISM for its storage services. PRISM is an international certification program open to companies providing storage and protection of hard-copy records.

COVID-19 Pandemic:

Despite having challenging working conditions throughout the financial year, not only did the Company show efficient adaptation during both the second and third wave but also effective resilience to minimize the impact of this unforeseen business disruption. With the subsequent relaxations in lockdown, the offices and branches were functioning within the guidelines of the local Government authorities, in full-fledged manner. The Company has ensured smooth functioning of all critical business activities. The Company operated with minimum staff to ensure that business continues and clients do not suffer any impediments. Additional capacities were put in place for strategic locations and manpower for faster turnaround time for scanning and digitisation projects.

The Company has taken necessary steps for ensuring safety and well-being of its human resources viz. undertaking proper and frequent sanitization, maintaining social distancing at work place, compulsory wearing of masks, thermal screening of employees at the office entrance. Further, the Company has been issuing advisories, do's & don'ts and guidelines to all the employees at regular intervals.

Operations review & Financial Performance

SDMS continues to offer Physical Record Management Services, Digitization Services, Document Management Solution, Hosted Services, Workflow Management Solution, Enterprise Content Management Solution and Virtual Data Room (VDR). In Physical Storage Services, SDMS has been providing two types of storage services:

- ✓ Metal Container Storage and
- ✓ Compactor/Bin Storage

SDMS has 25 storage facilities in PAN India Locations for storing clients' documents and all facilities are highly secured which ensure proper protection to clients' documents in all respects.

The financial results are summarized below:

(₹ in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Total Income	67.77	42.56
Total Expenditure	62.76	61.96
Profit/ (loss) before exceptional items and tax	5.01	(19.40)
Exceptional items	(2.85)	2.37
Profit/(Loss) before Tax	2.16	(17.03)
Tax Expenses	0.60	(4.03)
Profit/(Loss) after tax	1.57	(13.00)
Other Comprehensive Income	0.03	0.004
Profit/(Loss) including other Comprehensive Income	1.60	(12.99)

The performance of SDMS in FY-22 has improved significantly compared to FY-21. This is especially noteworthy because the beginning of the financial year coincided with the second wave of the COVID-19 pandemic. The Central & State Governments had put many area-wise restrictions in order to curb the spread of the Delta variant.

The total income witnessed a 59.23% increase from ₹ 42.56 crs in FY 20-21 to ₹ 67.77 crs in FY 21-22. The income from Physical Storage segment increased by 23% from ₹ 24.56 cr. in FY 20-21 to ₹ 30.12 cr. in FY 21-22. The Digitisation segment grew by 153% (FY 20-21 – ₹ 3.44 Crs FY 21-22 – 8.70 crs). From a loss of ₹ 17.03 Crores in FY 20-21, the Company turned around and reported a profit (PBT) of ₹ 2.16 Crores in the FY 21-22.

Despite the pandemic situation, the Company added 33 clients in the storage space, 6 clients in the digitization, 13 clients in the software/hosted services and 2 clients in the VDR segment.

The Company's order book is full and is also confident of generating new businesses in all the segments and to achieve the budgeted topline for the next financial year.

Future Outlook:

Businesses are rejecting outdated and standalone applications in favour of integrated and user-friendly solutions. Hence, SDMS looks at new age software solutions as a great tool of business expansions as these are high margin products.

SDMS would like to quickly adapt to changing markets and varying customer demands to capitalise on long term success. Digital marketing shall also aid in establishing new communication channels with prospective and existing customers.

Measures are taken to consolidate and enhance to large storage premises across India to generate operational

efficiency. Also, with the new business working environment, web based services offered are poised for rapid growth.

Dividend

In view of insufficient profits and to conserve the limited resources available for business expansion, the Directors of the Company do not recommend any dividend for the FY 2021-22.

Transfer to Reserves

The closing balance of the retained earnings of the Company for FY 2021-22, after all appropriation and adjustments was ₹ (3186.38) lakhs.

Directors and Key Managerial Personnel (KMP)

Shri Ramesh N.G.S. is the Non-Executive Chairman of the Company. As on July 21, 2022, the Company has Eight Directors which includes two Independent Directors. The Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149 of the Companies Act, 2013.

Shri Ramesh N.G.S., Non-Executive Director will retire at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Shri Umesh Punde - Executive Vice Chairman (Whole Time Director), Shri Sanjeev Vivrekar – MD & CEO, Ms. Jyoti Katira – Chief Financial Officer and Ms. Jajvalya Raghavan – Company Secretary are the Key Managerial Personnel of the Company for the year ended March 31, 2022.

Numbers 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, five Board Meetings were convened and held. The intervening gaps between the meetings are within the period prescribed under the Companies Act, 2013. The details of meetings of the Board and various

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

Directors' Responsibility Statement

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

- i) that in the preparation of the annual financial statements for the year ended March 31, 2022, the applicable accounting standards and there are no material departures;
- ii) that such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year ended on that date;
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the annual financial statements have been prepared on a going concern basis;
- v) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of Committees of the Board.

The performance evaluation of the Independent Directors was carried out by the entire Board. In a separate meeting of the Independent Directors, the performance of the Chairman and the non-Independent Directors was carried out.

The Directors expressed their satisfaction with the evaluation process.

Internal Financial Controls

The Company has laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.

Dematerialization of Securities of the Company

The Equity Shares & Fully Convertible Debentures (FCDs) of the Company have been admitted with National Securities Depository Limited (NSDL). Link Intime India Pvt Limited is the Registrar and Transfer Agent. The ISIN allocated by NSDL to the Company w.r.t. equity shares & FCDs is "INE01DQ01017" & "INE01DQ08012", respectively.

The Company's equity shares & FCDs are completely in dematerialized form.

Human Wealth Development & Training

The Company is committed to creating a healthy and employee-friendly organizational culture which encourages its employees to try new things, push the limits, develop their skills and go beyond what we know as acceptable in today's market place. It nurtures the talent and potential of its employees.

The employees are nominated to various training & development programs in order to hone their talent and skill sets through virtual platforms. In order to foster community spirit and inclusivity, virtual programmes and celebrations and competitions were conducted on various platforms including Diwali, New Year, Women's Day etc.

Further, in order to facilitate Work From Home policy, laptops were given to all the employees with adequate technical support. In order to ensure safety of all employees, the parent Company in association with Reliance Hospital, Koparkhairane, carried out COVID-19 vaccination drive for all the employees and their families, free of cost, at the Mahape premises.



The 51st National Safety Week 2022, in collaboration with StockHolding, was observed with fire evacuation training & fire safety equipments training

Nomination and Remuneration Policy

The Company has a policy on Nomination and Remuneration as required under Section 178(3) of the Companies Act, 2013. Currently, the Board has an appropriate mix of Executive, Non-Executive &

Independent Directors. The Policy is made available at <https://stockholdingdms.com/userfiles/downloads/NOMINATION-AND-REMUNERATION-POLICY.pdf>.

Auditors

The Statutory Auditors of the Company are appointed by the Comptroller and Auditor General of India (C&AG). M/s Karnavat & Co., Chartered Accountants were the Statutory Auditors for the FY 2021-22.

The Company has an elaborate internal audit system. Internal Audit is carried out by a reputed firm of Chartered Accountants.

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

The Comptroller and Auditor General of India (C&AG), vide report dated August 3, 2022, has informed that nothing significant has come to their knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report. Copy of the same is placed next to the Statutory Auditors' Report forming part of the financial statements.

Secretarial Auditors and Auditors' Report

M/s D. A. Kamat & Co., Practicing Company Secretaries, are the Secretarial Auditors of the Company for FY 2021-22.

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

Secretarial Standards

The Institute of Company Secretaries of India has mandated compliance with the Secretarial Standards on Board Meetings and General Meetings. During the year under review, the Company has complied with the applicable Secretarial Standards.

Audit Committee

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

Nomination and Remuneration Committee

The details of the composition of the Nomination and Remuneration Committee of the Board and meetings held during the FY 2021-22 are included in the Corporate Governance report which forms part of this report.

Risk Management Policy

The Company has developed and implemented a risk management policy to identify, assess, measure, mitigate/control, monitor and report risks across the organization as also to develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with effective actions.

The details of the composition and meetings of the Risk Management Committee of the Board are included in the Corporate Governance report which forms part of this report.

Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, SDMS was not required to make expenditure towards CSR during FY 21-22.

The details of the composition and meetings of the Corporate Social Responsibility Committee of the Board are included in the Corporate Governance report which forms part of this report.

Committee on Prevention of Sexual Harassment

The Company has in place Internal Complaints Committee (Prevention of 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. Smt. Sneha Khandekar. During the FY 2021-22, no complaints were received. Regular awareness sessions are conducted by Smt. Khandekar to sensitize the employees.

Cost records and cost audit

The maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of Companies Act, 2013 are not applicable for the business activities carried out by the Company.

Fixed Deposits

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

Particulars of Loans, Guarantees and Investments

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

Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. As prescribed under Section 177 (3) of the Companies Act, 2013, all the related party transactions are approved by the Audit Committee of the Board. None of the transactions with related parties fall under the scope of Section 188 (1) of the Act. There were no materially significant related party transactions by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which might have had a potential conflict with the interest of the Company at large.

As required under Companies Act, 2013, Form AOC-2 for related party transaction is appended as **Annexure 2** to this Report which is a nil report.

Subsidiaries, Joint Ventures, Associate Companies

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

Extract of Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website https://stockholdingdms.com/userfiles/downloads/Form_MGT-7_FY_21-22_SDMS.pdf.

Corporate Governance

The Company is not a listed entity. Nevertheless, it endeavors to comply with Corporate Governance norms. A report thereof is placed herewith at **Annexure 3**.

Particulars of Employees

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

Significant and material orders passed by the Regulator or Court or Tribunal: Nil

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Conservation of energy & technology absorption

The 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 replaces old and obsolete equipments with energy efficient equipments on an ongoing basis.

Foreign Exchange earnings and outgo:

Foreign Exchange earnings – Nil (Previous year – Nil)

Foreign Exchange outgo – Nil (Previous year – Nil)

Acknowledgements

The Board places on record its deep appreciation for the excellent support and patronage extended by customers, bankers, Stock Holding Corporation of India Limited and IFCI Limited in various spheres of the Company's activities. The Board also expresses its gratitude for the exemplary services rendered by the employees of the Company.

For and on behalf of the Board of Directors

Place: Mumbai

Ramesh N.G.S.

Date: July 21, 2022

Chairman (Non - Executive)

To,
The Members,
StockHolding Document Management Services Limited,
SHCIL House,
Plot No. P-51, T.T.C., Industrial Area,
MIDC Mahape,
Navi Mumbai- 400710.

Subject: Secretarial Audit Report of the Company for the Financial Year 2021-22

We present herewith the Secretarial Audit Report for StockHolding Document Management Services Limited, for the Financial Year 2021-22 in terms of Section 204 of the Companies Act, 2013. Our report of even date is to be read along with the following:

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

Place: Mumbai
Date: July 21, 2022

For D. A. Kamat & Co.
Company Secretaries
P. R. No.: 1714/2022

D. A. Kamat
Partner
FCS No. 3843
CP No: 4965
UDIN: F003843D000664954

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 1ST APRIL 2021 to 31ST MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act 2013 and rule No.9 of Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
STOCKHOLDING DOCUMENT MANAGEMENT SERVICES LIMITED,
Plot No. P-51, T.T.C., Industrial Area,
MIDC Mahape,
Navi Mumbai- 400710.

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

Based on our verification of StockHolding Document Management Services Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, the explanations and clarifications given to us and the presentations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering Financial Year from 1st April, 2021 to 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- I. We have examined the books, papers, minute books, forms and returns filed, reports issued by various fellow professionals and other applicable records and registers and maintained by the Company for the Financial Year from 1st April, 2021 to 31st March, 2022 according to the provisions of:
 1. The Companies Act, 2013 ("the Act") and the rules made there under
 2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (not applicable during the period under review)
 3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – as applicable in respect of the reporting towards their Foreign Exchange Management Act, 1999: (not applicable during the period under review)
 5. Rules, Regulations, Guidelines, Notifications and Circulars and related rules, regulations and guidelines issued by SEBI thereon from time to time - (not applicable during the period under review)
- During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent stated in this Report.
- II. Provisions of the following Regulations and Guidelines prescribed are not applicable to the Company, for the financial year ended March 31, 2022 under report:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation, 2018;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulation, 1998;
 - (i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015.
- III. We have reviewed the information, documents, records, filings and other certificates or confirmations received from fellow professionals for the period under review and the representations made by the Company and its officers on the systems, records and compliances under other laws applicable to the Company. The list of major laws and acts applicable to the Company are stated in **Annexure I** to this Report.
- IV. We have examined the compliances of the applicable provisions of Secretarial Standards, I and II issued by the Institute of Company Secretaries, India and notified by the MCA u/s 118(10) as issued under the Companies Act, 2013.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive

Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate agenda and detailed notes on agenda of the Board and Committee Meetings were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through with unanimous consent of all the Board of Directors and recorded as part of the minutes.

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

We further report that during the year under report and till the date of this report, the company has not encountered any specific event / action having a major bearing on the company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: Mumbai
Date: July 21, 2022

**For D. A. Kamat & Co.
Company Secretaries
P. R. No.: 1714/2022**

**D. A. Kamat
Partner
FCS No. 3843
CP No: 4965
UDIN: F003843D000664954**

List of other Acts specifically applicable to the Company

Registered Office: **STOCKHOLDING DOCUMENT MANAGEMENT SERVICES LIMITED**
SHCIL House,
Plot No. P-51, T.T.C., Industrial Area,
MIDC Mahape,
Navi Mumbai- 400710.

Major Acts applicable to the Company: Based on the list of other statutes provided by the Company, taking into consideration the nature of business, the following list of Major Acts are applicable to the Company.

- a) The Payment of Bonus Act, 1965
- b) Employee Compensation Act, 1923
- c) Payment of Gratuity Act, 1972
- d) Employees Provident Fund and Miscellaneous Provisions Act, 1952
- e) The Maternity Benefit Act, 1961
- f) Employees State Insurance Act, 1948
- g) Acts as prescribed under the Direct Taxes and Indirect Taxes
- h) The Bombay Shops & Establishments Act, 1948
- i) The Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013
- j) Prevention of Money Laundering Act, 2002
- k) Payment of Wages Act, 1936
- l) Minimum Wages Act-regional
- m) The Maharashtra Labour Welfare Fund Act, 1953
- n) Contract Labour (Regulation and Abolition) Act, 1970
- o) The Maharashtra Private Security Guards (Regulation of Employment & Welfare) Act, 1981 & Maharashtra Private Security Agencies (Regulation) Act, 2005
- p) Local laws as applicable to various offices of the Company

Place: Mumbai
Date: July 21, 2022

For D. A. Kamat & Co.
Company Secretaries
P. R. No.: 1714/2022

D. A. Kamat
Partner
FCS No. 3843
CP No: 4965
UDIN: F003843D000664954

FORM NO. AOC-2

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

1. Details of contracts or arrangements or transactions not at arm's length basis - None

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

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

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

For and on behalf of the Board of Directors

Date: July 21, 2022

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

ANNEXURE 3

REPORT ON CORPORATE GOVERNANCE

(forming part of Directors' Report for the year ended March 31, 2022)

Your Company's philosophy on code of Governance

Your Company is not a listed entity. Nevertheless, it endeavors to comply with Corporate Governance norms. Your Company's philosophy on corporate governance recognizes the accountability of the Board, Management and employees of the Company and the importance of decisions to all constituents, including customers, employees, investors, business associates, statutory authorities and the community at large. Your Company believes that all its operations and actions must be totally transparent and serve the underlying goal of enhancing shareholder value.

Board of Directors

The Board sets the strategic goals for your Company, defines its policies and oversees the implementation of these policies to enable actions that would lead to the attainment of the goals. The Board as on July 21, 2022, consists of eight members, including two Independent Directors. The day-to-day management is being looked after by the Managing Director and CEO.

Details of the Board Meeting and Attendance

The Board of Directors meet at least once in every quarter. Five meetings were held during the FY 2021-22. Details of Board Meetings held are as follows:

Sr. No	Date of the Board Meeting	Board Strength	No. of Directors present
1	April 27, 2021	7	7
2	July 22, 2021	8	8
3	October 22, 2021	8	8
4	January 21, 2022	8	8
5	March 16, 2022	8	8

Attendance of Directors during FY 2021-22 at each of the above meetings is as follows:

Sr. No.	Name of the Director	Attendance at the Board Meetings held on				
		27-Apr-21	22-Jul-21	22-Oct-21	21-Jan-22	16-Mar-22
1.	Shri Ramesh N.G.S.	√	√	√	√	√
2.	Shri Umesh Punde	√	√	√	√	√
3.	Shri Venkatraman Iyer	√	√	√	√	√
4.	Shri Sanjay Sharma	√	√	√	√	√
5.	Shri Jagdish Thakur	√	√	√	√	√
6.	Shri Prasoon	√	Resigned w.e.f. June 9, 2021			
7.	Smt Rita Kaul	*	√	√	√	√
8.	Smt Pandula Sreelakshmi	*	√	√	√	√
9.	Shri Sanjeev Vivrekar	√	√	√	√	√

LoA = Leave of absence, √ = attended

* Appointed w.e.f. July 12, 2021.

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

Name of the Director	Name of institution	Designation
Shri Ramesh N.G.S.	Stock Holding Corporation of India Limited	MD & CEO
	SHCIL Services Limited	Non-Executive Chairman
	StockHolding Securities IFSC Limited	Non - Executive Chairman
	IFIN Securities Finance Limited	Non – Executive Chairman
	IFIN Credit Limited	Non – Executive Chairman
	IFCI Financial Services Limited	Non – Executive Chairman
	IFIN Commodities Limited	Director
	Wonder Home Finance Limited	Independent Director
Shri Venkatraman Iyer	Pahal Financial Services Pvt. Ltd	Director
	Tranquility Advisory LLP	Designated Partner
	Dishaa Laundromat Private Limited	Director
Shri Sanjay Sharma	-	-
Shri Umesh Punde	-	-
Shri Jagdish Thakur	-	-
Smt Rita Kaul	-	-
Smt Pandula Sreelakshmi	-	-
Shri Sanjeev Vivrekar	-	-

Details of Audit Committee Meetings and Attendance

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

Sr. No.	Name of the Director	Category	Attendance at the Audit Committee Meeting held on			
			27-Apr-21	22-Jul-21	22-Oct-21	21-Jan-22
1	Shri Venkatraman Iyer	Non-Executive/Independent	√	√	√	√
2	Shri Sanjay Sharma	Non-Executive/Independent	√	√	√	√
3	Shri Jagdish Thakur	Non- Executive	√	√	√	√

√ = attended

Details of Nomination and Remuneration Committee Meetings and Attendance

The Nomination and Remuneration Committee met once during the year. The details of attendance of the Directors at the Nomination and Remuneration Committee meeting are as follows:

Sr. No.	Name of the Director	Category	Attendance at the Nomination & Remuneration Committee Meeting held on
			22-Jul-2021
1	Shri Venkatraman Iyer	Non- Executive/ Independent	√
2	Shri Sanjay Sharma	Non- Executive/ Independent	√
3	Shri Jagdish Thakur	Non- Executive	√

√ = attended.

Details of Risk Management Committee Meetings and Attendance

The Risk Management Committee met twice during the year. The details of attendance of the Directors at the Risk Management Committee meeting are as follows:

Sr. No.	Name of the Director	Category	Attendance at the Risk Management Committee Meeting held on	
			22-Oct-21	21-Jan-22
1	Shri Jagdish Thakur	Non- Executive	√	√
2	Shri Venkatraman Iyer	Non- Executive/ Independent	√	√
3	Smt Pandula Sreelakshmi	Non- Executive	√	√

√ = attended.

Details of Advisory Committee Meetings and Attendance

The Advisory Committee met two times during the year. The details of attendance of the Directors at the Advisory Committee meetings are as follows:

Sr. No.	Name of the Director	Category	Attendance at the Advisory Committee Meeting held on	
			22-July-21	22-October-21
1	Shri Sanjay Sharma	Non- Executive/ Independent	√	√
2	Shri Venkatraman Iyer	Non- Executive/ Independent	√	√
3	Shri Umesh Punde	Non- Executive	√	√
4	Smt Rita Kaul	Non- Executive	*	√

√ = attended

* Inducted as Member of the Committee on 22-Jul-21

Committee of Independent Directors

In compliance of Schedule IV (Code for Independent Directors), the Independent Directors met on March 16, 2022.

The Committee comprises of Independent Directors, viz., Shri Venkatraman Iyer and Shri Sanjay Sharma. The details of attendance during the FY 2021-22 is as follows:

Sr. No.	Name of the Director	Category	Attendance at the Independent Directors Committee meeting held on 16-Mar-22
1	Shri Venkatraman Iyer	Non- Executive / Independent	√
2	Shri Sanjay Sharma	Non- Executive / Independent	√

√ = attended.

Details of Corporate Social Responsibility Committee of the Board

The Corporate Social Responsibility (CSR) Committee of the Board comprises of Shri Venkatraman Iyer, Shri Jagdish Thakur and Smt. Rita Kaul. Since the provisions of Section 135 of Companies Act, 2013 were not applicable to the Company during the year, no meeting of CSR Committee was held during FY 2021-22.

General Meetings

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

General Meeting	13 th AGM	14 th AGM	15 th AGM
Year	2018-19	2019-20	2020-21
Venue	301, Centrepoint, Dr. B. Ambedkar Road, Parel, Mumbai- 400012.	301, Centrepoint, Dr. B. Ambedkar Road, Parel, Mumbai- 400012.	301, Centrepoint, Dr. B. Ambedkar Road, Parel, Mumbai- 400012.
Date of Meeting	September 9, 2019	October 12, 2020 (In view of the COVID-19 pandemic situation, Registrar of Companies (ROC) Mumbai, vide order dated September 8, 2020 had given extension to hold AGM for FY 2019-20 by an additional period of 3 months from the due date i.e. upto December 31, 2020)	September 17, 2021

General Meeting	14th EGM	15th EGM	16th EGM	17th EGM
Year	2018-19	2019-20	2020-21	2020-21
Venue	301, Centrepoint, Dr. B. Ambedkar Road, Parel, Mumbai-400012	301, Centrepoint, Dr. B. Ambedkar Road, Parel, Mumbai-400012.	301, Centrepoint, Dr. B. Ambedkar Road, Parel, Mumbai-400012.	301, Centrepoint, Dr. B. Ambedkar Road, Parel, Mumbai-400012.
Date of Meeting	October 24, 2018	March 12, 2020	July 7, 2020	March 24, 2021

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

Meeting no.	Resolution No.	Particulars of Resolution
15 th AGM	4	Reappointment of Shri Sanjay Sharma (DIN:00392053) as an Independent Director for a second term of five years w.e.f. October 4, 2021.
14 th EGM	1	Infusion of capital by way of Issue of 1,25,00,000 equity shares of ₹ 10/- each at a premium of ₹ 6/- per share aggregating to ₹ 20,00,00,000 (Rupees Twenty crores only) to Stock Holding Corporation of India Limited on Private Placement basis in two tranches.
15 th EGM	1	Reappointment of Shri Venkatraman Iyer (DIN:01204165) as an Independent Director for a second term of five years w.e.f. Oct 30, 2019.
	2	Reappointment of Shri Sanjeev Vivrekar, Managing Director and Chief Executive Officer (MD & CEO) (DIN:02561324) w.e.f. April 01, 2020 till his superannuation i.e. July 31, 2022
16 th EGM	1	Increase in borrowing power of the Company upto ₹ 100 cr.
	2	Increase in Authorised Share Capital of the Company from ₹ 60 cr. to ₹ 85 cr.
	3	Issue of 8.5% 2,50,000 Fully Convertible Debentures of face value of ₹ 1000/- each aggregating to ₹ 25 cr., on private placement basis to Stock Holding Corporation of India Ltd.
17 th EGM	1	Utilisation of balance proceeds of Fully Convertible Debentures issued to Stock Holding Corporation of India Limited (StockHolding)
	2	Appointment of Shri Umesh Punde as Executive Vice Chairman (Whole Time Director) [DIN: 00670403] w.e.f. November 1, 2020 till his retirement on February 29, 2024.

Disclosures

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

Shareholder Information

(a)	Annual General Meeting Date, time & Venue of the Annual General Meeting	Friday, September 16, 2022 at 3:00 p.m. 301, Centrepoint, Dr. Ambedkar Road, Parel, Mumbai - 400012.
(b)	Date of Book closure/record date	N.A
(c)	Dividend payment date	No dividend is announced and recommended by the Board for FY 2021-22.

a) **Listing on Stock Exchange**

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

b) **Annual Report**

The Annual Report containing inter alia Audited Annual Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto.

c) **Distribution of shareholding as on March 31, 2022**

The Company is a wholly owned subsidiary of Stock Holding Corporation of India Limited (StockHolding). However, six individuals are holding one share each in the company as a nominee of StockHolding.

d) **Address of correspondence**

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

STOCKHOLDING DOCUMENT MANAGEMENT SERVICES LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of **STOCKHOLDING DOCUMENT MANAGEMENT SERVICES LIMITED** (hereinafter referred to as "the Company"), which comprise the balance sheet as at March 31, 2022 and the Statement of Profit & Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (collectively referred to as 'Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, and amended and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2022, and its financial performance including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 provisions of the Act and the Rules thereunder, 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.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 47 of the Financial Statements regarding Company's liability to the third parties due to the fire occurred at Company's Premises.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Financial Statements for the year ended March 31, 2022. 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. We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

Sr. No.	Key Audit Matter	Our Response
1	<p>Defined benefit obligation</p> <p>The valuation of the retirement benefit schemes in the Company is determined with reference to various actuarial assumptions including discount rate, future salary increases, rate of inflation, mortality rates and attrition rates. Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation.</p>	<p>We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit.</p> <p>We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, remeasurements, benefits paid, and any other</p>

Sr. No. Key Audit Matter	Our Response
<p data-bbox="172 389 564 418">2 Related Party Transactions</p> <p data-bbox="236 439 778 499">During the year the Company has entered into various transactions with related parties.</p> <p data-bbox="236 517 778 698">Determination of transaction price for such related parties transactions outside the normal course of business is a key audit matter considering the significance of the transaction value and the significant judgements involved in determining the transaction value.</p>	<p data-bbox="820 255 1455 383">amendments made to obligations during the year. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.</p> <p data-bbox="820 394 1455 483">Our audit procedures included considering the compliance with the various requirements for entering in to such related party transactions.</p> <p data-bbox="820 501 1455 530">We have read the approvals obtained for the transactions.</p> <p data-bbox="820 548 1455 607">We have assessed the disclosures in accordance with Ind AS 24 "Related Party Disclosures".</p>

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true

and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a 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 operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, 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 SAs will always detect a material misstatement 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 decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess risks of material misstatement of the financial statements, whether due to fraud or 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 misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate appropriateness of the accounting policies used and reasonableness of accounting estimates and related disclosures made by management.
- Conclude on appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 presentation, structure and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine

that a matter 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 communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" - a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by provisions of Section 197 read with Schedule V 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"
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report that:

- i) The Company does not have any pending litigations which would impact its financial position other than those mentioned in the notes to the accounts;
- ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- iii) There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company;
- iv) (a) As per the information and explanation given to us by the management, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) As per the information and explanation given to us by the management, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) On the basis of above representations, nothing has come to our notice that has caused us to believe that the above representations contained any material mis-statement.
- v) The Company has not declared or paid any dividend during the year.
- vi) Pursuant to Ministry of Corporate Affairs notification dated 24.03.2021 read with notification dated 31.03.2022 requirement of reporting by the auditor on use of accounting software for maintaining its books of account with audit trail (edit log) facility has been deferred till 01.04.2023.
- i) As required under section 143(5), we report on the following directions issued under the section as under:

Sr. No.	Directions	Replies
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes. No accounting transactions were processed outside the IT System.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (in case, lender is a Government company, then its direction is also applicable for statutory auditor of lender company).	Not Applicable
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Not Applicable

For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn No. 104863W

(Sameer B. Doshi)
Partner
Membership No. 117987

Place : Mumbai
Dated : April 28, 2022

ANNEXURE-A TO INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 1 under the 'Report on Other Legal and Regulatory Requirements' our report to the members of STOCKHOLDING DOCUMENT MANAGEMENT SERVICES LIMITED, ('the Company') for the year ended on March 31, 2022. We report that:

i. In respect of its Property, Plant & Equipment:

(a) (A) The Company is maintaining proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment;

(B) The Company is maintaining proper records showing full particulars of intangible assets;

(b) The Company has a regular programme of physical verification of fixed assets which is, in our opinion, reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification;

(c) As per the information and explanation given to us by the management, the Company does not have any immovable property held in the name of the Company and hence provisions of Clause 3(i)(c) of the Order are not applicable to the Company;

(d) As per the information and explanation given to us by the management, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and hence provisions of Clause 3(i)(d) of the Order are not applicable to the Company;

(e) As per the information and explanation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and hence provisions of Clause 3(i)(e) of the Order are not applicable to the Company.

ii. In respect of its inventories:

(a) As per the information and explanation given to us by the management, the Company does not hold any inventories and hence provisions

of Clause 3(ii)(a) of the Order are not applicable to the Company;

(b) As per the information and explanation given to us by the management, the Company has availed working capital facility from bank on the basis of security of current assets. Further, the quarterly returns or statements filed by the Company with such bank are in agreement with the books of account of the Company.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to any company, firm, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of Clause 3 (iii) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not given any loan or guarantee or provided any security nor made any investments as specified in Section 185 and 186 of the Act. Clause 3(iv) of the Order is, therefore, not applicable to the Company for the year under audit.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.

vi. According to the information and explanations given to us, the Company does not require maintaining cost records as prescribed by the Central Government under sub-section (1) of Section 148 of the Act.

vii. (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, GST, sales tax, wealth tax, duty of customs, duty of excise, value added tax or cess and other statutory dues applicable to it;

Further, according to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, GST, sales tax, wealth tax, duty of customs, duty of excise, value added tax or cess and other statutory dues were outstanding, as at March 31, 2022, 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 of income tax, GST, sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there are no transactions that are not recorded in the books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and bank;
- (b) According to the information and explanations given to us, the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;
- (c) According to the information and explanations given to us, term loans have been applied for the purpose for which it is taken;
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the company except in case of an Overdraft facility wherein Bank has permitted utilisation of funds for capital expenditure through sanction letter;
- (e) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the provisions of Clause 3 (ix)(e) of the Order are not applicable to the Company;
- (f) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the provisions of Clause 3 (ix)(f) of the Order are not applicable to the Company.
- x. (a) Based on our audit procedures and according to the information and explanations given to us by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and hence provisions of Clause 3(x)(a) of the Order are not applicable to the Company;
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence provisions of Clause 3(x)(b) of the Order are not applicable to the Company.
- xi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management. Clause 3(xi)(a) to (c) of the Order is, therefore, not applicable to the Company for the year under audit.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the Company and hence provisions of Clause 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. The Company has entered into the transaction with the related parties in compliance with the provisions of the Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS)18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered the internal audit reports of the company issued till date, for the year under audit.
- xv. The Company has not entered into any non-cash transactions with its directors or the persons connected with him and hence provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. (a) The Company is not required to be registered Section 45-IA of the Reserve Bank of India Act, 1934 and hence provisions of Clause 3(xvi)(a) of the Order are not applicable to the Company;
- (b) The company has not conducted any Non-Banking Financial or Housing Finance activities which requires the Company to obtain Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934 and hence provisions of Clause 3(xvi)(b) of the Order are not applicable to the Company;
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence provisions of

Clause 3(xvi)(c) of the Order are not applicable to the Company;

(d) The Group does not have any CIC as part of the Group, and hence provisions of Clause 3(xvi)(d) of the Order are not applicable to the Company.

xvii. According to the information and explanations given to us, the company has incurred cash losses during the year under audit amounting to ₹471.32 Lakhs. Further, it has also incurred cash loss in the immediately preceding financial year amounting to ₹266.26 Lakhs.

xviii. There has been no resignation of the statutory auditors during the year, and hence provisions of Clause 3(xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, the Company is having financial support from its Holding Company and nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance

sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. According to the information and explanations given to us, the Company need not spend any amount as required in the Section 135 of the said Act. Accordingly, provisions of Clause 3(xx) (a) and (b) of the Order are not applicable to the Company.

xxi. According to the information and explanations given to us, the Company need not prepare consolidated financial statements. Accordingly, provisions of Clause 3(xxi) (a) and (b) of the Order are not applicable to the Company.

**For and on behalf of
KARNAVAT & CO.**
Chartered Accountants
Firm Regn No. 104863W

(Sameer B. Doshi)
Partner
Membership No. 117987

Place : Mumbai
Dated : April 28, 2022

ANNEXURE-B TO INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 2(g) under the 'Report on Other Legal and Regulatory Requirements' our report to the members of STOCKHOLDING DOCUMENT MANAGEMENT SERVICES LIMITED, ('the Company') for the year ended on March 31, 2022.

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Act

Opinion

We have audited internal financial controls over financial reporting of STOCKHOLDING DOCUMENT MANAGEMENT SERVICES LIMITED ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year then ended on that date.

In our opinion, the Company has, in all material aspects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for the 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 Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities includes design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of business, including adherence to Company's policies, the safeguarding of the 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on 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 deemed to be prescribed under Section 143(10) of the Act 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 ICAI. Those Standards and Guidance note require that we comply with ethical requirements and plan and perform 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 procedure 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 controls 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 a reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purpose 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 the transactions are recorded as necessary to permit preparation of financial statements in accordance with the 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 control 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.

**For and on behalf of
KARNAVAT & CO.**
Chartered Accountants
Firm Regn No. 104863W

Place : Mumbai
Dated : April 28, 2022

(Sameer B. Doshi)
Partner
Membership No. 117987

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF STOCKHOLDING DOCUMENT MANAGEMENT SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of StockHolding Document Management Services Limited for the year ended 31 March 2022 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 28 April 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of StockHolding Document Management Services Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On basis of supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

For and behalf of the
Comptroller & Auditor General of India

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

Place : Mumbai
Date : 03.08.2022

BALANCE SHEET AS AT MARCH 31, 2022

(₹ in lakhs)

	Note	As at March 31, 2022	As at March 31, 2021
I. ASSETS			
Non-current assets			
(a) Property, Plant and Equipment & Intangible assets			
(i) Property, Plant and Equipment	3	5,513.18	5,530.37
(ii) Other intangible assets	3	7.18	12.05
(b) Right of use lease assets	3	2,030.61	2,939.55
(c) Capital work-in-progress		-	-
(d) Investment Property		-	-
(e) Goodwill		-	-
(f) Intangible assets under development		-	2.39
(g) Biological Assets other than bearer plants		-	-
(h) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Loans		-	-
(iv) Others			
- Security deposits	4	389.47	487.57
- Margin money deposits with banks	5	313.95	295.30
(i) Deferred tax assets (net)	6	1505.49	1566.49
(j) Non current tax assets (net)	7	433.54	192.91
(k) Other non-current assets	8	459.70	242.30
		10,653.12	11,268.93
Current assets			
(a) Inventories		-	-
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	9	3,282.11	2,766.31
(iii) Cash and cash equivalents	10	220.96	1039.08
(iv) Bank balances other than (iii) above	11	-	9.23
(v) Loans		-	-
(vi) Others			
- Security deposits	12	300.34	30.11
- Interest accrued	13	0.30	1.20
(c) Current tax assets (net)		-	-
(d) Other current assets	14	1,236.44	1,092.97
		5,040.15	4,938.90
TOTAL ASSETS		15,693.27	16,207.83

BALANCE SHEET AS AT MARCH 31, 2022

(₹ in lakhs)

	Note	As at March 31, 2022	As at March 31, 2021
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	15	5,575.00	5,575.00
(b) Other Equity	16	(1,912.10)	(2,072.25)
		3,662.90	3,502.75
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	2,969.73	3,067.00
(ii) Right of use lease liability	17	2,128.58	3,003.77
(iii) Trade payables		-	-
(iv) Other financial liabilities		-	-
(b) Provisions	18	85.40	90.88
(c) Deferred tax liabilities (Net)		-	-
		5,183.71	6,161.65
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	2564.99	2431.09
(ii) Right of use lease liability	19	624.28	776.32
(iii) Trade payables	20		
(a) Total outstanding dues of micro enterprises and small enterprises		81.34	31.66
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2480.22	1921.01
(iv) Other financial liabilities	21	924.43	1,264.34
(b) Other current liabilities	22	132.22	72.87
(c) Provisions	23	39.18	46.14
(d) Current Tax Liabilities (Net)		-	-
		6,846.66	6,543.43
TOTAL EQUITY AND LIABILITIES		15,693.27	16,207.83

Accompanying notes are an integral part of the financial statements.

As per our report of even date
For Karnavat & Co
Chartered Accountants
Firm Registration no: 104863W

For and on behalf of the Board

Sameer B. Doshi
Partner
Membership No: 117987
UDIN: 22117987AICFUU8869

Jajvalya Raghavan
Company Secretary

Jyoti Katira
Chief Financial Officer

Sanjeev Vivrekar
MD & CEO
DIN: 02561324

Place: Mumbai
Date : April 28, 2022

Venkatraman Iyer
Director
DIN: 01204165

Jagdish Thakur
Director
DIN: 02941956

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in lakhs)			
Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
I. Revenue from operations	24	5,026.89	4,007.45
II. Other income	25	1,749.81	248.44
III. Total Income (I + II)		6,776.70	4,255.89
IV. Expenses:			
Employee benefits expense	26	1,488.43	1,340.76
Finance costs	27	825.12	959.88
Depreciation and amortization expense	3	707.91	634.09
Right of use lease depreciation	3	839.09	830.69
Other expenses	28	2,415.15	2,430.08
Total expenses (IV)		6,275.70	6,195.50
V. Profit/ (loss) before exceptional items and tax (III-IV)		501.00	(1,939.61)
VI. Exceptional items	30	(284.70)	236.59
VII. Profit/ (loss) before tax (V - VI)		216.30	(1,703.02)
VIII. Tax Expense:			
(1) Current Tax			
- Current period		-	-
- Pertaining to previous period		-	26.35
(2) Deferred Tax		59.78	(429.81)
		59.78	(403.46)
IX. Profit/ (loss) for the period from continuing operations (VII-VIII)		156.52	(1,299.56)
X. Profit/ (loss) from discontinued operations		-	-
XI. Tax expense of discontinued operations		-	-
XII. Profit/ (loss) from discontinued operations (after tax) (X-XI)		-	-
XIII Profit/ (loss) for the period (IX+XII)		156.52	(1,299.56)
XIV Other Comprehensive Income	29		
A (i) Items that will not be reclassified to profit or loss		4.85	0.50
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.22)	(0.13)
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit/ (loss) and Other Comprehensive Income for the period)		160.15	(1,299.19)
XVI Earnings per equity share (for continuing operation)	32		
(1) Basic		0.28	(2.33)
(2) Diluted		0.28	(2.33)
XVII Earnings per equity share (for discontinued operation)			
(1) Basic		-	-
(2) Diluted		-	-
XVIII Earnings per equity share (for discontinued & continuing operations)	32		
(1) Basic		0.28	(2.33)
(2) Diluted		0.28	(2.33)

Accompanying notes are an integral part of the financial statements.

As per our report of even date

For Karnavat & Co

Chartered Accountants

Firm Registration no: 104863W

For and on behalf of the Board

Sameer B. Doshi

Partner

Membership No: 117987

UDIN: 22117987AICFUU8869

Jajvalya Raghavan

Company Secretary

Jyoti Katira

Chief Financial Officer

Sanjeev Vivrekar

MD & CEO

DIN: 02561324

Venkatraman Iyer

Director

DIN: 01204165

Jagdish Thakur

Director

DIN: 02941956

Place: Mumbai

Date : April 28, 2022

STATEMENT OF CHANGES IN EQUITY AT AT MARCH 31, 2022

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

Period Ended	Balances at the beginning of the reporting period	Changes in equity share capital during the period	Balance at the end of the reporting period
March 31, 2022	5,575.00	-	5,575.00
March 31, 2021	5,575.00	-	5,575.00

B. OTHER EQUITY

(₹ in lakhs)

Particulars	Equity component of borrowings from holding company	Securities premium	Retained earnings	Other comprehensive income	Total
Opening Balance as on April 01, 2021	159.54	1,125.00	(3,342.90)	(13.89)	(2,072.25)
Profit/ (loss) for the year ended March 31, 2022	-	-	156.52	-	156.52
Actuarial gain/(loss) on defined employee benefit plan	-	-	-	3.63	3.63
Closing Balance as on March 31, 2022	159.54	1,125.00	(3,186.38)	(10.26)	(1,912.10)

(₹ in lakhs)

Particulars	Equity component of borrowings from holding company	Securities premium	Retained earnings	Other comprehensive income	Total
Opening Balance as on April 01, 2020	159.54	1,125.00	(2,043.34)	(14.26)	(773.06)
Profit/ (loss) for the year ended March 31, 2021	-	-	(1,299.56)	-	(1,299.56)
Actuarial gain/(loss) on defined employee benefit plan	-	-	-	0.37	0.37
Closing Balance as on March 31, 2021	159.54	1,125.00	(3,342.90)	(13.89)	(2,072.25)

As per our report of even date
For Karnavat & Co
 Chartered Accountants
 Firm Registration no: 104863W

For and on behalf of the Board

Sameer B. Doshi
 Partner
 Membership No: 117987
 UDIN: 22117987AICFUU8869

Jajvalya Raghavan
 Company Secretary

Jyoti Katira
 Chief Financial Officer

Sanjeev Vivrekar
 MD & CEO
 DIN: 02561324

Place: Mumbai
 Date : April 28, 2022

Venkatraman Iyer
 Director
 DIN: 01204165

Jagdish Thakur
 Director
 DIN: 02941956

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from operating activities :		
Profit/(Loss) before tax	216.30	(1,703.02)
Adjusted for:		
Depreciation/amortisation	707.91	634.09
Right of use lease depreciation	839.09	830.69
Provision for doubtful debts expense	-	598.08
Provision for expense written back	(350.57)	(41.34)
Provision for doubtful debts written back	(1,147.38)	-
Bad debts written off	47.61	59.79
Fixed assets written off	4.95	0.06
Deposits written off	4.20	-
Sale of property, plant & equipment	(35.52)	-
Share issue/increase in authorised capital expenses	-	-
Interest/Dividend income	(31.71)	(45.04)
Interest on Inter-Corporate Deposit/ Non convertible debentures/Fully convertible debentures/ Cash credit facility/ancillary borrowing costs	473.29	533.33
Right of use lease interest	351.83	426.55
Gain on termination of Ind As 116 leases	(181.59)	(88.38)
Actuarial gains/(losses) on employee benefits	4.85	0.50
	686.96	2,908.33
Operating Profit / (loss) before working capital changes	903.26	1,205.31
Changes in working capital		
(Increase)/ Decrease in Trade Receivables, Long term & Short term Loans & Advances and Other Current Assets	252.48	699.75
Increase / (Decrease) in Trade Payables, Other Liabilities & Provisions	842.38	537.06
	1,094.86	1,236.81
Cash generated from operations	1,998.13	2,442.12
Taxes paid (including taxes deducted at source)	(240.63)	362.02
Net cash generated from / (used in) operating activities	1,757.50	2,804.14
Cash flows from investing activities :		
Purchase of fixed assets including capital work in progress & capital advances	(1,012.29)	(768.24)
Sale of scrap	35.52	-
Redemption of fixed deposits	5,971.57	10,599.84
Investment in fixed deposits	(5,980.99)	(10,678.21)
Interest/dividend received	32.61	43.84
Net cash generated from / (used in) investing activities	(953.58)	(802.77)
Cash flows from financing activities :		
Inter-corporate deposit from related party	-	(500.00)
9.5% non convertible debentures	(500.00)	(500.00)
8.55% fully convertible debentures	-	2,500.00

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Term loan	390.77	78.96
Cash credit facility	(312.64)	(116.45)
Bank overdraft facility	359.60	(371.53)
Interest on inter-corporate deposit/ non convertible debentures	(432.14)	(1,018.00)
Lease payments on right of use assets	(1,127.62)	(1,124.24)
Net cash from financing activities	(1,622.03)	(1,051.26)
Net (decrease) / increase in cash and cash equivalents	(818.12)	950.11
Cash and cash equivalents, beginning of the period	1,039.08	88.97
Cash and cash equivalents, end of the period	220.96	1,039.08
Note: Cash and cash equivalents include the following :		
Cash balance	-	-
Balance with banks:		
- in current accounts	8.54	75.86
- in deposit accounts	212.42	963.22
	220.96	1,039.08

Note: Cash Flow Statement is prepared under "Indirect Method" as set out in Accounting Standard (IndAs-7) on "Cash Flow Statement".

Foot Note:

Net Debt Reconciliation

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash and cash equivalents	220.96	1,039.08
Liquid investments	-	-
Current borrowings	(2,564.99)	(2,431.09)
Current ROU lease liability	(624.28)	(776.32)
Non current borrowings	(2,969.73)	(3,067.00)
Non current ROU lease liability	(2,128.58)	(3,003.77)
Net (debt)/ Cash & Cash Equivalents	(8,066.62)	(8,239.10)

As per our report of even date
For Karnavat & Co
 Chartered Accountants
 Firm Registration no: 104863W

For and on behalf of the Board

Sameer B. Doshi
 Partner
 Membership No: 117987
 UDIN: 22117987AICFUU8869

Jajvalya Raghavan
 Company Secretary

Jyoti Katira
 Chief Financial Officer

Sanjeev Vivrekar
 MD & CEO
 DIN: 02561324

Place: Mumbai
 Date : April 28, 2022

Venkatraman Iyer
 Director
 DIN: 01204165

Jagdish Thakur
 Director
 DIN: 02941956

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

1. Background

StockHolding Document Management Services Ltd (formerly known as SHCIL Projects Ltd.) was incorporated on August 10, 2006 and is a wholly owned subsidiary of Stock Holding Corporation of India Ltd (SHCIL) (A subsidiary of IFCI Ltd w.e.f March 28, 2014). The Company provides physical storage services, digitization services and sale of software products & services.

2. Significant Accounting Policies

i) Overall consideration

The financial statements have been prepared using the significant accounting policies and measurement basis summarised below.

ii) Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

iii) Basis of preparation

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

iv) Use of Estimates

The preparation of the financial statements in conformity with IndAS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. 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.

v) 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

- 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.

As the Company's normal operating cycle is not clearly identifiable due to the varying nature of each project, the normal operating cycle has been assumed to be twelve months.

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

vi) Revenue

Revenue is recognised on the basis of control-based revenue recognition model by adopting five step application principle:

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

Based on the aforementioned model, timing of recognition of revenue for various products/services offered by the Company is as follows:

Income from Physical Custody Services is recognized on a monthly basis as per agreements with customers.

Income from Digitization Services is recognized on the basis of number of documents scanned.

Income from software products is recognized on delivery/installation of the software product. The revenue for Annual Maintenance Services provided in case of software products is recognized pro rata over the period in which the services are rendered.

Income from software services is recognized over the contract period.

Contract asset – Unbilled revenue represents contract revenue recognised over and above the amount invoiced and presented under 'Other current assets' in the financials.

Contract liabilities – Advance from customer represents contract revenue received over and above the revenue recognised and presented under 'Other current liabilities' in the financials.

vii) Interest and dividends

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Other income is comprised primarily of interest income. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

viii) Operating expenses

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

ix) 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. Cost includes expenses related to acquisition and installation of the concerned asset and excludes any tax for which input credit is taken. Subsequent expenditure related to an item of PP&E is added to its book value only if the increase in future benefits from the existing asset is beyond its previously assessed standard of performance.

Depreciation on PP&E is charged under the straightline method over the useful life of the assets as specified in Schedule II to the Companies Act, 2013, for the following:

Class of Assets	Useful life as per the Companies Act, 2013	Useful life adopted by the Company
Tangible Assets:		
Computers :		
-End user devices such as desktops, laptops etc.	3	3
Furniture & Fixtures	10	10
Plant & Machinery	15	15
Electrical Installations and Equipment	10	10
Office Equipment – Others	5	5
Leasehold improvements	Not specified	Amortised over the period of lease

For the below tabulated class of assets, a lesser useful life than prescribed in Schedule II has been estimated due to rapid advancement in technology:

Asset Class	Useful Life Adopted	Useful Life as per Companies Act, 2013
Computers - Servers & Networks	4	6
Office Equipment - Mobiles	2	5
Vehicles	3	8

Depreciation is charged on a pro-rata basis from / upto the month of acquisition /sale or disposal. Assets costing less than ₹ 5,000/- individually are depreciated fully in the year in which such assets are purchased.

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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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

x) Intangible assets

(a) Initial recognition of other intangible assets

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

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

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,

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

production and making the software ready for its intended use and excludes any tax for which input credit is taken.

(b) Subsequent measurement

All finite-lived intangible assets, 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:

Asset	Useful life
Software	3 years

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

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

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

xi) Leased assets

A right-of-use asset representing the right to use the underlying asset and a lease liability representing the obligation to make lease payments is recognized for all leases over 1 year on initial recognition basis. Discounted committed & expected future cash flows recognised as right-of-use asset and lease liability and depreciation on the asset portion on straight-line basis & interest on liability portion (net of lease payments) on EIR basis is recognized over the expected lease term. No right-of-use asset is created for short term leases (i.e. lease term less than 1 year) and leases of low value items (i.e. lease of asset with original cost of less than ₹1 lakh).

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

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

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

xiii) Financial instruments

Recognition, initial measurement and derecognition

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

to the fair value on initial recognition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sells the asset.

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

Debt instrument at FVOCI

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

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Fair value movements are recognized in the OCI. However, the Company recognizes interest income (recognised using the EIR method), impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L.

Debt instrument at FVTPL

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- It transfers the financial asset and the transfer qualifies for derecognition under IndAs 109.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets which have not been fair valued to profit and loss:

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

- Trade receivables and contract assets resulting from transactions within the scope of Ind-AS 115, if they do not contain a significant financing component.
- Trade receivables and contract assets resulting from transactions within the scope of Ind-AS 115 that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money, and

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

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

ECL impairment loss allowance (or reversal) recognized during the year is recognized as expense/income in the statement of profit and loss (P&L). This amount is reflected in a separate line in the P&L as an impairment loss or gain.

xiv) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on such liabilities are recognised in the profit or loss.

Loans and borrowings

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

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

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

Derecognition

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

xv) Fair value measurement

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 under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

xvi) Segment reporting

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

The Company has three operating segments: physical custody services, digitisation services and software services. In identifying these operating segments, management generally follows the Company's service lines representing its main products and services.

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

Corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

xvii) Income taxes

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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.

xviii) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-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.

xix) Equity, reserves and dividend payments

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

- Re-measurement of net defined benefit liability – comprises the actuarial losses from changes in demographic and financial assumptions and the return on plan assets.
- reserves for financial instruments measured at FVOCI

Retained earnings includes all current and prior period retained profits

xx) Post-employment benefits and long/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 is considered as defined contribution plans and the contributions are charged to the Statement of Profit and Loss of the year when the respective contributions are due.

Defined benefit plans

Retirement Benefit in the form of gratuity is considered as defined benefit obligation 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 Other Comprehensive Income.

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 recognised in the Statement of Profit and Loss. 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, 2022

Long/Short-term employee benefits

Long term compensated absences are provided on actuarial valuation using the projected unit credit method as at the balance sheet date. Actuarial gains/losses if any are immediately recognized in the statement of profit and loss. Short term compensated absences are provided on estimated availment pattern.

xxi) Provisions

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

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

xxii) Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss, over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalization of such asset is added to the cost of the assets.

xxiii) Contingent liabilities and Contingent assets

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.

Contingent assets are disclosed in the financial statements by way of notes to accounts, when an inflow of economic benefits is probable.

xxiv) Earnings Per Share

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

xxv) Insurance claims

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

xxvi) 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.

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Lease term of right-of-use assets

Management reviews its estimate of the lease term of right-of-use assets at each reporting date, based on the expected utility of the leased property. Uncertainties in this estimate relate to business obsolescence/discontinuance that may change the lease term for certain right-of-use assets.

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.

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.

xxvii) Financial risk management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include security deposits, 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 management is supported by a risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

xxviii) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its standalone financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its standalone financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

3 Property, Plant and Equipment

Particulars	GROSS BLOCK AT COST			DEPRECIATION			NET BLOCK	
	As at April 1, 2021	Additions	Deductions	As at Mar 31, 2022	As at April 1, 2021	For the year ended	As at Mar 31, 2022	As at Mar 31, 2021
Tangible assets								
Computers - Hardware (Servers, networks etc)	570.88	27.03	-	597.91	526.28	25.22	551.50	44.60
Computer end user devices	225.01	16.31	6.67	234.65	192.85	23.24	209.42	32.16
Motor vehicles	15.61	-	-	15.61	15.09	0.52	15.61	0.52
Furniture & fixtures *	186.90	8.77	0.87	194.80	89.13	23.95	113.04	81.75
Leasehold Improvements *	340.77	71.73	10.71	401.79	130.57	74.81	199.48	234.53
Office equipments - Mobiles	4.22	0.26	1.31	3.17	3.91	0.34	2.94	0.31
Office equipments - Others *	63.41	17.98	0.18	81.21	54.98	19.36	74.19	7.02
P&M - Electricals *	302.65	62.14	2.03	362.76	95.65	40.87	135.75	197.14
P&M - Others *	6649.42	529.49	69.79	7,109.11	1720.01	489.66	2185.89	4921.81
Total	8358.86	733.71	91.56	9001.01	2828.49	697.96	3487.83	5530.37
Intangible assets								
Software	230.91	5.08	-	235.99	218.86	9.95	228.81	12.05
Total	230.91	5.08	-	235.99	218.86	9.95	228.81	12.05
Right of use lease assets								
Right of use lease assets	5643.10	447.21	1,138.92	4951.39	2703.55	839.09	2920.78	2939.55
Total	5643.10	447.21	1,138.92	4951.39	2703.55	839.09	2920.78	2939.55
As at 31.03.22	14232.87	1186.00	1230.48	14188.39	5750.90	1547.00	6637.42	8481.97
As at 31.03.21	12465.19	1789.97	22.29	14232.87	4308.40	1464.76	5750.90	8481.97

* Figures of opening gross block & accumulated depreciation of leasehold improvements have been regrouped under respective heads of property, plant & equipment.

Note:

- The gross block as on March 31, 2022 includes assets under deemed cost of ₹2465.82 lakhs.
- Of the total assets of the company, assets of ₹1500 lakhs are hypothecated against issue of non convertible debentures.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Non Current Assets

Financial Assets

4 Security and Other Deposits

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured and considered good unless otherwise stated	389.47	487.57
	389.47	487.57

5 Margin Money Deposits With Banks

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits with banks *	313.95	295.30
	313.95	295.30

* Placed as lien against bank guarantees

6 Deferred Tax Assets/ (Liabilities) (Net)

The major components of deferred tax assets and liabilities arising on account of timing differences are as under:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets (A)		
Provision for doubtful debts/advances	317.65	606.42
Employee benefits	31.35	34.48
Stamp duty & ROC form fees	-	-
Unabsorbed tax losses carried forward	1209.77	987.84
Right of use lease assets	252.67	238.81
Deferred Tax Liabilities (B)		
Depreciation	305.95	301.06
Net Deferred Tax Assets/ (Liabilities) (A-B)	(1,505.49)	(1,566.49)

Deferred tax as on March 31, 2022 has been measured using the effective tax rate of 25.168%.

Further changes in tax rates are expected in future years but these changes will be enacted separately in respective years and hence are not recognised in the financial statements.

7 Non Current Tax Assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance payment of tax and taxes deducted at source (net of provisions)	433.54	192.91
	433.54	192.91

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

8 Other Non Current Assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital advances	440.41	233.00
Advances other than capital advances	8.37	8.37
Prepaid expenses	10.82	0.83
Receivable from Stockholding Document Management Services Ltd's employees group gratuity scheme	0.10	0.10
	459.70	242.30

Current Assets

Financial Assets

9 Trade Receivables*

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured	-	-
Unsecured		
Considered good	2650.72	2286.46
Less : Provision for expected credit losses	(66.25)	(126.56)
	2584.47	2159.90
Credit impaired	1893.49	2889.32
Less : Provision for doubtful debts #	(1,195.85)	(2282.91)
	697.64	606.41
	3282.11	2766.31
* - Includes dues from SHCIL (holding company)	705.53	243.29
* - Includes dues from SSL (fellow subsidiary)	7.31	8.11
* - Includes dues from IFCI (ultimate holding company)	0.18	0.09
* - Includes dues from IFIN (fellow subsidiary)	-	4.05

The said provision is determined after considering material recoveries till the date of signing of this financial statement.

Debtors ageing shown under Note 41 (b)

10 Cash and Cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
- Cash on hand	-	-
- Bank balances		
- in current accounts	8.54	75.86
- in deposit accounts	212.42	963.22
	220.96	1,039.08

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

11 Other Balances with Banks

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
- In deposit accounts	-	9.23
	-	9.23

Other Current Financial Assets

12 Security and Other Deposits

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured and considered good unless otherwise stated	300.34	30.11
	300.34	30.11

13 Interest Accrued

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
On fixed deposits	0.30	1.20
	0.30	1.20

14 Other Current Assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	100.76	78.31
Cenvat/GST credit receivable	678.29	570.13
Other advances receivable	11.06	6.03
Others		
"Accrued income (other than interest accrued on fixed deposits) - Contract asset refer foot note 1 below"	446.33	438.50
	1,236.44	1,092.97
foot note 1		
Changes in contract assets are as follows:		
Balance at the beginning of the period	438.50	526.11
Revenue recognised during the period	171.12	112.92
Invoices raised during the year for contract assets at the beginning of the period	163.29	200.53
Balance at the end of the period	446.33	438.50

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

15 Equity Share Capital

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Authorised		
850,00,000 (FY 2020-21: 850,00,000) equity shares of ₹ 10 each	8,500.00	8,500.00
	8,500.00	8,500.00
Issued		
5,57,50,000 (FY 2020-21: 5,57,50,000) equity shares of ₹ 10 each	5,575.00	5,575.00
	5,575.00	5,575.00
Subscribed & Paid up		
5,57,50,000 (FY 2020-21: 5,57,50,000) equity shares of ₹ 10 each, fully paid-up	5,575.00	5,575.00
	5,575.00	5,575.00

Terms/rights attached to equity shares:

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Reconciliation of shares outstanding

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	No. of shares	No. of shares
Shares outstanding at the beginning of the period	55,750,000	55,750,000
Add : Shares subscribed during the period	-	-
Less : Shares bought back during the period	-	-
Shares outstanding at the end of the period	55,750,000	55,750,000

Percentage of holding:

The entire paid up share capital is held by Stock Holding Corporation of India Ltd. (promoter holding company) and its nominees. There has been no change in the shareholding pattern of the Company in the current as well as previous year.

16 Other equity

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Equity component of borrowings from holding company		
Opening	159.54	159.54
Additions	-	-
Closing	159.54	159.54
Securities premium		
Opening	1,125.00	1,125.00
Closing	1,125.00	1,125.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Retained earnings		
Opening	(3342.90)	(2043.34)
Transferred from current year's profit & loss account	156.52	(1299.56)
Less: Appropriations:	-	-
Closing	(3186.38)	(3342.90)
Other comprehensive income		
Opening	(13.89)	(14.26)
Actuarial gain/(loss) on defined employee benefit plan for the year	3.63	0.37
Closing	(10.26)	(13.89)
Total Other Equity	(1912.10)	(2072.25)

Non Current Liabilities

17 Financial Liabilities - Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured		
2,50,000, 8.55% Fully Convertible Debentures of ₹1000/- each fully paid up [see note (i)]	2,500.00	2,500.00
Right of use lease liability (net of current portion of ₹624.28 lakhs disclosed under note 19) *	2,128.58	3,003.77
	4,628.58	5,503.77
Secured		
1,50,000, 9.5% Secured, Redeemable Non Convertible Debentures of ₹1000/- each fully paid up [see note (ii)]	-	539.08
Interest accrued & payable within 12 months	-	(51.04)
Term loan [see note (iii)]	469.73	78.96
	469.73	567.00
	5,098.31	6,568.69

- (i) All the fully convertible debentures (FCD's) are held by holding company. The holding company shall have put option after expiry of one year from the date of allotment and annually thereafter. SDMS shall not have any call option. If put option is not exercised, the FCDs would get converted into equity shares of SDMS at the then prevailing book value per share at the end of three years. The interest rate of 8.55% (based on prevailing rate scenarios and corporate spreads) is constant for the full tenure of FCD's and hence the entire amount of FCD's is being considered as debt and interest expense recognised at 8.55%.
- (ii) All debentures are held by holding company. Debentures are secured by specified assets of the company. Tenure of the debentures is seven years. Interest is payable annually. The company may exercise call option at the beginning of the fourth year to redeem the debentures in full or in part, subject to such call option be exercised in multiples of 10% of the issued amount. Similarly, the debentureholder may exercise put option at the beginning of the fourth year in full or in part, subject to such put option be exercised in multiples of 10% of the issued amount. The charge on specified assets has been created. The scheduled cash flows of the debentures have been discounted at 11% pa (market rate of interest) and the difference between the present value of discounted cash flows and the actual debentures amount has been recognised as deemed equity.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

- (iii) A term loan of ₹32.37 crores has been sanctioned by State Bank of India for setting up infrastructure of the SBI Storage project. The tenure of the loan is 8 years and 9 months including a moratorium period of 1 year and 1 month. The interest rate is 0.75% above 3 months MCLR (Present effective rate is 7.70% p.a). The loan is secured by the hypothecation of plant and machinery of the Company created out of bank finance and corporate guarantee given by the parent company viz Stockholding Corporation of India Ltd.

* The right of use liability for the year ended March 31, 2021 has been regrouped from non current to current.

18 Long term provisions

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Leave encashment	85.40	90.88
	85.40	90.88

Current Liabilities

19 Financial Liabilities - Borrowings

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Secured		
Cash credit facility *	182.19	494.83
Overdraft facility **	1795.86	1436.26
Current maturities of long term debt	586.94	500.00
	2564.99	2431.09
Unsecured		
Current portion of ROU lease liability #	624.28	776.32
	3,189.27	3,207.41

* With IDBI Bank secured by an exclusive charge on entire present & future current assets of the company including cash and cash equivalents.

** With SBI (₹1795.86 lakhs) secured against fixed deposits placed by the parent company viz Stockholding.

The right of use lease liability for the year ended March 31, 2021 has been regrouped from non current to current.

20 Financial Liabilities - Trade Payables

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Dues to micro and small enterprises (Refer footnote below)	81.34	31.66
Dues to holding company	2,245.04	1,755.54
Dues to other creditors	235.18	165.47
	2,561.56	1,952.67
Footnote:-		
The disclosures relating to Micro and Small enterprises are as under:		
a) The principal amount remaining unpaid to supplier as at the end of the accounting period	81.21	31.49
b) The interest due thereon remaining unpaid to supplier as at the end of the accounting period #	0.13	0.17

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
c) The amount of interest paid in terms of section 16, along with the amount of payment made to the supplier beyond the appointed day during the period	385.15	373.57
d) The amount of interest due and payable for the period	7.39	11.62
e) The amount of interest accrued and remaining unpaid at the end of the accounting period #	0.13	0.17
f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

paid ₹12,872/- on April 16, 2022.

Trade payables ageing schedule as on 31.03.22

(₹ in lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	81.34	-	-	-	81.34
(ii) Others	773.07	535.83	376.47	794.85	2480.22
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
Total	854.41	535.83	376.47	794.85	2561.56

Trade payables ageing schedule as on 31.03.21

(₹ in lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	31.66	-	-	-	31.66
(ii) Others	749.68	370.74	597.17	203.42	1921.01
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
Total	781.34	370.74	597.17	203.42	1952.67

21 Other Current Financial Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Accruals for expenses	670.22	817.53
Accruals for interest on current borrowings	8.43	11.35
Accruals for interest on non current borrowings	136.51	191.34
Provision for taxation	12.12	12.12
Security deposits payable	1.86	2.20
Retention money payable	62.51	77.27
Capital creditors (excluding MSME's)	27.16	145.33
Other liabilities	5.62	7.20
	924.43	1,264.34

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

22 Other Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances from clients - Contract liability	0.01	-
Statutory liabilities	132.21	72.87
	132.22	72.87

23 Short-term Provisions

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Gratuity	4.54	11.57
Leave encashment	34.64	34.57
	39.18	46.14

24 Revenue from Operations

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income from physical storage services	3,012.62	2,456.02
Income from digitization services	870.91	344.26
Income from software products/services	1,143.36	1,207.17
	5,026.89	4,007.45

The Company has elected to use the practical expedient that there is no financing component involved when the credit period offered to customers is less than 12 months.

25 Other Income

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest (Gross)		
- On deposits with banks	31.71	45.04
- On Income tax refund	-	38.64
Provisions written back	1,498.19	41.34
Miscellaneous Income	219.91	123.42
	1,749.81	248.44

26 Employee Benefits Expense

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, allowances & bonus	1,006.10	913.55
Reimbursement of expenses for deputed personnel	271.29	255.48
Contribution to provident fund and other funds	107.28	99.90
Staff welfare expenses	103.76	71.83
	1,488.43	1,340.76

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

27 Finance Cost

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on inter corporate deposits	-	2.15
Interest on 9.5% non convertible debentures	76.72	130.06
Interest on 8.55% fully convertible debentures	213.75	151.67
Interest on cash credit/overdraft facility	139.12	187.88
Interest on term loan	32.24	0.24
Interest others	7.56	13.56
Ancillary borrowing costs	3.90	35.97
Right of use lease interest	351.83	438.35
	825.12	959.88

28 Other Expenses

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Outsourcing expenses	534.72	389.08
Project trainees	209.35	167.70
Traveling and conveyance	99.18	58.82
Repairs and maintenance	189.22	130.21
Electricity charges	85.03	62.08
Postage, printing & stationery	53.88	30.37
Marketing expenses	4.40	9.77
Directors' sitting fees	25.70	41.60
Telephone and telecommunication	34.34	31.50
Commission	18.19	14.90
Rent	233.46	137.60
Rates and taxes	7.85	38.04
Legal and professional charges	228.84	130.96
Recruitment and training expenses	14.25	4.01
Payment made to statutory auditors		
- Audit fees	13.50	12.53
- Tax audit fees	3.05	2.85
- For others	0.57	0.42
Insurance	48.69	31.50
Bank charges	2.60	5.83
Software expenses	135.87	112.57
Transportation expenses	154.95	121.77
Packing expenses	9.16	6.52
Security expenses	177.00	171.17
Computer hire charges	23.46	16.35
Bad debts written off	47.61	59.79

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Brokerage on rental premises	0.92	3.17
Loss on sale of fixed assets	22.26	-
Assets written off	4.95	0.06
GST expenses	-	12.50
Provision for impairment of receivables	-	598.08
Other expenses	32.15	28.33
	2,415.15	2,430.08

29 OCI items not reclassified to profit and loss in subsequent periods:

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Remeasurement of net defined benefit liability	4.85	0.50
Income tax relating to Remeasurement of net defined benefit liability	(1.22)	(0.13)
	3.63	0.37

30 Exceptional items

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income		
Claim received from insurance	-	248.73
Income from sale of salvage	-	-
	-	248.73
Expense		
Recreation cost of documents damaged due to fire	-	-
Loss on assets damaged due to fire	-	-
Claims paid to clients towards loss of documents	284.70	12.14
	284.70	12.14
Net exceptional item	(284.70)	236.59

31 Contingent Liabilities and commitments

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Contingent liabilities:		
a) Claims against the company not acknowledged as debt (refer note 47 b)	-	-
b) Performance Bank guarantees	449.70	460.69
Commitments:		
a) Estimated amount of contract to be executed on capital account (net of advances) and not provided for	916.58	1,144.33
	1,366.28	1,605.02

Note: Excludes taxes/freight which may be payable

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

32 Earning per Share

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Number of shares at the beginning of the year	557.50	557.50
Number of shares at the end of the period	557.50	557.50
Weighted average number of shares outstanding during the year	557.50	557.50
Net Profit/(Loss) for the period	156.52	(1299.56)
Net Profit/(Loss) available for equity shareholders	156.52	(1299.56)
Basic & Diluted Earning per share (in ₹)	0.28	(2.33)

33 Operating Leases

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
1. Future Minimum Lease Payments under non-cancellable operating lease for the period		
(a) Not later than one year	153.12	208.73
(b) Later than one year but not later than 5 years	161.64	314.77
(c) More than 5 years	-	-
2. Lease payments charged to Profit and Loss Account		
Rental expenses	233.46	137.60
Depreciation	839.09	830.69
Interest	351.83	438.35

3. The Company has taken on lease a number of premises for storage business under operating leases. The lease typically runs for a period of 3 to 9 years with an option to renew the lease after that period. The lease payments for the entire lease period are fixed at the time of entering into the lease agreement and are renegotiated towards the end of the lease period in case of renewals.

34 Related Parties

a. List of Related Parties

Ultimate Holding Company
Holding Company
Fellow Subsidiaries (with whom transactions have taken place)

IFCI Ltd
Stock Holding Corporation of India Ltd
SHCIL Services Ltd (SSL)

Key Management Personnel

IFCI Financial Services Ltd (IFIN)
IFCI Infrastructure Development Ltd (IIDL)
IFCI Factors Ltd
Mr. Ramesh NGS - Non Executive Chairman
Mr. Umesh Punde - Executive Vice Chairman
Mr. Venkatraman Iyer - Independent Director
Mr. Sanjay Sharma - Independent Director
Mr. Prasoon - Director (Resigned w.e.f. June 9, 2021)
Mr. Jagdish Thakur - Director
Mr. Shreekanth Patwardhan - Director (Resigned w.e.f. April 22, 2021)
Ms. Anita Dembla - Director (Resigned w.e.f. April 22, 2021)
Ms. Pandula Sreelakshmi (Appointed w.e.f. July 12, 2021)
Ms. Rita Kaul (Appointed w.e.f. July 12, 2021)
Mr. Sanjeev Vivrekar - MD & CEO
Ms. Jyoti Katira - CFO
Ms. Jajvalya Raghavan - CS

Trust wherein the Company has control StockHolding Document Management Services Ltd.
Employees Group Gratuity Assurance Scheme

The ICAI - Ind AS Transition facilitation group's bulletin dated July 31, 2017 has clarified that under para 9 of Ind AS 24, independent and non executive directors are covered under definition of KMP. Accordingly disclosure is being made in this section for the said purpose.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

35 Payment of managerial remuneration

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) To Executive Vice Chairman and MD & CEO		
Short-term employee benefits	104.08	106.50
Post-employment gratuity and medical benefits	5.95	6.14
Termination benefits	5.61	5.84
(b) To Other Managerial Personnel		
Short-term employee benefits	39.16	35.84
Post-employment gratuity and medical benefits	2.65	2.40
Termination benefits	1.66	1.63
	159.12	158.36

Note: Excludes leave accrued determined actuarially, by Holding Company Stockholding.

36 Disclosure pursuant to Ind As accounting standard – 19 'Employee Benefits'

a) Defined Contribution plans

Contribution to provident fund ₹ 75.91 Lakhs (previous period: ₹70.68 Lakhs) is recognized as an expense and included under the head in Company's contribution to Employees Provident Fund & Gratuity Fund.

b) Defined benefit plan

The Company is statutorily required to provide for gratuity a defined benefit retirement plan covering eligible employees. Gratuity plan provides for a lump sum payment to employees on retirement, death, incapacitation, termination of employment, of amounts that are based on salaries and tenure of the employees.

The gratuity liability is funded by the company through contributions made to LIC.

Present Liability of Gratuity is accounted based on actuarial valuation done by a professional actuary.

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
I. Actuarial assumptions :		
Discount Rate	7.31%	6.93%
Rate of Return on Plan Assets *	7.31%	6.93%
Future Salary Rise**	5.00%	5.00%
Attrition Rate Current Year	3.00%	3.00%

* This is based on expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

** The Estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in employment markets.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in lakhs)		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
II. Change in Benefit Obligation:		
Liability at the beginning of the period	87.12	71.81
Interest cost	6.04	4.90
Current service cost	12.05	11.88
(Benefit paid from the Fund)	(5.46)	(0.78)
Actuarial (gains)/losses on obligations - Due to Change in Demographic Assumptions	(0.08)	2.50
Actuarial (gains)/losses on obligations - Due to Change in Financial Assumptions	(4.46)	(1.22)
Actuarial (gains)/losses on obligations - Due to Experience	(0.25)	(1.98)
Liability at the end of the period	94.95	87.12
(₹ in lakhs)		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
III. Fair Value of Plan Assets:		
Fair value of plan assets at the beginning of the period	75.55	62.08
Expected Return on plan assets	5.24	4.23
Contributions	15.04	10.21
(Benefit paid from the Fund)	(5.46)	(0.78)
Actuarial gains/(losses) on plan assets	0.05	(0.20)
Fair value of plan assets at the end of the period	90.41	75.55
(₹ in lakhs)		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
IV. Total Actuarial (Gain) / Loss to be recognized in Other Comprehensive Income (OCI)	(4.85)	(0.50)
V. Actual Return on Plan Assets	14.87	13.47
VI. Amount recognised in the balance sheet :		
Fair value of plan assets at the end of the period	90.41	75.55
Liability at the end of the period	(94.95)	(87.12)
Funded Status	(4.54)	(11.57)
Unrecognized past service cost	-	-
Unrecognized Transition Liability	-	-
Net (liability)/Asset recognized in the Balance Sheet	(4.54)	(11.57)
VII. 100% of the Plan assets has been invested in Insurer Managed Funds		
VIII. Expenses recognised in the statement of profit or loss		
Current service cost	12.05	11.88
Net interest cost	0.80	0.66
Expense recognised	12.85	12.55

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
IX. Expenses Recognised in the other comprehensive income (OCI)		
Actuarial (gains)/losses	(4.80)	(0.70)
Return on plan assets excluding interest income	(0.05)	0.20
Expense recognised in OCI	(4.85)	(0.50)
X. Balance Sheet Reconciliation		
Opening net liability	11.57	9.73
Expenses recognised in statement of profit or loss	12.85	12.55
Expenses recognised in OCI	(4.85)	(0.50)
Employers contribution	(15.04)	(10.21)
Amount recognised in balance sheet - Net liability/ (Asset)	4.54	11.57
XI. Sensitivity Analysis		
Projected benefit obligation on current assumptions	94.95	87.12
Delta Effect of +1% change in rate of discounting	(10.39)	(10.05)
Delta Effect of -1% change in rate of discounting	12.45	12.14
Delta Effect of +1% change in rate of salary increase	12.62	12.25
Delta Effect of -1% change in rate of salary increase	(10.69)	(10.31)
Delta Effect of +1% change in rate of employee turnover	2.85	2.26
Delta Effect of -1% change in rate of employee turnover	(3.28)	(2.62)
XII. Maturity analysis of the benefit payments		
Projected benefits payable in future years from date of reporting		
1 st following year	3.93	3.33
2 nd following year	4.13	3.61
3 rd following year	7.69	3.74
4 th following year	4.22	6.69
5 th following year	4.33	3.84
Sum of years 6-10	25.57	21.20
Sum of years 11 and above	231.90	213.99

This plan typically exposes the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in government securities, debt instruments, Short term debt instruments, Equity instruments and Asset Backed, Trust Structured securities as per notification of Ministry of Finance.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

XI. Expected employer's contribution in next year is ₹16.01 Lakhs (Actual contribution in current year is ₹ 15.04 Lakhs).

c) Compensated Absences for Employees

The Company permits encashment of leaves accumulated by its employees on retirement, separation and during the course of service. The liability for unexpired leave is determined and provided on the basis of actuarial valuation at the Balance Sheet date. The compensated absences liability is not funded.

(i) Actuarial Assumptions at the Valuation date

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Discount Rate	7.31% p.a	6.93% p.a
Salary Escalation Rate	5.00% p.a	5.00% p.a
Attrition Rate	3.00% p.a	3.00% p.a
Mortality	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate

(ii) Amount recognized in Balance Sheet and movements in net liability:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Opening Balance of Compensated Absences (X)	99.96	25.49
Present value of Compensated Absences (As per actuary valuation) (Y)	120.04	125.45
Unfunded / (Excess) liability of Compensated Absences recognised in the Profit and Loss account for the year (Y – X)	20.09	99.96

37 Foreign currency related disclosures

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
(a) Expenditure in Foreign currency - Travelling expenses	-	-
(b) Earning in foreign currency	-	-
(c) Unhedged foreign currency exposure as on reporting date	-	-
(d) Derivative contracts outstanding as on reporting date	-	-

38 CSR Expenditure

a) Gross amount required to be spent by the Company during the year ended March 31, 2022 is Nil (previous year: Nil)

b) Amount spent during the quarter on: (₹ in lakhs)

CSR activities	Paid	Total
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

39 Segment Reporting

- a) Physical Storage Services, Digitisation of Documents & software services have been considered as primary segments. The Profit & Loss account of the reportable segments is set out here below:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
b) Segment Revenue		
Physical Storage Services	3012.62	2456.02
Digitisation Services	870.91	344.26
Software Services	1143.36	1207.17
Total Revenue	5026.89	4007.45
Segment Cost		
Physical Storage Services	3425.11	3119.96
Digitisation of Documents	989.21	1009.95
Software Services	596.83	800.46
Total Cost	5011.15	4930.37
c) Segment Results		
Physical Storage Services	(412.49)	(663.94)
Digitisation of Documents	(118.30)	(665.69)
Software Services	546.53	406.71
Total Net Revenue	15.74	(922.92)
Unallocated Expenses		
Operating Expenses	1212.84	1204.71
Depreciation & Amortisation	51.70	60.42
Operating Profit/ (loss)	(1248.80)	(2188.05)
Other income	1749.80	248.44
Profit/ (loss) before exceptional items and tax	501.00	(1939.61)
Exceptional items	(284.70)	236.59
Profit/ (loss) before tax	216.30	(1703.02)
Less: Tax	59.78	(403.46)
Profit/ (loss) for the period	156.52	(1299.56)
Other comprehensive income (net of tax)	3.63	0.37
Total Comprehensive Income for the period (Comprising Profit/ (loss) and Other Comprehensive Income for the period)	160.15	(1299.19)

Note: The segment operating profit is arrived at before allocating certain expenses to segments and such unallocable expense are separately disclosed.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

The assets and liabilities of the reportable segments are set out here below:

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
d) Segment Assets		
Physical Storage Services	9924.28	11272.26
Digitisation of Documents	1499.18	1219.55
Software Services	1677.69	1457.37
Unallocable Assets	2592.12	2258.66
Total Assets	15693.27	16207.83
e) Segment Liabilities		
Physical Storage Services	7881.70	9803.07
Digitisation of Documents	450.88	416.96
Software Services	369.99	441.41
Unallocable Liabilities	3327.80	2043.63
Total Liabilities	12030.37	12705.08
f) Capital Employed		
Physical Storage Services	2042.58	1495.87
Digitisation of Documents	1048.30	868.07
Software Services	1307.70	1120.25
Unallocable	(735.68)	18.56
Total Capital Employed (d-e)	3662.90	3502.75

Note: There are no reportable geographical segments.

Information about major customers

Company's revenues, 39% (FY 2020-21: 33%) are derived from sales to government, quasi government enterprises and public sector units. The total sales to such companies amounted to ₹ 1965.80 lakhs in the year ended March 31, 2022 and ₹1350.83 lakhs in the year ended March 31, 2021.

Revenue from physical storage and digitisation of three customers is ₹2463.19 lakhs (FY 2020-21: Two customers - ₹1589.17 Lakhs) which is 49% (FY 2020-21: 40%) of the Company's total revenue.

40 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The objective of the Company's capital management is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The amounts managed as capital by the Company for the reporting periods under review are summarised as follows:

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Total equity	3662.90	3502.75
Capital	3662.90	3502.75
Non current and current borrowings	5534.72	5498.09
Overall financing	9197.62	9000.84
Capital-to-overall financing ratio	40%	39%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

41 Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include security deposits, 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 management is supported by a risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The following is the sensitivity analysis of various types of risks:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
a) <u>Interest rate sensitivity analysis</u>		
Profit for the period including other comprehensive income	160.15	(1,299.19)
Effect of +1% change in rate of interest	(32.10)	(29.84)
Effect of -1% change in rate of interest	32.10	29.84

b) Credit risk analysis

Customer credit risk is managed as per the company's established policy, procedures and control relating to customer credit risk management. Outstanding trade receivables are regularly monitored.

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

As at March 31, 2022

	(₹ in lakhs)					Total
	Outstanding for following periods from due date of payment					
	< 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	1,840.77	691.40	118.55	-	-	2650.72
Undisputed trade receivables - considered doubtful	-	-	1,131.94	305.88	455.67	1893.49
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables - considered doubtful	-	-	-	-	-	-
Total	1,840.77	691.40	1,250.49	305.88	455.67	4544.21

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

As at March 31, 2021

(₹ in lakhs)

	Outstanding for following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	1,517.02	754.64	-	-	-	2271.66
Undisputed trade receivables - considered doubtful	-	-	1,242.76	1,253.29	408.07	2904.12
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables - considered doubtful	-	-	-	-	-	-
Total	1,517.02	754.64	1,242.76	1,253.29	408.07	5175.78

Major customers, being govt. undertakings and private companies having highest credit ratings, carry negligible credit risk. Concentration of credit risk to any private counterparty did not exceed 5% of total debtors at any time during the year ended March 31, 2022.

c) Liquidity risk analysis

The contractual cash flows of the company's financial liabilities (including interest payments where applicable) are as below:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<u>Current:</u>		
<u>Borrowings</u>		
-Within 6 months	3363.58	3516.16
-Between 6 and 12 months	64.76	-
<u>Trade payables</u>		
-Within 6 months	2561.56	1952.67
-Between 6 and 12 months	-	-
<u>Other current financial liabilities</u>		
-Within 6 months	924.43	1264.34
-Between 6 and 12 months	-	-
<u>Non Current:</u>		
<u>Borrowings</u>		
- upto 5 years	2917.41	3520.12
- Later than 5 years	178.94	33.84

The company has access to committed credit facilities as described below, of which ₹422.08 lakhs were unused at the end of the reporting period (as at March 31, 2021 - ₹463.74 lakhs). The company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured bank overdraft and cash credit facility reviewed annually and payable at call		
Amount used	1978.05	1931.09
Amount unused	421.95	463.74

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

42 Carrying amount and movement in provision for doubtful debts

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Carrying amount as at the beginning of the period	2409.47	1811.39
Additional provisions	-	598.08
Amount utilised	-	-
Reversals	1,147.37	-
Carrying amount as at the end of the period	1262.10	2409.47

43 Financial assets and liabilities

Categories of financial assets

Carrying values of financial assets measured at amortised cost

(₹ in lakhs)

Particulars	Fair value heirarchy	As at March 31, 2022	As at March 31, 2021
Non Current financial assets			
Security and other deposits	Level 3	389.47	487.57
Margin money deposits with banks	Level 3	313.95	295.30
Current financial assets			
Security and other deposits	Level 3	300.34	30.11
Trade and other receivables	Level 3	3282.11	2766.31
Cash and cash equivalent	Level 3	220.96	1,039.08
Other balances with banks	Level 3	-	9.23
Accrued interest on fixed deposits	Level 3	0.30	1.20

Fair values of financial assets measured at amortised cost

Management considers that the carrying amounts of financial assets recognised at amortised costs in financial statements approximate their fair values.

Categories of financial liabilities

Carrying value of financial liabilities measured at amortised cost

(₹ in lakhs)

Particulars	Fair value heirarchy	As at March 31, 2022	As at March 31, 2021
Non Current financial liabilities			
Non convertible debentures	Level 3	-	488.04
Fully convertible debentures	Level 3	2,500.00	2,500.00
Term loan	Level 3	469.73	78.96
Current financial liabilities			
Current maturities of long term debt	Level 3	586.94	500.00
Cash Credit/ Overdraft facility	Level 3	1,978.05	1,931.09
Trade payables	Level 3	2,561.56	1,952.67
Accruals for expenses	Level 3	815.16	1,020.22
Security deposits	Level 3	1.86	2.20
Retention money	Level 3	62.51	77.27
Other current financial liabilities	Level 3	32.78	152.53

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Fair value of financial liabilities measured at amortised cost

Management considers that the carrying amounts of financial liabilities recognised at amortised costs in financial statements approximate their fair values.

Financial assets/liabilities measured at fair value through profit or loss or other comprehensive income - Nil

44 Income taxes

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Income tax expense		
Current taxes		
- For current year	-	-
- For earlier years	-	26.35
Total of current tax	-	26.35
(b) Deferred taxes		
Deferred tax charge/(credit) - For Current Year	59.78	(429.81)
Total of deferred tax	59.78	(429.81)
Total of tax expense	59.78	(403.46)

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

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit/ (Loss) before tax	216.30	(1,703.02)
Enacted tax rates in India	25.168%	25.168%
Computed expected tax expense	-	-
Add: Tax effect of items not allowed as deduction	-	-
Less: Tax effect of items allowed as deduction	-	-
Add: Tax effect on notional interest cost calculated as per IndAs	-	-
Less: Tax effect on other comprehensive income calculated as per IndAs	-	-
Add: Rounding off	-	-
(d) The gross movement in the deferred income tax account is as per below:		
Net deferred income tax liability/ (asset) at the beginning	(1,566.49)	(1,136.81)
Transition impact of Ind AS 116	-	-
Credits/Charge relating to temporary differences - Recognised in statement of profit and loss	59.78	(429.81)
Temporary differences on defined benefit obligation - Recognised in other comprehensive income	1.22	0.13
Temporary differences recognised directly in equity	-	-
Temporary differences reclassified from equity to statement of profit and loss	-	-
Net deferred income tax liability/ (asset) at the end	(1,505.49)	(1,566.49)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

45 Ratios

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Remarks
Pursuant to the amendments to Schedule III vide MCA circular dated March 23, 2021, the following ratios are presented:			
Current ratio	0.74	0.75	-
Debt equity ratio	0.81	0.88	-
Debt service coverage ratio	0.30	0.07	Improvement in ratio due to profit made during the year
Return on equity ratio	4.27%	-37.10%	----- do-----
Inventory turnover ratio	Not applicable since the company is - not engaged in any manufacturing or trading activities.		
Trade receivables turnover ratio in months	11.76	16.84	-
Trade payables turnover ratio	Not applicable since the company is - not engaged in any manufacturing or trading activities.		
Net capital turnover ratio	-278.26%	-249.76%	Due to increase in trade payables during the year
Net profit ratio	3.11%	-32.43%	Improvement in ratio due to profit made during the year
Return on capital employed ratio	28.43%	-21.22%	----- do-----
Return on investment ratio	Not applicable since the company - has not made any investments.		

- 46** (a) The Company has not traded or invested in crypto currency or virtual currency during the current period.
- (b) The Company is not required to spend any amount in terms of provisions of section 135 of the Companies, Act 2013 on Corporate Social Responsibility.
- (c) The Company is not as wilful defaulter by any bank or financial institution or other lenders.
- (d) There are no transactions with the Struck off Companies under Section 248 or 560 of the Companies, Act 2013.
- (e) No proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988.
- 47** (a) A fire incident occurred on December 11, 2017 at Mahape premise of the company.
- (b) The Company has been receiving claims for loss of documents from its clients. Majority of the clients have completed audit while others are in various stages of conducting audit through their auditors to assess damage to their documents for the final claims. Pending ascertainment of actual claim, the company has not provided/ disclosed for such claim/contingent liabilities and corresponding insurance claim receivable in the books of account as on March 31, 2022. Also, the Company is a party to legal proceedings but does not expect the outcome of these proceedings to have any adverse effect on its financial conditions, results of operations or cash flows. Further, claims by party (ies) in respect of which the management has been advised by its legal counsel, that the same are frivolous and not tenable, have also not been considered as contingent liabilities.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

- 48** The company had to repay the second instalment of NCD's of ₹ 5 crores which was due on Aug 31, 2021. As per requirements of the companies act 2013, a debenture redemption reserve (DRR) had to be created. Rule 18(7)(a) of Companies (Share capital and debentures) Rules states that the DRR shall be created out of the profits of the company available for payment of dividend. Since the reserves of the company are negative, such DRR has not been created.
- 49** (a) Based on internal information and indicators, the company is of the view that there is no impairment to financial and other assets as on March 31, 2022 due to the covid 19 pandemic.
- (b) There have been no significant changes in the way assets have been used or are expected to be used.
- (c) There have been no significant changes in the legal factors or business climate that could affect the value of the asset.
- (d) There is no decline or cessation of, the need of services provided by the assets.
- (e) The impairment of receivables reflects conditions already existing as on March 31, 2022.
- 50** Previous period/year figures have been regrouped/reclassified wherever necessary to make them comparable with the current period's classification.

51 Approval of financial statements

The Financial Statements have been approved for issue by the board of directors on April 28, 2022.

As per our report of even date
For Karnavat & Co
 Chartered Accountants
 Firm Registration no: 104863W

For and on behalf of the Board

Sameer B. Doshi
 Partner
 Membership No: 117987
 UDIN: 22117987AICFUU8869

Jajvalya Raghavan
 Company Secretary

Jyoti Katira
 Chief Financial Officer

Sanjeev Vivrekar
 MD & CEO
 DIN: 02561324

Place: Mumbai
 Date : April 28, 2022

Venkatraman Iyer
 Director
 DIN: 01204165

Jagdish Thakur
 Director
 DIN: 02941956

PHOTO GALLERY



SDMS (Men) 1st Runner Up team holding the trophy at StockHolding Premier League Cricket Tournament 2022.



**Best Bowler of the Tournament 2022
Mr. Sanil Balkrishna Waghare
(Jr. Executive Finance Department - SDMS)**



Dussehra & Diwali celebrations of 2021 at StockHolding DMS





Fire Safety Training Programme was conducted by StockHolding Group as a part of Fire Safety Week 2022 at NMMC School, Mahape, Navi Mumbai.



**Final Appraisal Day for Renewal of CMMi Maturity Level 5 (1.3) to CMMIDEV/5 2.0
Mr. Kris Puthucode, Certified CMMi High Maturity Lead Appraiser, BD CMM Lead Appraiser, PMI Certified Trainer joined virtually from United States of America.**



Rangoli drawn by StockHolding DMS female staff as a part of Vigilance Awareness Week 2021

SDMS Vigilance Quiz 2021 Winners



1st Prize



Mr. Awadesh Sharma
Deputy Manager-Operations - (Mahape)
Score-19/25

2nd Prize



Mr. Shiripothula Rajesh
Senior Executive-Marketing (Hyderabad)
Score-17/25

2nd Prize



Mr. Sanjiv Kumar Mishra
Executive-IT (Allahabad)
Score-17/25

3rd Prize



Mr. Amit Verma
Deputy Manager-Operations (Allahabad)
Score-16/25

3rd Prize



Mr. Anoop Verma
Senior Executive-IT (Allahabad)
Score-16/25

Winners of the Vigilance Quiz Competition organised as a part of "Vigilance Awareness Week 2021" with the theme "Independent India @ 75: Self Reliable with Integrity". 'सतर्क भारत, समृद्ध भारत'

WINNERS



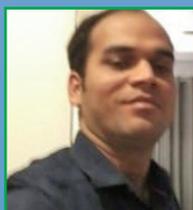
Mr. Sanjaykumar Rathod
Executive - Operations
Ahmedabad



Mr. Sanjeev Mishra
Executive - IT
Prayagraj



Mrs. Prachi Pawaskar
Deputy Manager - Finance
Mumbai HO



Mr. Maheswar Panda
Executive - Operations
Kolkata



Mr. Parveen Kumar
Senior Executive - IT
Patiala



Mr. Yadnesh Pillane
Junior Executive - Finance
Mumbai HO



Mr. Jitendra Devamani
Executive - Operations
Chennai



Mr. S. Guruprakash
Senior Executive - Operations
Bengaluru



Mr. Bhanu Pratap
Senior Executive - Marketing
Bengaluru



Mr. Anoop Verma
Senior Executive - IT
Prayagraj



Mr. Sooraj Kewalramani
Assistant Manager - Operations
Mahape HO

Winners of the Independence Day quiz competition conducted to commemorate 75 years of India's Independence.

Certificate of Achievement

This is to be known that



StockHolding DMS

StockHolding Document Management Services Limited,
SHCIL House, Plot No. P-51, T.T.C. Industrial Area,
MIDC, Mahape, Navi Mumbai – 400710

has been certified at the CMMI-DEV V2.0 Maturity Level 5.



CMMI DEV / 5SM

CMMI®V2.0 / Exp. 2025-03-09 / Appraisal #58461



CMMI® Institute Partner

trendz
process consulting



OUR PRODUCTS

- ◆ Document Management Solution
- ◆ Electronic Content Management & Workflow
- ◆ Robotic Process Automation



OUR SERVICES

- ◆ Physical Record Management
- ◆ Digitisation
- ◆ Hosted / Cloud Services
- ◆ Virtual Data Room
- ◆ Secure Document Destruction

Our Credentials



CMMIDEV / 5 SM

CMMI V2.0 / Exp. 2025-03-09 / Appraisal #58461



Microsoft
GOLD CERTIFIED
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StockHolding Document Management Services Limited

SHCIL House, Plot No. P-51, T.T.C Industrial Area, MIDC, Mahape, Navi Mumbai-400710

Tel: +91-22-61778777. Website: www.stockholdingdms.com.

CIN: U74140MH2006G01163728