



StockHolding Document Management Services Limited



**ANNUAL REPORT
2023 - 2024**



DIGITIZATION



BOARD OF STOCKHOLDING DMS

(as on July 18, 2024)



Jagdish Thakur
Director



Dinesh Kumar Garg
Director



Debashis Gupta
Director



Parag Gupta
Additional Director



Sumita Rai
Additional Director



Sunder Kataria
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 18, 2024)

Mr. Jagdish Thakur	-	Director
Mr. Dinesh Kumar Garg	-	Director
Mr. Debashis Gupta	-	Director
Mr. Parag Gupta	-	Additional Director
Ms. Sumita Rai	-	Additional Director
Mr. Sunder Kataria	-	MD & CEO
Ms. Jyoti Katira	-	Chief Financial Officer
Ms. Teena Dedhia	-	Company Secretary
Statutory Auditors	-	ABM & Chartered 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, 2024	Year ended March 31, 2023
Income from Operations	98.68	79.27
Other Income	1.96	5.44
Total Income	100.64	84.71
Expenditure		
- Financial Cost	7.97	7.78
- Employees Benefit Exp.	15.32	15.34
- Other Expenses	50.35	37.51
- Depreciation	7.77	8.47
- Right of use lease depreciation	10.45	9.20
Total Expenditure	91.86	78.30
Profit/(Loss) before tax & Prior Period Adjustment	8.78	6.41
- Exceptional Items / Prior period	3.09	(0.57)
Profit/ (Loss) before tax	11.87	5.83
Tax Expenses	3.75	0.88
Profit/(Loss) after tax	8.12	4.95
Other Comprehensive Income	(0.14)	(0.09)
Profit/(Loss) including other Comprehensive Income	7.98	4.86

Directors' Report

DIRECTORS' REPORT

Dear Members,

The Directors are pleased to present the Eighteenth Annual Report of the Company along with the Audited Financial Statements for the financial year ended March 31, 2024.

Industry Overview

The document management industry is characterized by a few organized players and numerous unorganized ones, making the digitization market highly fragmented. However, SDMS stands out among its peers due to its strong institutional lineage and extensive Pan India presence.

The data management marketplace is experiencing dynamic transitions, characterized by price competition, specialization and vendor fragmentation, as the industry shifts from traditional document handling to technology-driven systems. Significant advancements in document management methods in recent years have prompted organizations to shift from paper-based to digital systems.

As businesses adopt document management software solutions more effectively, the demand for accessible information is continuously increasing. Instant information retrieval is becoming crucial for organizational competitiveness, leading many competitors to incorporate advanced data analytical tools into their product lines.

Awards, Certifications and Memberships

SDMS remains dedicated to staying at the forefront of industry standards and certifications. SDMS is a CMMI-DEV V2.0 Maturity Level 5 organization (valid from 2022-25). This prestigious international recognition, awarded by Carnegie Mellon University's Software Engineering Institute (SEI), assesses software development practices.

The financial results are summarized below:

Particulars	(Rs. in crores)	
	Year ended March 31, 2024	Year ended March 31, 2023
Total Income	100.64	84.71
Total Expenditure	91.86	78.30
Profit/ (loss) before exceptional items and tax	8.78	6.41
Exceptional items	3.09	(0.57)
Profit/(Loss) before Tax	11.87	5.83
Tax Expenses	3.75	0.88
Profit/(Loss) after tax	8.12	4.95
Other Comprehensive Income	(0.14)	(0.09)
Profit/(Loss) including other Comprehensive Income	7.98	4.86

Achieving CMMI Level 5 demonstrates SDMS's unwavering commitment to consistently delivering high-quality, reliable, cost-effective and efficient software solutions and services to our clients.

Furthermore, SDMS holds seven ISO certifications in the end-to-end document management arena. These certifications include ISO 10244:2010, ISO 14721:2012, ISO 9001:2015, ISO 15489:2016, ISO 15836:2017, ISO 20001:2018 and ISO 27001:2022. Each certification signifies SDMS's adherence to internationally recognized standards and practices in the field of document management.

SDMS is enrolled as a member of PRISM, an international certification program specifically designed for companies offering storage and protection of hard-copy records. This membership reinforces our commitment to maintaining high standards in the storage services we provide.

Operations review & Financial Performance

SDMS offers a wide range of services including Physical Record Management, Digitization Services, Document Management Solution, Hosted Services, Workflow Management Solution, Enterprise Content Management Solution and Virtual Data Room (VDR). In terms of Physical Storage Services, SDMS provides three options: Metal Carton Storage, Compactor/Bin Storage and Robotic Metal Carton Storage. With over 28 highly secure storage facilities located across India, SDMS ensures proper protection of clients' documents.

In addition to its regular business activities, the Company is currently undertaking significant storage and digital projects for clients from across the industry which will contribute to its overall revenue. SDMS is confident in its ability to attract new clients across all segments and achieve the projected revenue targets for the next fiscal year.

The performance of SDMS in FY-24 has improved significantly compared to FY-23. The total income witnessed a 18.81% increase from Rs. 84.71 crs in FY 22-23 to Rs. 100.64 crs in FY 23-24. The income from Physical Storage segment decreased by 3.52% from Rs.42.92 crs. in FY 22-23 to Rs.41.41 crs. in FY 23-24. The Digitisation segment decreased by 25.51% (FY 22-23 – Rs. 23.95 crs FY 23-24 – Rs. 17.84 crs). The income from software products/services segment increased by 217.98% from Rs.12.40 crs. in FY 22-23 to Rs.39.43 crs. in FY 23-24. The Company reported profit (PBT) of Rs. 11.87 crores in the FY 23-24, as compared to Rs. 5.83 crores in the FY 22-23.

During the Fiscal year 2023-24, the company successfully acquired 20 new clients. These clients availed services in various combinations, including 13 clients who choose physical storage and 15 clients who opted for both digitization and software services.

Future Outlook:

To enhance operational efficiency, SDMS is focused on consolidating, optimizing and also expanding its storage facilities across India. With a steadfast commitment to quality, recognition within the industry and strategic partnerships, SDMS is prepared for continued success and growth in the competitive field of document management services.

As the business environment evolves, SDMS is poised to leverage significant growth potential in its web-based services, which are designed to meet the increasing demand for flexible and accessible solutions. SDMS is set for a promising future as it continues to expand its offerings and strengthen its market position.

Dividend

To conserve the resources available for business expansion, the Directors of the Company do not recommend any dividend for the FY 2023-24.

Transfer to Reserves

The closing balance of the retained earnings of the Company for FY 2023-24, after all appropriation and adjustments was Rs. (1879.64) lakhs.

Human Wealth Development & Training

Human Wealth Development & Training is a transformative approach that aligns individual growth with organizational objectives, fostering a culture of continuous improvement and innovation. By integrating personal goals with company strategies, it ensures that every member of the organization is working towards a common vision, thus creating a harmonious and productive work environment. The training initiatives were designed to address the specific needs of an organization, ranging from soft skills enhancement, cultural and behavioral practices, to technical competencies and leadership abilities.



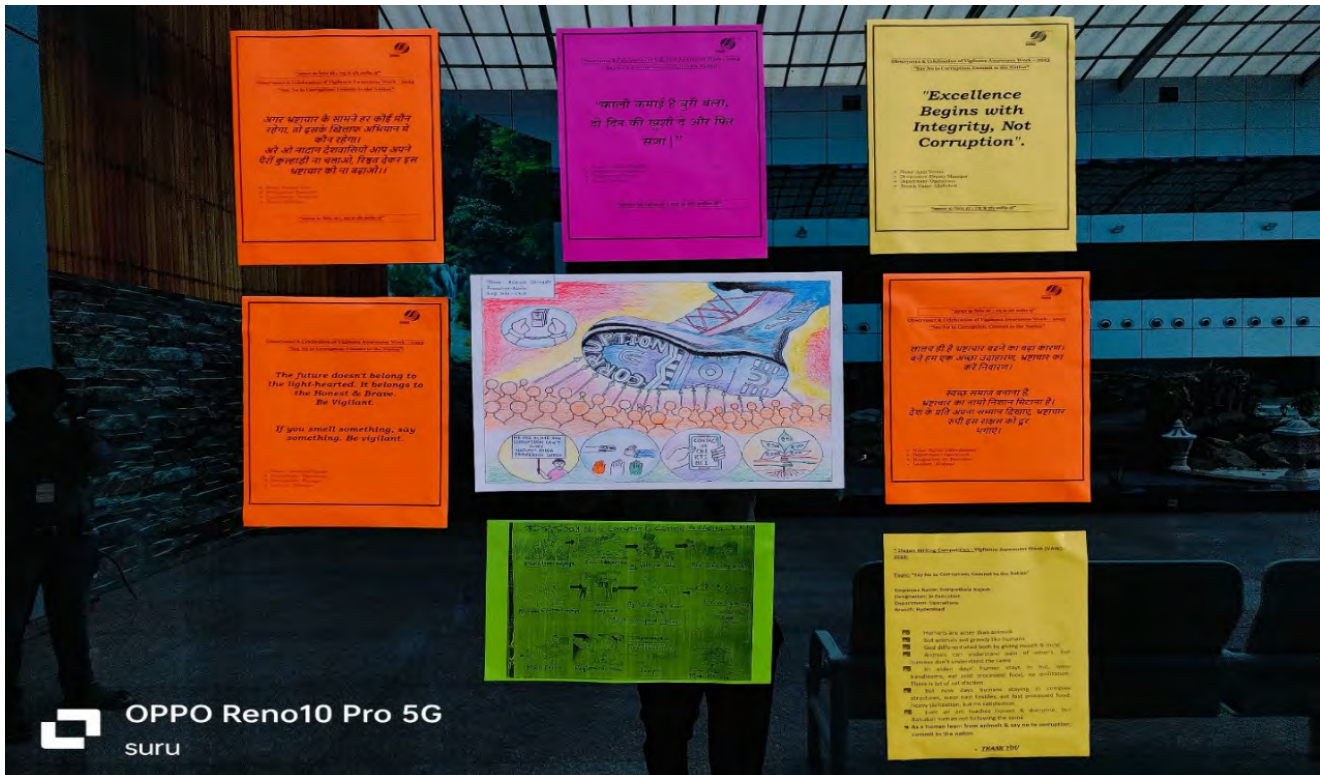
Leadership program was conducted for the employees - February, 2024

The training sessions were meticulously crafted to reflect the organization's values, , and processes, ensuring that the learning experience is relevant and impactful. Throughout the year, various events and competitions were organized to enhance community spirit and promote inclusivity. These included celebrations for Dussehra, Diwali, Christmas, International Yoga Day among others.

The Company participated in various Government of India initiatives by observing Vigilance Awareness Week with the theme 'Say No to Corruption; Commit to the Nation'.

Material changes and commitment affecting the financial position

There are no material changes affecting the financial position of the Company subsequent to the close of the FY 2023-24 till the date of this report.



Vigilance Awareness Week - 2023

Subsidiaries, Joint Ventures, Associate Companies

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

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" & "INE01DQ08020", respectively. The Company's equity shares & FCDs are completely in dematerialized form.

Green initiative

As a responsible corporate citizen, the Company supports the green initiative undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report & AGM notice to shareholders at their registered email addresses.

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, 2024, the applicable accounting standards have been followed 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, 2024 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.

Directors and Key Managerial Personnel (KMP)

Ms. Pandula Sreelakshmi, MD & CEO (April 01, 2023 – May 31, 2024):

Ms. Sreelakshmi was appointed as the MD & CEO w.e.f. April 1, 2023. She tendered her resignation as MD & CEO, as at close of business hours on May 31, 2024.

Mr. Ramesh N.G.S., Non-Executive Chairman till April 13, 2023:

As Mr. Ramesh had completed his term as MD & CEO in StockHolding (Parent Company), he demitted office as a Director and Non-Executive Chairman of SDMS as at the close of business hours on April 13, 2023.

Mr. Umesh Punde, Executive Vice Chairman & Whole Time Director till May 17, 2023:

Mr. Punde was redesignated as Executive Vice Chairman & Whole Time Director w.e.f. April 1, 2023 and subsequently tendered his resignation as on May 17, 2023.

Mr. Sanjay Sharma and Mr. Venkatraman Iyer (Independent Directors):

Mr Sharma and Mr. Iyer submitted their resignations as Independent Directors on January 10, 2024 and May 17, 2024 respectively.

The Board, upon the recommendation of the Nomination and Remuneration Committee (NRC), approved the appointment of Mr. Parag Gupta as an Additional Director, w.e.f. November 15, 2023.

Ms. Jajvalya Raghavan stepped down from the post of Company Secretary on January 5, 2024 and was succeeded by Ms. Teena Dedhia, who was appointed as Company Secretary on January 25, 2024.

Interim charge as MD & CEO was given to Mr. Sunder Kataria, CTO (on deputation from StockHolding) from June 1, 2024 till such time a new incumbent was to be appointed and powers hitherto exercised by MD & CEO were conferred upon him. Subsequently, Mr. Kataria was appointed as an Additional Director and MD & CEO w.e.f. July 18, 2024.

As on the date of approval of the Board Report i.e. July 18, 2024, the Company's Board of Directors comprises five members.

As on March 31, 2024, the Key Managerial Personnel of the Company include Smt. Pandula Sreelakshmi, Ms. Jyoti Katira and Ms. Teena Dedhia.

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, Seven Board Meetings were convened and held. The intervening gaps between the meetings was well 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 which forms part of this report.

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 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 Directors. The Policy is made available at <https://stockholdingdms.com/pdf/policies/Nomination%20&%20Remuneration%20Policy.pdf>. The details of the composition of the Nomination and Remuneration Committee of the Board and meetings held during the FY 2023-24 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 Corporate Social Responsibility (CSR) during FY 23-24.

The details of the composition and meetings of the CSR Committee of the Board 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.

Auditors

The Ultimate Holding Company i.e. IFCI Limited is a Government Company as per the provisions of Section 2(45) of the Companies Act, 2013 w.e.f. April 07, 2015. Being a subsidiary of a Government Company, your Company is also a Government Company w.e.f. April 07, 2015.

The Statutory Auditors of the Company are appointed by the Comptroller and Auditor General of India (C&AG). M/s ABM & Associates LLP, Chartered Accountants were the Statutory Auditors for the FY 2023-24.

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), have decided not to conduct the supplementary audit of the financial statements of your Company for the year ended March 31, 2024 under Section 143 (6)(a) of the Companies Act, 2013. Copy of the same is placed next to the Statutory Auditors' Report forming part of the financial statements.

Secretarial Auditors and Standards

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company had appointed M/s. D. A. Kamat, Practicing Company Secretaries (FCS no. 3843, Certificate of Practice no. 4965) to carry out the Secretarial Audit of the Company for FY 2023-24. The report of the Secretarial Auditor for FY 2023-24 is attached at Annexure 1. There are no qualifications, observations or adverse remarks in the said report.

The Institute of Company Secretaries of India has currently 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.

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.

Annual Return

As per Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return for FY 2023-24 is uploaded on the website of the Company and can be accessed at the link <https://stockholdingdms.com/annual-returns.php>.

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.

Committee on Prevention of Sexual Harassment

The Company has a Committee Against Sexual Harassment in place as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. In order to foster a healthy and safe workplace culture where people value one another and treat each other with respect, the Company regularly conducts sensitisation sessions for its employees, both physically and through online modules, which are related to sexual harassment, to maintain a workplace free of sexual harassment.

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

Number of complaints of sexual harassment received in the FY 2023-2024	Nil
Number of complaints disposed off during the FY 2023-2024	NA
Number of cases pending for more than ninety days	NA
Number of workshops or awareness programs against sexual harassment carried out	One awareness programs was conducted to sensitize employees towards the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.
Nature of action taken by the employer	Nil

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.

Fixed Deposits

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

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.

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 operating effectively.

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 – Rs.37.73 Lakhs (Previous year – Nil)

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review.

- a) Details relating to deposits covered under Chapter V of the Companies Act, 2013.
- b) Issue of equity shares with differential right as to dividend, voting or otherwise.
- c) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- d) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and company's operation in future.
- e) Maintenance of cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013.
- f) No application was made or any proceedings are pending under the Insolvency and Bankruptcy Code, 2016.
- g) There is no such instance of difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from Banks or Financial Institutions.

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

Sunder Kataria

MD & CEO

Place: Mumbai

Date: July 18, 2024

Jagdish Thakur

Director

ANNEXURE-1

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 2023-24

We present herewith the Secretarial Audit Report for StockHolding Document Management Services Limited, for the Financial Year 2023-24 in terms of Section 204 of the Companies Act, 2013. Our report of event 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, 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.
7. We have relied on data provided by the Company (physical and electronic) for the purpose of Audit and where suitable data was not available, reliance on the management representation was undertaken.

Place: Mumbai

Date: 16/07/2024

Signature:

Name of the Firm: **D. A. Kamat & Co**

FCS No. 3843

CP No: 4965

UDIN: F003843F000750149

P. R. No.: 1714/2022

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 1ST APRIL 2023 TO 31ST MARCH, 2024

[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 (CIN: U74140MH2006GOI163728)** (hereinafter called the "Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, the explanations and clarifications given to us and the presentations made by the Management, we hereby report that in our opinion, the Company has during the audit period covering Financial Year from 1st April, 2023 to 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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.

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, 2023 to 31st March, 2024 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;

3. 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)

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, as securities of the Company are not listed on the Stock Exchange, for the financial year ended March 31, 2024 under report:

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
- (b) The Securities and Exchange and Board of India (Prohibition of Insider Trading) Regulation, 2015;
- (c) The Securities and Exchange and Board of India (Issue of Capital and Disclosure Requirement) Regulation, 2018;
- (d) The Securities and Exchange and Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange and Board of India (Issue and Listing of Debt Securities) Regulation, 2008;
- (f) The Securities and Exchange and 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 and Board of India (Buyback of Securities) Regulation, 1998;
- (i) The Securities and Exchange and 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 during the year under report and till the date of this report, the Company has undertaken

the following event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

(a) The Company had received a nomination from StockHolding for appointment of Smt. Pandula Sreelakshmi (DIN: 09215125), as Managing Director & CEO of the Company with effect from April 01, 2023 till her superannuation on February 28, 2027, subject to the approval of the Members.

The consent of the Members for the appointment of Smt. Pandula Sreelakshmi as the Managing Director & CEO of the Company with effect from April 01, 2023 accorded in the 18th Extra-Ordinary General Meeting held on 13th July, 2023.

Additionally, Shri Umesh Punde who was appointed as the Managing Director & CEO of the Company, in addition to his current role of Executive Vice-Chairman, was re-designated as Executive Vice Chairman & Whole-Time Director for the term of April 01, 2023 to May 17, 2023 in the 18th Extra-Ordinary General Meeting held on 13th July, 2023

(b) During the year, the Company appointed Ms. Teena Dedhia as the Company Secretary and Key Managerial Personnel with effect from 25th January, 2024.

(c) During the year, the company had approved the extension in tenure of Fully Convertible Debentures (FCDs) of INR 25 Crores for 3 years from July 16, 2023 till July 15, 2026 issued to Stock Holding Corporation of India Limited (SHCIL) by circular resolution dated 9th June, 2023 and the same has been approved in the Shareholders meeting on 13th July, 2023.

Place: Mumbai

Date: 16/07/2024

Signature:

Name of the Firm: D. A. Kamat & Co

FCS No. 3843

CP No: 4965

UDIN: F003843F000750149

P. R. No.: 1714/2022

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: 16/07/2024

Signature:
Name of the Firm: D. A. Kamat & Co
FCS No. 3843
CP No: 4965
UDIN: F003843F000750149
P. R. No.: 1714/2022

ANNEXURE- 2**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

SD/-

Sunder Kataria
MD & CEO

SD/-

Jagdish Thakur
Director

Date: July 18, 2024

REPORT ON CORPORATE GOVERNANCE

(forming part of Directors' Report for the year ended March 31, 2024)

Your Company's philosophy on code of Governance

Your Company is not a listed entity. Nevertheless, it endeavours 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 18, 2024, consists of five members. 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. Seven meetings were held during the FY 2023-24. Details of Board Meetings held are as follows:

Sr. No	Date of the Board Meeting	Board Strength	No. of Directors present
1	April 27, 2023	7	7
2	July 21, 2023	6	6
3	August 7, 2023	6	6
4	August 28, 2023	6	5
5	October 27, 2023	6	6
6	January 25, 2024	6	6
7	March 13, 2024	6	6

Attendance of Directors during FY 2023-24 at each of the above meetings is as follows:

Sr. No.	Name of the Director	Attendance at the Board Meetings held on						
		27-April-23	21-July-23	7-Aug-23	28-Aug-23	27-Oct-23	25-Jan-24	13-Mar-24
1.	Mr. Jagdish Thakur	√	√	√	LoA	√	√	√
2.	Mr. Umesh Punde	√			Resigned w.e.f. May 17, 2023			
3.	Mr. Venkatraman Iyer	√	√	√	√	√	√	√
4.	Mr. Sanjay Sharma	√	√	√	√	√	Resigned w.e.f. January 10, 2024	
5.	Mr. Dinesh Kumar Garg	√	√	√	√	√	√	√
6.	Mr. Debashis Gupta	√	√	√	√	√	√	√
7.	Ms. Pandula Sreelakshmi	√	√	√	√	√	√	√
8.	Mr. Parag Gupta	-	-	-	-	-	*√	√

LoA = Leave of absence, √ = attended

* Appointed w.e.f. November 15, 2023.

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

Name of the Director	Name of institution	Designation
Mr. Parag Gupta	Power Transmission Corporation of Uttarakhand Limited	Independent Director
	Uttarakhand Power Corporation Limited	Independent Director
	UJVN LIMITED	Independent Director
	Eurocoustic Products Limited	Independent Director
	Panimko Advisors LLP	Designated Partner
Mr. Venkatraman Iyer	Pahal Financial Services Pvt. Ltd	Director
	Wheada Technologies Pvt.Ltd.	Director
	Dishaa Laundromat Pvt Ltd.	Director
Mr. Dinesh Kumar Garg	Lendthrive Finance Pvt. Ltd.	Independent Director
Mr. Debashis Gupta	IIDL Realtors Pvt.Ltd.	Director
Ms. Pandula Sreelakshmi	-	-
Mr. Sanjay Sharma	-	-
Mr. Umesh Punde	-	-
Mr. Jagdish Thakur	-	-

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-April-23	21-July-23	27-Oct-23	25-Jan-24
1	Mr. Venkatraman Iyer	Non-Executive/ Independent	√	√	√	√
2	Mr. Sanjay Sharma	Non-Executive/ Independent	√	√	√	*
3	Mr. Jagdish Thakur	Non- Executive	√	√	√	√
4	Mr. Dinesh Kumar Garg	Non- Executive	--	--	--	# √

* = Resigned w. e. f. January 10, 2024

= Appointed w. e. f. January 19, 2024

√ = attended

Details of Nomination and Remuneration Committee Meetings and Attendance

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

Sr. No.	Name of the Director	Category	Attendance at the Nomination and Remuneration Committee Meeting held on			
			27-April-23	21-July-23	27-Oct-23	25-Jan-24
1	Mr. Venkatraman Iyer	Non-Executive/ Independent	√	√	√	√
2	Mr. Sanjay Sharma	Non-Executive/ Independent	√	√	√	*
3	Mr. Jagdish Thakur	Non- Executive	√	√	√	√
4	Mr. Dinesh Kumar Garg	Non- Executive	--	--	--	# √

* = Resigned w. e. f. January 10, 2024

= Appointed w. e. f. January 19, 2024

√ = attended

Details of Risk Management Committee Meetings and Attendance

The Risk Management Committee met four times 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			
			27-Apr-23	21-July-23	27-Oct-23	25-Jan-24
1	Mr. Jagdish Thakur	Non- Executive	√	√	√	√
2	Mr. Venkatraman Iyer	Non- Executive/ Independent	√	√	√	√
3	Ms. Pandula Sreelakshmi	MD & CEO	√	LoA	√	√

√ = attended. LoA: Leave of Absence

Details of Advisory Committee of the Board

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

Sr. No.	Name of the Director	Category	Attendance at the Advisory Committee of the Board held on	
			7-Aug-23	28-Aug-23
1.	Shri Sanjay Sharma	Non- Executive/ Independent	√	√
2.	Shri Venkatraman Iyer	Non- Executive /Independent	√	√

√ = attended.

Details of Internal Committee (Anti Sexual Harassment Committee Meeting)

The Internal Committee (Anti Sexual Harassment Committee Meeting) met three times during the year. The details of attendance of the Members at the Internal Committee (Anti Sexual Harassment Committee Meeting) are as follows:

Sr. No.	Name of the Director	Attendance at the Internal Committee (Anti Sexual Harassment Committee Meeting) held on		
		12-July-23	8-Dec-23	28-Mar-2024
1	Ms. Jyoti Katira	√	√	√
2	Ms. Sneha Khandekar	√	√	√
3	Mr. Ravi Chandranath	√	√	√
4	Mr. Rajendra More	√	LoA	LoA
5	Mr. Rajesh Sharma	√	LoA	LoA
6	Ms. Jajvalya Raghavan	LoA	√	*

√ = attended, LoA= Leave of Absence, *= Resigned w.e.f. January 5, 2024.

Details of Corporate Social Responsibility Committee of the Board

The Corporate Social Responsibility (CSR) Committee of the Board comprises of Shri Venkat Iyer* and Shri Jagdish Thakur. 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 2023-24.

*Resigned w.e.f. May 17, 2024.

General Meetings

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

General Meeting	15 th AGM	16 th AGM	17 th AGM
Year	2020-21	2021-22	2022-23
Venue	301, Centrepoint, Dr. B. Ambedkar Road, Parel, Mumbai- 400012.	301, Centrepoint, Dr. B. Ambedkar Road, Parel, Mumbai- 400012.	SHCIL House, P-51, T.T.C. Industrial Area, MIDC, Mahape, Navi Mumbai-400710.
Date of Meeting	September 17, 2021	September 16, 2022	September 15, 2023

General Meeting	16 th EGM	17 th EGM	18 th EGM
Year	2020-21	2021-22	2023-24
Venue	301, Centrepoint, Dr. B. Ambedkar Road, Parel, Mumbai- 400012.	301, Centrepoint, Dr. B. Ambedkar Road, Parel, Mumbai- 400012.	SHCIL House, P-51, T.T.C. Industrial Area, MIDC, Mahape, Navi Mumbai-400710.
Date of Meeting	July 7, 2020	March 24, 2021	July 13, 2023.

Meeting no.	Resolution No.	Particulars of Resolution
15 th AGM	4	Reappointment of Shri Sanjay Sharma (DIN:00392053) as an Independent Director
16 th AGM	-	NIL
17 th AGM	-	NIL

Internal Controls and Governance Processes

The Company continuously invests in strengthening its internal control and processes. The Audit Committee along with the CFO formulates a detailed plan for the Internal Auditors for the financial year, which is reviewed subsequently at the Audit Committee Meetings. The Internal Auditors attend the Meetings of the Audit Committee at regular intervals and submit their recommendations to the Audit Committee and provide a road map for the future.

Governance Codes

Code of Business Conduct

The Company has adopted Code of Business Conduct ("the Code of Conduct") which is applicable to the Board of Directors and all Employees of the Company. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner.

The objective of this Code of Conduct is to create an environment where all the Board Members, Senior Management and other employees of Company maintain an ethical standard to promote honest and ethical conduct, maintain a corporate climate in which the integrity and dignity of each individual is valued and promote assure compliance with laws, rules and regulations that govern the Company's business activities; and assure the proper use of the Company's assets.

The Code of Conduct for Directors and all the Employees of Company is based on the following fundamental principles:

- Compliance with all laws/rules/regulations laid down by Government/ Regulatory agencies;
- Exercising due diligence in the performance of duties;
- Avoidance of conflict of interest between self-interests of Directors, Employees of Company and interests of Company.
- Fairness and transparency in dealing with matters relating to Company;
- Avoid any act which will put reputation of Company's in jeopardy

Conflict of Interest

Each Director informs the Company on an annual or occasional basis about the Board and the Committee positions he/she occupies in other companies and notifies changes therein during the year, if any. The Members of the Board, while discharging their duties, avoid conflict of interest in the decision-making process. The Members of Board restrict themselves from participating in any discussions and voting on transactions in which they are concerned or interested.

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	Wednesday, September 18, 2024 at 3:00 p.m. SHCIL House, P-51, T.T.C. Industrial Area, MIDC, Mahape, Navi Mumbai-400710.
b) Date of Book closure/record date	N.A
c) Dividend payment date	No dividend is announced and recommended by the Board for FY 2023-24.

d) Listing on Stock Exchange

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

e) 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.

f) Distribution of shareholding as on March 31, 2024

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.

g) 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 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, 2024 and the Statement of Profit & Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period 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, 2024, and its financial performance including other comprehensive income, the changes in equity and its cash flows for the period 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 period ended March 31, 2024. 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 amendments made to obligations during the period. 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>

Sr. No.	Key Audit Matter	Our Response
2	<p>Related Party Transactions</p> <p>During the period the Company has entered into various transactions with related parties.</p> <p>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>Our audit procedures included considering the compliance with the various requirements for entering in to such related party transactions.</p> <p>We have read the approvals obtained for the transactions.</p> <p>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 period 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, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, 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 period.
- vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

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.	<p>Yes.</p> <p>The accounting transactions are processed in following IT Systems</p> <ol style="list-style-type: none"> 1. Tally ERP9 2. Record Management Solution (RMS) 3. Financial Accounting Software (FAS) 4. Client Tariff Master (CTMS) 5. Digitization and Hosting System (DHS) 6. Payment recovery Management (PRM) <p>Once all the invoices are raised from DHS and RMS they are sent to tally via FAS and the same is confirmed by report fetched from FAS. Final Income is booked in Tally ERP</p>

-
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
-

Place : Kolhapur
Dated : April 12, 2024

For and on behalf of
abm & associates LLP
Chartered Accountants
Firm Regn No.
105016W/W100015

(Anil Chikodi)
Partner
Membership No. 107659
UDIN : 24107659BKAFAN4069

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 period ended on March 31, 2024. 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 period 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 period 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 period 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, 2024, 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 period 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 willful 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;
- (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 period 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 period, 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 period 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 Ind AS 24, 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 period 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 not incurred any cash losses during the period under audit as well as in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the period, 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

Place : Kolhapur
Dated : April 12, 2024

For and on behalf of
abm & associates LLP
Chartered Accountants
Firm Regn No. 105016W/W100015

(Anil Chikodi)
Partner
Membership No. 107659
UDIN : 24107659BKAFAN4069

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 period ended on March 31, 2024.

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, 2024 in conjunction with our audit of the Ind AS Financial Statements of the Company for the period 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, 2024 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.

Place : Kolhapur
Dated : April 12, 2024

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
abm & associates LLP
Chartered Accountants
Firm Regn No. 105016W/W100015

(Anil Chikodi)
Partner
Membership No. 107659
UDIN : 24107659BKAFAN4069

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 2024

The preparation of financial statements of StockHolding Document Management Services Limited for the year ended 31 March 2024 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 12 April 2024.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of StockHolding Document Management Services Limited for the year ended 31 March 2024 under section 143(6)(a) of the Act.

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

(Guljari Lal)
Director General of Audit (Shipping), Mumbai

Place : Mumbai
Date : 21.06.2024

BALANCE SHEET AS AT MARCH 31, 2024

(₹ in lakhs)			
Particulars	Note	As at March 31, 2024	As at March 31, 2023
I. ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	5,785.71	6,094.38
(b) Capital work-in-progress		-	-
(c) Right of use lease assets	3	2,657.56	2,748.60
(d) Investment Property		-	-
(e) Goodwill		-	-
(f) Other intangible assets	3	0.48	2.90
(g) Intangible assets under development		-	-
(h) Biological Assets other than bearer plants		-	-
(i) Financial Assets			
(i) Investments			
(ii) Trade receivables		-	-
(iii) Loans		-	-
(iv) Other financial assets			
- Security deposits	4	599.67	574.78
- Margin money deposits with banks	5	243.75	306.32
(j) Deferred tax assets (net)	6	1049.23	1419.96
(k) Non current tax assets (net)	7	273.26	651.12
(l) Other non-current assets	8	537.77	515.17
		11,147.43	12,313.23
Current assets			
(a) Inventories		-	-
(b) Financial Assets			
(i) Investments			
(ii) Trade receivables	9	3,288.26	3,002.29
(iii) Cash and cash equivalents	10	605.80	188.20
(iv) Bank balances other than (iii) above	11	166.34	-
(v) Loans		-	-
(vi) Other current financial assets			
- Security deposits	12	72.37	117.97
- Interest accrued	13	0.04	0.28
(c) Current tax assets (net)		-	-
(d) Other current assets	14	1,901.51	1,644.67
		6,034.32	4,953.41
TOTAL ASSETS		17,181.75	17,266.64

BALANCE SHEET AS AT MARCH 31, 2024

(₹ in lakhs)			
Particulars	Note	As at March 31, 2024	As at March 31, 2023
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	15	5,575.00	5,575.00
(b) Other Equity	16	(627.45)	(1,425.70)
		4,947.55	4,149.30
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	3,280.00	1,184.72
(ii) Right of use lease liability	17	2,591.90	2,683.96
(iii) Trade payables		-	-
(iv) Other financial liabilities		-	-
(b) Provisions	18	89.27	88.20
(c) Deferred tax liabilities (Net)		-	-
(d) Other Non-current liabilities		-	-
		5,961.17	3,956.88
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	404.95	4003.74
(ii) Right of use lease liability	19	939.76	828.28
(iii) Trade payables	20		
(a) Total outstanding dues of micro enterprises and small enterprises		25.71	97.69
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		3330.04	2998.94
(iv) Other financial liabilities	21	1,233.31	1,029.11
(b) Other current liabilities	22	278.45	157.64
(c) Provisions	23	60.81	45.06
(d) Current Tax Liabilities (Net)		-	-
		6,273.03	9,160.46
TOTAL EQUITY AND LIABILITIES		17,181.75	17,266.64

Accompanying notes are an integral part of the financial statements.

As per our report of even date

For ABM & Associates LLP

Chartered Accountants

Firm Registration no: 105016W/W- 100015

Anil Chikodi

Partner

Membership No: 107659

For and on behalf of the Board

Teena Dedhia

Company Secretary

Pandula Sreelakshmi

MD & CEO

DIN: 09215125

Venkatraman Iyer

Director

DIN: 01204165

Jyoti Katira

Chief Financial Officer

Jagdish Thakur

Director

DIN: 02941956

Dinesh Kumar Garg

Director

DIN:08925290

Place: Kolhapur

Date : April 12, 2024

Place: Mumbai

Date : April 12, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Note	(₹ in lakhs)	
		Year ended March 31, 2024	Year ended March 31, 2023
I. Revenue from operations	24	9,868.44	7,926.80
II. Other income	25	195.80	544.29
III. Total Income (I + II)		10,064.24	8,471.09
IV. Expenses:			
Employee benefits expense	26	1,531.92	1,534.05
Finance costs	27	797.25	778.43
Depreciation and amortization expense	3	776.72	846.68
Right of use lease depreciation	3	1,044.70	919.68
Other expenses	28	5,035.59	3,751.56
Total expenses (IV)		9,186.18	7,830.40
V. Profit/ (loss) before exceptional items and tax (III-IV)		878.06	640.69
VI. Exceptional items	29	308.89	(57.21)
VII. Profit/ (loss) before tax (V - VI)		1,186.95	583.48
VIII. Tax Expense:			
(1) Current Tax			
- Current period		-	-
- Pertaining to previous period		-	-
(2) Deferred Tax			
- Current period		300.57	88.44
- Pertaining to previous period		74.68	-
		375.25	88.44
IX. Profit/ (loss) for the period from continuing operations (VII-VIII)		811.70	495.04
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)		811.70	495.04
XIV Other Comprehensive Income	30		
A (i) Items that will not be reclassified to profit or loss		(17.97)	(11.55)
(ii) Income tax relating to items that will not be reclassified to profit or loss		4.52	2.91
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)		798.25	486.40
XVI Earnings per equity share (for continuing operation)	32		
(1) Basic		1.46	0.89
(2) Diluted		1.46	0.89
XVII Earnings per equity share (for discontinued operation)			
(1) Basic		-	-
(2) Diluted		-	-
XVIII Earnings per equity share (for discontinued & continuing operations)	32		
(1) Basic		1.46	0.89
(2) Diluted		1.46	0.89

Accompanying notes are an integral part of the financial statements.

As per our report of even date

For ABM & Associates LLP

Chartered Accountants

Firm Registration no: 105016W/W- 100015

Anil Chikodi

Partner

Membership No: 107659

For and on behalf of the Board

Teena Dedhia

Company Secretary

Pandula Sreelakshmi

MD & CEO

DIN: 09215125

Venkatraman Iyer

Director

DIN: 01204165

Jyoti Katira

Chief Financial Officer

Jagdish Thakur

Director

DIN: 02941956

Dinesh Kumar Garg

Director

DIN:08925290

Place: Kolhapur

Date : April 12, 2024

Place: Mumbai

Date : April 12, 2024

STATEMENT OF CHANGES IN EQUITY AT AT MARCH 31, 2024

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

Period Ended	Balances at the beginning of the reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the period	Balance at the end of the reporting period
March 31, 2024	5,575.00	-	-	-	5,575.00
March 31, 2023	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, 2023	159.54	1,125.00	(2,691.34)	(18.90)	(1,425.70)
Profit/ (loss) for the year ended March 31, 2024	-	-	811.70	-	811.70
Actuarial gain/(loss) on defined employee benefit plan	-	-	-	(13.45)	(13.45)
Closing Balance as on March 31, 2024	159.54	1,125.00	(1,879.64)	(32.35)	(627.45)

(₹ in lakhs)

Particulars	Equity component of borrowings from holding company	Securities premium	Retained earnings	Other comprehensive income	Total
Opening Balance as on April 01, 2022	159.54	1,125.00	(3,186.38)	(10.26)	(1,912.10)
Profit/ (loss) for the year ended March 31, 2023	-	-	495.04	-	495.04
Actuarial gain/(loss) on defined employee benefit plan	-	-	-	(8.64)	(8.64)
Closing Balance as on March 31, 2023	159.54	1,125.00	(2,691.34)	(18.90)	(1,425.70)

Note: 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.
- Retained earnings includes all current and prior period retained profits.

As per our report of even date

For ABM & Associates LLP
Chartered Accountants
Firm Registration no: 105016W/W- 100015

Anil Chikodi
Partner
Membership No: 107659

Place: Kolhapur
Date : April 12, 2024

For and on behalf of the Board

Teena Dedhia
Company Secretary

Place: Mumbai
Date : April 12, 2024

Pandula Sreelakshmi
MD & CEO
DIN: 09215125

Jyoti Katira
Chief Financial Officer

Venkatraman Iyer
Director
DIN: 01204165

Jagdish Thakur
Director
DIN: 02941956

Dinesh Kumar Garg
Director
DIN:08925290

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Cash flows from operating activities :		
Profit/(Loss) before tax	1,186.95	583.48
Adjusted for:		
Depreciation/amortisation	776.72	846.68
Right of use lease depreciation	1,044.70	919.68
Provision for doubtful debts expense	-	-
Provision for expense written back	(71.08)	(175.53)
Provision for doubtful debts written back	(9.77)	(316.82)
Bad debts written off	70.84	41.14
Fixed assets written off	0.39	2.05
Sale of property, plant & equipment	(0.02)	(0.19)
Interest/Dividend income	(23.06)	(21.37)
Interest on Non convertible debentures/Fully convertible debentures/ Cash credit facility/ancillary borrowing costs	419.16	422.43
Right of use lease interest	378.09	356.00
Gain on termination of Ind As 116 leases	-	(14.85)
Actuarial gains/(losses) on employee benefits	(17.97)	(11.55)
	2,568.00	2,047.67
Operating Profit / (loss) before working capital changes	3,754.95	2,631.15
Changes in working capital		
(Increase)/ Decrease in Trade Receivables, Long term & Short term Loans & Advances and Other Current Assets	(583.84)	169.23
Increase / (Decrease) in Trade Payables, Other Liabilities & Provisions	642.71	848.36
	58.87	1,017.59
Cash generated from operations	3,813.82	3,648.74
Taxes paid/ refund (including taxes deducted at source)	377.86	(228.69)
Net cash generated from / (used in) operating activities	4,191.68	3,420.05
Cash flows from investing activities :		
Purchase of fixed assets including capital work in progress & capital advances	(481.43)	(1,491.73)
Sale of assets/scrap	0.32	(0.15)
Redemption of fixed deposits	1,262.98	2,207.93
Investment in fixed deposits	(1,366.74)	(2,200.30)
Interest/dividend received	23.30	21.39
Net cash generated from / (used in) investing activities	(561.57)	(1,462.86)
Cash flows from financing activities :		
9.5% non convertible debentures	-	(500.00)
Term loan	(323.78)	951.69
Cash credit facility	-	-
Bank overdraft facility	(1,179.73)	(797.95)
Interest on inter-corporate deposit/ non convertible debentures	(396.66)	(424.25)
Lease payments on right of use assets	(1,312.34)	(1,219.44)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Net cash from financing activities	(3,212.51)	(1,989.95)
Net (decrease) / increase in cash and cash equivalents	417.60	(32.76)
Cash and cash equivalents, beginning of the period	188.20	220.96
Cash and cash equivalents, end of the period	605.80	188.20
Note: Cash and cash equivalents include the following :		
Cash balance	-	-
Balance with banks:		
- in current accounts	502.19	19.44
- in deposit accounts	103.00	168.76
	605.80	188.20

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)

	Year ended March 31, 2024	Year ended March 31, 2023
Cash and cash equivalents	605.80	188.20
Liquid investments	-	-
Current borrowings	(404.95)	(4,003.74)
Current ROU lease liability	(939.76)	(828.28)
Non current borrowings	(3,280.00)	(1,184.72)
Non current ROU lease liability	(2,591.90)	(2,683.96)
Net (debt)/ Cash & Cash Equivalents	(6,610.81)	(8,512.50)

Reconciliation of liabilities arising from financing activities

Particulars	As at March 31, 2023	Financing Cash Flow		Non cash flow/ Exchange loss/ gain	As at March 31, 2024
		Proceeds	Repayment		
Long term borrowings					
FCD's	2,500.00	-	-	-	2,500.00
Term Loan	1508.36	-	323.78	-	1,184.58
Short term borrowings					
Overdraft	1180.10	19651.98	20831.71	-	0.37

As per our report of even date

For ABM & Associates LLP

Chartered Accountants

Firm Registration no: 105016W/W- 100015

Anil Chikodi

Partner

Membership No: 107659

For and on behalf of the Board**Teena Dedhia**

Company Secretary

Pandula Sreelakshmi

MD & CEO

DIN: 09215125

Venkatraman Iyer

Director

DIN: 01204165

Jyoti Katira

Chief Financial Officer

Jagdish Thakur

Director

DIN: 02941956

Dinesh Kumar Garg

Director

DIN:08925290

Place: Kolhapur

Date : April 12, 2024

Place: Mumbai

Date : April 12, 2024

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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. Material Accounting Policies

i) Overall consideration

The financial statements have been prepared using the material 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

These financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. 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.

The statement of cash flows has been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

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) Revenue

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- i. Identification of the contracts with the customer.
- ii. Identification of the performance obligations in the contract.
- iii. Determination of the transaction price which is adjusted for variable consideration on account of various discounts and schemes offered, if any, by the Company as part of the contract with the customer.
- 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.

vi) 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 straight line 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:

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Depreciation is charged on a pro-rata basis from / upto the month of acquisition /sale or disposal. Assets costing less than Rs. 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.

vii) 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 effective interest basis (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 Rs.1 lakh).

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or rate. Any gain or loss relating to the partial or full termination of the lease is recognised by adjusting the carrying amount of the right-of-use asset and balance amount (if any) still remaining taken to statement of profit and loss

viii) Impairment testing of intangible assets and property, plant & equipment

The Company reviews the carrying values of tangible and intangible assets for any possible impairment annually. 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.

In case of the Company, all the three product lines (Document Management Services, Digitization and Software Services) are interrelated in terms of offering services to clients and the service lines are supported by common business teams of sales and delivery. Management also reviews the performance at the entity level including pricing at overall level to specific customers. Therefore, the entire company is considered as CGU for the purposes of impairment testing.

ix) Financial instruments

A. 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 and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

B. Subsequent measurement – Financial assets

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- 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)

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 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.

Derecognition of financial assets

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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. 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.

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.

C. Subsequent Measurement - Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

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.

x) 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.

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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.

xi) 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 (DBO) and is provided for on the basis of an actuarial valuation using the projected unit credit method, as at the date of the Balance sheet. Actuarial gain or losses if any are immediately recognised in Other Comprehensive Income.

Management estimates the DBO at each balance sheet 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.

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.

xii) 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.

xiii) 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

xiv) 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.

xv) 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.

xvi) Material 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 material management judgements in applying the accounting policies of the Company that have the most material effect on the financial statements.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets annually, 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.

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.

xvii) Recent accounting pronouncements

A. Notified and effective from 1st April 2023

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. The following Accounting Standards have been modified on miscellaneous issues with effect from 1st April 2023. Such changes include clarification/guidance on:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- **Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The accounting policies section of the financial statements changed accordingly.

- **Ind AS 8 – Accounting policies, changes in accounting estimate and errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. This amendment did not have any material impact in the financial statements.

- **Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. This amendment did not have any material impact in the financial statements.

B. Notified but not yet effective

During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

3. Property, Plant and Equipment (FY 2023-24)

Particulars	GROSS BLOCK AT COST		DEPRECIATION		NET BLOCK	
	As at April 1, 2023	As at March 31, 2024	As at April 1, 2023	For the year ended	As at March 31, 2024	As at March 31, 2023
Tangible assets						
Computers - Hardware (Servers, networks etc)	562.66	645.57	523.65	30.18	553.56	39.01
Computer end user devices	152.46	158.88	139.47	11.98	144.23	12.99
Motor vehicles	6.23	-	6.23	-	-	-
Furniture & fixtures	201.56	201.70	130.08	11.17	141.25	71.48
Leasehold Improvements	549.63	558.99	355.73	77.58	433.31	193.90
Office equipments - Mobiles	11.75	10.33	6.79	4.13	9.81	4.96
Office equipments - Others	87.96	89.25	82.24	2.47	84.65	5.72
P&M - Electricals	457.30	476.61	203.69	56.78	260.00	253.61
P&M - Others	8245.15	8,583.52	2732.43	579.90	3312.33	5512.72
Total	10274.70	10724.85	4180.32	774.19	4939.14	6094.38
Intangible assets						
Software	235.99	236.10	233.09	2.53	235.62	2.90
Total	235.99	236.10	233.09	2.53	235.62	2.90
Right of use lease assets						
Right of use lease assets *	6589.06	4649.69	3840.46	1044.70	1992.13	2748.60
Total	6589.06	4649.69	3840.46	1044.70	1992.13	2748.60
As at 31.03.24	17099.75	15610.64	8253.87	1821.42	7166.89	8845.88
As at 31.03.23	14188.39	17099.75	6637.42	1766.36	8253.87	8845.88

Note: The gross block as on March 31, 2024 includes assets under deemed cost of Rs.2435.88 lakhs.

* The gross block and depreciation of the Right of use lease assets have been regrouped. The leased premises whose agreements have expired have been shown under deductions in the gross block and depreciation.

This regrouping of Rs.2893.04 lakhs has not resulted in any change in net block value.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

3. Property, Plant and Equipment (FY 2022-23)

Particulars	GROSS BLOCK AT COST				DEPRECIATION			NET BLOCK	
	As at April 1, 2022	Additions	Deductions	As at March 31, 2023	For the year ended	Deductions	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Tangible assets									
Computers - Hardware (Servers, networks etc)	597.91	13.98	49.23	562.66	21.38	49.23	523.65	39.01	46.41
Computer end user devices	234.65	5.41	87.60	152.46	16.17	86.12	139.47	12.99	25.23
Motor vehicles	15.61	-	9.38	6.23	-	9.38	6.23	-	-
Furniture & fixtures	194.80	11.00	4.24	201.56	21.28	4.24	130.08	71.48	81.75
Leasehold Improvements	401.79	147.84	-	549.63	156.25	-	355.73	193.90	202.31
Office equipments - Mobiles	3.17	8.58	-	11.75	3.85	-	6.79	4.96	0.23
Office equipments - Others	81.21	7.57	0.82	87.96	8.74	0.69	82.24	5.72	7.02
P&M - Electricals	362.76	94.54	-	457.30	67.94	-	203.69	253.61	227.01
P&M - Others	7109.11	1,136.39	0.35	8,245.15	546.79	0.25	2732.43	5512.72	4923.22
Total	9001.01	1,425.31	151.62	10274.70	842.40	149.91	4180.32	6094.38	5513.18
Intangible assets									
Software	235.99	-	-	235.99	4.28	-	233.09	2.90	7.18
Total	235.99	-	-	235.99	4.28	-	233.09	2.90	7.18
Right of use lease assets									
Right of use lease assets	4951.39	1,652.14	14.47	6589.06	919.68	-	3840.46	2748.60	2030.61
Total	4951.39	1,652.14	14.47	6589.06	919.68	-	3840.46	2748.60	2030.61
As at 31.03.23	14188.39	3077.45	166.09	17099.75	6637.42	149.91	8253.87	8845.88	7550.97
As at 31.03.22	14232.87	1186.00	1,230.48	14188.39	1547.00	660.48	6637.42	7550.97	

Note: The gross block as on March 31, 2023 includes assets under deemed cost of Rs.2437.48 lakhs.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Non Current Assets

Financial Assets

4 Security and Other Deposits

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Unsecured and considered good unless otherwise stated	599.67	574.78
	599.67	574.78

5 Margin Money Deposits With Banks

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Deposits with banks *	243.75	306.32
	243.75	306.32

* Placed as lien against bank guarantees

6 Deferred Tax Assets (Net)

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

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Deferred Tax Assets (A)		
Provision for doubtful debts/advances	235.45	237.91
Employee benefits	37.77	33.54
Unabsorbed tax losses/expenses carried forward	865.06	1185.64
Right of use lease assets	220.00	266.83
	1358.28	1723.92
Deferred Tax Liabilities (B)		
Depreciation	309.05	303.96
Net Deferred Tax Assets (A-B)	1,049.23	1,419.96

Deferred tax as on March 31, 2024 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

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Advance payment of tax and taxes deducted at source	273.26	651.12
	273.26	651.12

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

8 Other Non Current Assets

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Capital advances	531.61	509.67
Prepaid expenses	6.06	5.40
Receivable from Stockholding Document Management Services Ltd's employees group gratuity scheme	0.10	0.10
	537.77	515.17

Current Assets

Financial Assets

9 Trade Receivables *

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Secured	-	-
Unsecured		
Considered good	3307.10	3032.57
Less : Provision for expected credit losses	(18.84)	(30.28)
	3288.26	3002.29
Credit impaired	907.77	899.56
Less : Provision for doubtful debts	(907.77)	(899.56)
	-	-
	3288.26	3002.29
* - Includes dues from SHCIL (holding company)	1517.47	1228.75
* - Includes dues from SSL (fellow subsidiary)	2.19	7.14
* - Includes dues from IFCI (ultimate holding company)	2.46	0.18
* - Includes dues from IFCI Factors (fellow subsidiary)	6.45	6.00
* - Includes dues from IFCI Venture Capital Funds (fellow subsidiary)	6.08	-

Debtors ageing shown under Note 41 (b)

10 Cash and Cash equivalents

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
- Cash on hand	-	-
- Balance with banks		
- in current/ overdraft accounts	502.19	19.44
- in deposit accounts (with original maturity of less than 3 months)	103.00	168.76
- Cheques in hand	0.61	-
	605.80	188.20

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

11 Other Balances with Banks

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
- In deposit accounts	166.34	-
	166.34	-

Other Current Financial Assets

12 Security and Other Deposits

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Unsecured and considered good unless otherwise stated	72.37	117.97
	72.37	117.97

13 Interest Accrued

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
On fixed deposits	0.04	0.28
	0.04	0.28

14 Other Current Assets

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	105.86	97.47
Cenvat/GST receivable	969.82	823.73
Other advances receivable	10.52	7.59
Others		
Accrued income (other than interest accrued on fixed deposits) - Contract asset refer foot note 1 below	824.21	731.31
Less : Provision for expected credit losses on accrued income	(8.90)	(15.43)
	1,901.51	1,644.67
foot note 1		
Changes in contract assets are as follows:		
Balance at the beginning of the period	731.31	446.33
Revenue recognised during the period	819.13	680.51
Invoices raised during the year for contract assets at the beginning of the period	726.23	395.53
Balance at the end of the period	824.21	731.31

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

15 Equity Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
850,00,000 (FY 2022-23: 850,00,000) equity shares of Rs 10 each	8,500.00	8,500.00
	8,500.00	8,500.00
Issued		
5,57,50,000 (FY 2022-23: 5,57,50,000) equity shares of Rs 10 each	5,575.00	5,575.00
	5,575.00	5,575.00
Subscribed & Paid up		
5,57,50,000 (FY 2022-23: 5,57,50,000) equity shares of Rs 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 Rs.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

Particulars	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

Details of shareholders holding more than 5% share in the Company

Equity Shares:

Face value of Rs.10/- each fully paid

Name of Shareholder	Mar 31, 2024		March 31, 2023	
	Number of shares	%	Number of shares	%
Stockholding Corporation of India Ltd	55,750,000	100	55,750,000	100

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Details of shareholders holding by promoters

Equity Shares:

Face value of Rs.10/- each fully paid

Name of Shareholder	Mar 31, 2024			March 31, 2023		
	No. of shares	%	% change	No. of shares	%	% change
Stockholding Corporation of India Ltd	55,750,000	100	-	55,750,000	100	-

Note: Above Promoter details are as disclosed by management and relied upon by the auditor.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

16 Other equity

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
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
Retained earnings		
Opening	(2691.34)	(3186.38)
Transferred from current year's profit & loss account	811.70	495.04
Less: Appropriations:	-	-
Closing	(1879.64)	(2691.34)
Other comprehensive income		
Opening	(18.90)	(10.26)
Actuarial gain/(loss) on defined employee benefit plan for the year	(13.45)	(8.64)
Closing	(32.35)	(18.90)
Total Other Equity	(627.45)	(1425.70)

Non Current Liabilities

17 Financial Liabilities - Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured		
2,50,000, 9.95% Fully Convertible Debentures of Rs.1000/- each fully paid up [see note (i)]	2,500.00	-
Right of use lease liability (net of current portion of Rs.939.76 lakhs disclosed under note 19)	2,591.90	2,683.96
	5,091.90	2,683.96
Secured		
Term loan [see note (ii)]	780.00	1,184.72
	780.00	1,184.72
	5,871.90	3,868.68

- (i) All the fully convertible debentures (FCD's) are held by holding company. The holding company shall have a 'put' option at any point of time. SDMS shall not have any 'call' option. If put option is not exercised, the FCDs would get converted into equity shares of SDMS at then prevailing book value per share at the end of the third year. The FCD's have been extended for a further period of 3 years w.e.f. July 16, 2023 at 9.95% p. a. payable annually from July 16, 2023. The interest rate of 9.95% (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 9.95%.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- (ii) A term loan of Rs.32.37 crores has been sanctioned by State Bank of India for setting up infrastructure of the SBI Storage project. The loan is repayable in 84 monthly instalments (excluding moratorium period of 21 months), with the first instalment commencing on 31/12/2022 and last instalment falling due on 30/11/2029. The interest rate is 0.75% above 6 months MCLR (Present effective rate is 9.20% 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.

18 Long term provisions

Provision for employee benefits

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Leave encashment	89.27	88.20
	89.27	88.20

Current Liabilities

19 Financial Liabilities - Borrowings

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
<u>Secured</u>		
<u>Loans repayable on demand</u>		
- From Banks		
Overdraft facility *	0.37	1180.10
<u>Other loans</u>		
- From Banks		
Current maturities of long term debt	404.58	323.64
- From others		
Current maturities of fully convertible debentures	-	2,500.00
	404.95	4003.74
<u>Unsecured</u>		
Current portion of ROU lease liability	939.76	828.28
	1,344.71	4,832.02

* With IDBI Bank - Rs.5 crores: secured by an exclusive charge on entire present & future current assets of the company including cash and cash equivalents both present and future. With SBI - Rs.19 crores: secured against fixed deposits placed by the parent company viz Stockholding Corporation of India Ltd.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

20 Financial Liabilities - Trade Payables

(₹ in lakhs)

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Dues to micro and small enterprises (Refer footnote below) #	25.71	97.69
Dues to holding company	2,813.75	2,601.72
Dues to other creditors	516.29	397.22
	3,355.75	3,096.63
Footnote:-		
The disclosures relating to Micro and Small enterprises are as under:		
a) Amount remaining unpaid:		
i) The principal amount remaining unpaid to supplier as at the end of the accounting period	25.71	97.61
ii) The interest due thereon remaining unpaid to supplier as at the end of the accounting period #	-	0.08
b) 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	217.29	500.17
c) The amount of interest due and payable for the period	3.27	10.82
d) The amount of interest accrued and remaining unpaid at the end of the accounting period	-	0.08
e) 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	-	-

Rs.25.71 lakhs paid to vendors on April 10, 2024

Trade payables ageing schedule as on 31.03.24

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	25.71	-	-	-	25.71
(ii) Others	1195.21	621.21	612.43	901.19	3330.04
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
Total	1220.92	621.21	612.43	901.19	3355.75

Trade payables ageing schedule as on 31.03.23

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	97.69	-	-	-	97.69
(ii) Others	1030.89	622.97	535.83	809.25	2998.94
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
Total	1128.58	622.97	535.83	809.25	3096.63

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

21 Other Current Financial Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Accruals for expenses	917.66	755.88
Accruals for interest on current borrowings	-	0.03
Accruals for interest on non current borrowings	159.04	136.51
Provision for taxation	-	12.12
Security deposits payable	1.86	1.86
Retention money payable	110.78	85.37
Capital creditors (excluding MSME's)	36.82	30.00
Other liabilities	7.15	7.34
	1,233.31	1,029.11

22 Other Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advances from clients - Contract liability	5.31	0.16
Statutory liabilities	273.14	157.48
	278.45	157.64

23 Short-term Provisions

Provision for employee benefits

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Gratuity	18.12	9.77
Leave encashment	42.69	35.29
	60.81	45.06

24 Revenue from Operations

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Income from physical storage services	4,141.00	4,291.88
Income from digitization services	1,784.17	2,395.42
Income from software products/services	3,943.27	1,239.50
	9,868.44	7,926.80

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

25 Other Income

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Interest (Gross)		
- On deposits with banks	23.06	21.37
- On income tax refund	53.88	0.76
Provisions written back	80.87	492.35
Miscellaneous Income	37.99	29.81
	195.80	544.29

26 Employee Benefits Expense

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, allowances & bonus	1,095.77	1,021.01
Reimbursement of expenses for deputed personnel	202.77	256.38
Contribution to provident fund and other funds	99.80	109.27
Staff welfare expenses	133.58	147.39
	1,531.92	1,534.05

27 Finance Cost

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Interest on 9.5% non convertible debentures	-	22.74
Interest on fully convertible debentures	238.61	213.75
Interest on overdraft facility	45.46	79.04
Interest on term loan	124.08	91.56
Interest others	3.44	11.12
Ancillary borrowing costs	7.57	4.22
Right of use lease interest	378.09	356.00
	797.25	778.43

28 Other Expenses

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Outsourcing expenses	1,248.68	1,550.33
Project trainees expenses	220.59	263.74
Traveling and conveyance	50.95	62.49
Repairs and maintenance	205.49	233.70
Electricity charges	125.02	117.68
Postage, printing & stationery	44.40	68.43
Marketing expenses	12.65	4.54
Directors' sitting fees	31.40	38.30

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

28 Other Expenses (Continued)

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Telephone and telecommunication	22.10	25.05
Commission	18.98	26.75
Rent	162.66	142.16
Rates and taxes	6.87	20.30
Legal and professional charges	344.30	306.67
Recruitment and training expenses	8.12	6.61
Payment made to statutory auditors		
- Audit fees	14.33	14.33
- Tax audit fees	3.05	3.05
- For others	0.17	0.47
Insurance	66.39	58.30
Bank charges	2.14	8.88
Software expenses	1,964.57	246.32
Transportation expenses	166.93	241.47
Packing expenses	15.91	21.17
Security expenses	187.44	183.89
Computer hire charges	13.53	25.86
Bad debts written off *	70.84	41.14
Brokerage on rental premises	-	3.15
Assets written off	0.39	2.05
Provision for impairment of receivables	-	-
Exchange Loss	0.27	-
Other expenses	27.42	34.73
	5,035.59	3,751.56

* Includes credit adjustment of Rs.50.68 lakhs for SHCIL (holding company) .

29 Exceptional items

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Income	-	-
Claim received from insurance	450.00	140.00
	450.00	140.00
Expense		
Recreation cost due to loss of documents	141.11	197.21
	141.11	197.21
Net exceptional item	308.89	(57.21)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Remeasurement of net defined benefit liability	(17.97)	(11.55)
Income tax relating to Remeasurement of net defined benefit liability	4.52	2.91
	(13.45)	(8.64)

31 Contingent Liabilities and commitments

(₹ in lakhs)

	As at Mar 31, 2024	As at March 31, 2023
Contingent liabilities:		
a) Claims against the company not acknowledged as debt (refer note 47 b)	-	-
b) Performance Bank guarantees	465.17	506.26
Commitments:		
a) Estimated amount of contract to be executed on capital account (net of advances) and not provided for	707.94	929.60
	1,173.11	1,435.86

Note: Excludes taxes/freight which may be payable

32 Earning per Share

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

(₹ in lakhs)

	As at Mar 31, 2024	As at March 31, 2023
Number of shares at the end of the period	557.50	557.50
Weighted average number of shares outstanding during the period	557.50	557.50
Net Profit/(Loss) for the period	811.70	495.04
Net Profit/(Loss) available for equity shareholders	811.70	495.04
Basic & Diluted Earning per share (in Rs.)	1.46	0.89

33 Operating Leases

(₹ in lakhs)

	As at Mar 31, 2024	As at March 31, 2023
1. Future Minimum Lease Payments under non-cancellable operating lease for the period		
(a) Not later than one year	48.83	113.58
(b) Later than one year but not later than 5 years	6.71	53.12
(c) More than 5 years	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

	(₹ in lakhs)	
	As at Mar 31, 2024	As at March 31, 2023
2. Lease payments charged to Profit and Loss Account		
Rental expenses	162.66	142.16
Depreciation	1044.70	919.68
Interest	378.09	356.00

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	IFCI Ltd
Holding Company	Stock Holding Corporation of India Ltd
Fellow Subsidiaries (with whom transactions have taken place)	StockHolding Services Ltd (SSL) (Formerly known as SHCIL Services Ltd)
	IFCI Factors Ltd
	IFCI Ventures Capital Funds Ltd
Key Management Personnel	Mr. Ramesh N.G.S. - Non Executive Chairman (Upto April 13, 2023) Mr. Umesh Punde - Executive Vice Chairman & Whole Time Director (w.e.f April 01, 2023 till May 17, 2023) Ms. Pandula Sreelakshmi - MD & CEO (Appointed w.e.f April 01, 2023) Mr. Venkatraman Iyer - Independent Director Mr. Sanjay Sharma - Independent Director (Upto January 10, 2024) Mr. Jagdish Thakur - Director Mr. Dinesh Kumar Garg - Director Mr. Debashis Gupta - Director Mr. Parag Gupta - Additional Director (Appointed w.e.f. November 15, 2023) Ms. Jyoti Katira - CFO Ms. Jajvalya Raghavan - CS (Till January 5, 2024) Ms. Teena Dedhia - CS (Appointed w.e.f. January 25, 2024)
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.

Note: The above related parties are identified by the management and relied upon by the auditor.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

34 Related Parties (Continued)

b. Transactions (including accruals) with related parties for the year ended March 31, 2024

Particulars	For the year ended March 31, 2024										For the year ended March 31, 2023					
	Ultimate Holding Company	Holding Company	Fellow Subsidiary			Key Managerial Personnel	Trust wherein Co has control	Total	Ultimate Holding Company	Holding Company	Fellow Subsidiary			Key Managerial Personnel	Trust wherein Co has control	Total
			SSL	IFCI Factors	IFCI Venture Capital Funds						SSL	IFCI Factors	IFCI Venture Capital Funds			
Reimbursement of Office Expenses	-	144.12	-	-	-	-	-	-	95.93	-	-	-	-	-	-	95.93
Rent	-	232.55	-	-	-	-	-	-	143.62	-	-	-	-	-	-	143.62
Managerial Remuneration	-	-	-	-	-	121.76	-	-	-	-	-	-	154.17	-	-	154.17
Commission	-	8.67	-	-	-	-	-	-	19.50	-	-	-	-	-	-	19.50
Credit adjustment for recovery of dues of client	-	50.68	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sitting Fees Paid	-	-	-	-	-	31.40	-	-	-	-	-	-	38.30	-	-	38.30
Interest on NCDs/FCDs	-	238.61	-	-	-	-	-	-	236.49	-	-	-	-	-	-	236.49
Reimbursement of deputed employees salary & gratuity and other funds	-	202.77	-	-	-	-	-	-	256.39	-	-	-	-	-	-	256.39
Income - Physical Storage, Digitisation, Software sales & related software services	5.33	991.27	63.91	1.43	8.77	-	-	0.92	1751.11	73.19	2.91	-	-	-	-	1828.13
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17.97

* Excluding taxes

c. Outstanding balances as at March 31, 2024

Particulars	For the year ended March 31, 2024										For the year ended March 31, 2023					
	Ultimate Holding Company	Holding Company	Fellow Subsidiary			Key Managerial Personnel	Trust wherein Co has control	Total	Ultimate Holding Company	Holding Company	Fellow Subsidiary			Key Managerial Personnel	Trust wherein Co has control	Total
			SSL	IFCI Factors	IFCI Venture Capital Funds						SSL	IFCI Factors	IFCI Venture Capital Funds			
Trade and other receivables	2.46	1517.47	2.19	6.45	6.08	-	0.10	0.18	1228.75	7.14	6.00	-	-	0.10	1242.17	
Dues payable	-	2813.75	-	-	-	-	-	-	2601.72	-	-	-	-	-	-	2601.72
9.95% fully convertible debentures (FCDs)	-	2,500.00	-	-	-	-	-	-	2500.00	-	-	-	-	-	-	2500.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

35 Payment of managerial remuneration

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) To Executive Vice Chairman and MD & CEO		
Short-term employee benefits	58.78	91.71
Post-employment gratuity and medical benefits	3.22	4.47
Termination benefits	3.19	4.39
(b) To Other Managerial Personnel		
Short-term employee benefits	51.29	48.77
Post-employment gratuity and medical benefits	3.21	3.00
Termination benefits	2.07	1.83
	121.76	154.17

Note: Excludes leave accrued determined actuarially, by Holding Company viz. Stockholding Corporation of India Ltd.

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

a) Defined Contribution plans

Contribution to provident fund Rs. 72.69 Lakhs (FY. 22-23 : Rs. 75.91 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.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
I. Actuarial assumptions :		
Discount Rate	7.24%	7.49%
Rate of Return on Plan Assets *	7.24%	7.49%
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, 2024

36 Disclosure pursuant to Ind As accounting standard – 19 ‘Employee Benefits’ (Continued)

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
II. Change in Benefit Obligation:		
Liability at the beginning of the period	105.60	94.95
Interest cost	7.91	6.94
Current service cost	11.43	11.47
(Benefit paid from the Fund)	(25.78)	(18.58)
Actuarial (gains)/losses on obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (gains)/losses on obligations - Due to Change in Financial Assumptions	3.19	(2.20)
Actuarial (gains)/losses on obligations - Due to Experience	13.83	13.02
Liability at the end of the period	116.18	105.60

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
III. Fair Value of Plan Assets:		
Fair value of plan assets at the beginning of the period	95.83	90.41
Expected Return on plan assets	7.18	6.61
Contributions	21.78	18.12
(Benefit paid from the Fund)	(25.78)	(18.58)
Actuarial gains/(losses) on plan assets	(0.95)	(0.73)
Fair value of plan assets at the end of the period	98.06	95.83

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
IV. Total Actuarial (Gain) / Loss to be recognized in Other Comprehensive Income (OCI)	17.97	11.55

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
V. Actual Return on Plan Assets	2.23	5.42

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
VI. Amount recognised in the balance sheet :		
Fair value of plan assets at the end of the period	98.06	95.83
Liability at the end of the period	(116.18)	(105.60)
Funded Status	(18.12)	(9.77)
Unrecognized past service cost	-	-
Unrecognized Transition Liability	-	-
Net (liability)/Asset recognized in the Balance Sheet	(18.12)	(9.77)

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
VII. 100% of the Plan assets has been invested in Insurer Managed Funds		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
VIII. Expenses recognised in the statement of profit or loss		
Current service cost	11.43	11.47
Net interest cost	0.73	0.33
Expense recognised	12.16	11.80

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
IX. Expenses Recognised in the other comprehensive income (OCI)		
Acturial (gains)/losses	17.02	10.82
Return on plan assets excluding interest income	0.95	0.73
Expense recognised in OCI	17.97	11.55

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
X. Balance Sheet Reconciliation		
Opening net liability	9.77	4.54
Expenses recognised in statement of profit or loss	12.16	11.80
Expenses recognised in OCI	17.97	11.55
Employers contribution	(21.78)	(18.12)
Amount recognised in balance sheet - Net liability/ (Asset)	18.12	9.77

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
XI. Sensitivity Analysis		
Projected benefit obligation on current assumptions	116.18	105.60
Delta Effect of +1% change in rate of discounting	(12.00)	(11.04)
Delta Effect of -1% change in rate of discounting	14.26	13.16
Delta Effect of +1% change in rate of salary increase	14.40	13.36
Delta Effect of -1% change in rate of salary increase	(12.34)	(11.38)
Delta Effect of +1% change in rate of employee turnover	3.03	3.22
Delta Effect of -1% change in rate of employee turnover	(3.45)	(3.68)

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
XII. Maturity analysis of the benefit payments		
Projected benefits payable in future years from date of reporting		
1 st following year	10.22	4.54
2 nd following year	4.74	8.76
3 rd following year	4.87	4.62
4 th following year	5.02	4.74
5 th following year	5.14	5.97
Sum of years 6-10	32.89	27.85
Sum of years 11 and above	255.07	250.35

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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

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.

XI. Expected employer's contribution in next year is Rs.30.54 Lakhs (Actual contribution in current period is Rs. 22.82 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	Year ended March 31, 2024	Year ended March 31, 2023
Discount Rate	7.24% p.a	7.49% 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 2012-14 (Urban)

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	(₹ in lakhs)	
Opening Balance of Compensated Absences (X)	123.49	120.04
Present value of Compensated Absences (As per actuary valuation) (Y)	131.96	123.49
Unfunded / (Excess) liability of Compensated Absences recognised in the Profit and Loss account for the period (Y – X)	8.47	3.45

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

37 Foreign currency related disclosures

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
(a) Expenditure in Foreign currency - Cloud services for CRCS project	37.73	-
(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, 2024 is Nil (previous period: Nil)
- b) Amount spent during the quarter on:

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

39 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 storage 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.

- 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, 2024	Year ended March 31, 2023
b) Segment Revenue		
Physical Storage Services	4141.00	4291.88
Digitisation Services	1784.17	2395.42
Software Services	3943.27	1239.50
Total Revenue	9868.44	7926.80
Segment Cost		
Physical Storage Services	4061.80	3943.02
Digitisation Services	1754.71	2017.28
Software Services	2723.06	727.13
Total Cost	8539.57	6687.43

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

39 Segment Reporting (Continued)

c) Segment Results		
Physical Storage Services	79.20	348.86
Digitisation Services	29.46	378.14
Software Services	1220.21	512.37
Total Net Revenue	1328.87	1239.37
Unallocated Expenses		
Operating Expenses	621.85	1104.31
Depreciation & Amortisation	24.76	38.66
Operating Profit/ (loss)	682.26	96.40
Other income	195.80	544.29
Profit/ (loss) before exceptional items and tax	878.06	640.69
Exceptional items	308.89	(57.21)
Profit/ (loss) before tax	1186.95	583.48
Less: Tax	375.25	88.44
Profit/ (loss) for the period	811.70	495.04
Other comprehensive income (net of tax)	(13.45)	(8.64)
Total Comprehensive Income for the period (Comprising Profit/ (loss) and Other Comprehensive Income for the period)	798.25	486.40

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

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

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
d) Segment Assets		
Physical Storage Services	11613.98	10942.78
Digitisation Services	2003.67	2714.97
Software Services	1566.78	933.04
Unallocable Assets	1997.32	2657.06
Total Assets	17181.75	17247.85
e) Segment Liabilities		
Physical Storage Services	8899.94	8931.81
Digitisation Services	709.62	918.53
Software Services	923.10	349.94
Unallocable Liabilities	1701.54	2898.27
Total Liabilities	12234.20	13098.55
f) Capital Employed		
Physical Storage Services	2714.04	2010.97
Digitisation Services	1294.05	1796.44
Software Services	643.68	583.10
Unallocable	295.78	(241.21)
Total Capital Employed (d-e)	4947.55	4149.30

Note: There are no reportable geographical segments.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Information about major customers

Company's revenues, 61% (FY 2022-23: 46%) are derived from sales to government, quasi government enterprises and public sector units. The total sales to such companies amounted to Rs.6029.66 lakhs in the year ended March 31, 2024 and Rs. 3608.72 lakhs in the year ended March 31, 2023.

Revenue from physical storage and digitisation of three customers is Rs.4971.85 lakhs (FY 2022-23: Three customers - Rs.4483.25 Lakhs) which is 50% (FY 2022-23: 57%) of the Company's operating 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:

	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Total equity	4947.55	4149.30
Capital	4947.55	4149.30
Non current and current borrowings (excluding lease liabilities)	3684.95	5188.46
Overall financing	8632.50	9337.76
Capital-to-overall financing ratio	57%	44%

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:

a) Interest rate sensitivity analysis

	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Profit for the period including other comprehensive income	798.25	486.40
Effect of +1% change in rate of interest	(36.85)	(51.88)
Effect of -1% change in rate of interest	36.85	51.88

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

41 Financial Risk Management (Continued)

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

As at March 31, 2024

(₹ 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	1,975.48	609.17	665.73	35.49	21.22	3307.10
Undisputed trade receivables - considered doubtful	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	87.91	25.55	794.31	907.77
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables - considered doubtful	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-
Total	1,975.48	609.17	753.65	61.04	815.53	4214.86

As at March 31, 2023

(₹ 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	2,239.91	595.42	99.62	92.50	5.13	3,032.57
Undisputed trade receivables - considered doubtful	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	10.36	423.15	466.05	899.56
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables - considered doubtful	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-
Total	2,239.91	595.42	109.98	515.65	471.18	3,932.13

Major customers, being govt. undertakings and private companies having highest credit ratings, carry negligible credit risk. Concentration of credit risk to any private counterparty (except for one customer -6.21%) party did not exceed 5% of total debtors at any time during the year ended March 31, 2024.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

41 Financial Risk Management (Continued)

c) Liquidity risk analysis

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

	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Current:		
<u>Borrowings</u>		
-Within 6 months	321.23	3978.43
-Between 6 and 12 months	242.76	161.82
<u>Trade payables</u>		
-Within 6 months	3355.75	3096.63
-Between 6 and 12 months	-	-
<u>Other current financial liabilities</u>		
-Within 6 months	1233.31	1029.11
-Between 6 and 12 months	-	-
Non Current:		
<u>Borrowings</u>		
- upto 5 years	3168.57	1045.34
- Later than 5 years	111.43	139.38

The company has access to committed credit facilities as described below, of which Rs. 2399.63 lakhs were unused at the end of the year (as at March 31, 2023 - Rs.1219.90 lakhs). The company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

	(₹ in lakhs)	
Secured bank overdraft and cash credit facility reviewed annually and payable at call	As at March 31, 2024	As at March 31, 2023
Amount used	0.37	1180.10
Amount unused	2399.63	1219.90

42 Carrying amount and movement in provision for doubtful debts

	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Carrying amount as at the beginning of the period	945.27	1262.10
Additional provisions	-	-
Amount utilised	-	-
Reversals	9.77	316.83
Carrying amount as at the end of the period *	935.50	945.27

* including expected credit loss on accrued income

43 Financial assets and liabilities

Categories of financial assets

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:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- (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.

Carrying values of financial assets measured at amortised cost

Particulars	Fair value hierarchy	As at	
		March 31, 2024	March 31, 2023
(₹ in lakhs)			
<u>Non Current financial assets</u>			
Security and other deposits	Level 3	599.67	574.78
Margin money deposits with banks	Level 3	243.75	306.32
<u>Current financial assets</u>			
Security and other deposits	Level 3	72.37	117.97
Trade and other receivables	Level 3	3288.26	3002.29
Cash and cash equivalent	Level 3	605.80	188.20
Other balances with banks	Level 3	166.34	-
Accrued interest on fixed deposits	Level 3	0.04	0.28

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

Particulars	Fair value hierarchy	As at	
		March 31, 2024	March 31, 2023
(₹ in lakhs)			
<u>Non Current financial liabilities</u>			
Fully convertible debentures	Level 3	2,500.00	-
Term loan	Level 3	780.00	1,184.72
<u>Current financial liabilities</u>			
Current maturities of long term debt	Level 3	404.58	2,823.64
Cash Credit/ Overdraft facility	Level 3	0.37	1,180.10
Trade payables	Level 3	3,355.75	3,096.63
Accruals for expenses	Level 3	1,076.70	892.42
Security deposits	Level 3	1.86	1.86
Retention money	Level 3	110.78	85.37
Other current financial liabilities	Level 3	43.97	37.34

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

44 Income taxes

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
(a) <i>Income tax expense</i>		
Current taxes		
- For current year	-	-
- For earlier years	-	-
Total of current tax	-	-
(b) <i>Deferred taxes</i>		
Deferred tax charge/(credit) - For current period	300.57	88.44
Deferred tax charge/(credit) - For earlier year	74.68	-
Total of deferred tax	375.25	88.44
Total of tax expense	375.25	88.44
(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:		
Profit/ (Loss) before tax	1,186.95	583.48
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	-	-

Note: The Company is entitled to set off profits from business and profession against past years unabsorbed depreciation and business losses. Accordingly, no provision for taxation is required to be made in the books of accounts.

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
(d) The gross movement in the deferred income tax account is as per below:		
Net deferred income tax liability/ (asset) at the beginning	(1,419.96)	(1,505.49)
Transition impact of Ind AS 116	-	-
Credits/Charge relating to temporary differences - Recognised in statement of profit and loss	375.25	88.44
Temporary differences on defined benefit obligation - Recognised in other comprehensive income	(4.52)	(2.91)
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	(1,049.23)	(1,419.96)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

45 Ratios

(₹ in lakhs)

Particulars	Numerator	Denominator	Year ended March 31, 2024 (1)	Year ended March 31, 2023 (2)	% Variance between (1) and (2)	Explanation for changes in ratio more than 25%
Pursuant to the amendments to Schedule III vide MCA circular dated March 23, 2021, the following ratios are presented:						
Current ratio	Current Assets	Current Liabilities	0.96	0.54	77.90%	Decrease in current borrowings and increase in contract asset.
Debt equity ratio	Total debt	Shareholders equity	0.74	1.25	-40.44%	Reduction in debt and Increase in shareholders equity due to increase in retained earnings.
Debt service coverage ratio	Earnings available for debt service (EBITDA)	Debt service	1.99	1.79	11.23%	-
Return on equity ratio	Profit after tax	Average shareholders equity	17.85%	12.67%	40.81%	Increase in earnings.
Inventory turnover ratio	Cost of goods sold	Average inventory	Not applicable since the company is not engaged in any manufacturing or trading activities.			-
Trade receivables turnover ratio in months	Operating sales	Average trade receivables	5.04	6.51	-22.58%	-
Trade payables turnover ratio	Operating purchases	Average trade payables	Not applicable since the company is not engaged in any manufacturing or trading activities.			-
Net capital turnover ratio	Operating sales	Average working capital	The said ratio is not relevant in view of the fact that current liabilities are exceeding current assets			-
Net profit ratio	Profit after tax	Operating sales	8.23%	6.25%	31.71%	Increase in earnings.
Return on capital employed ratio	Earnings before interest and taxes	Capital employed (Shareholders equity + total debt - deferred tax asset)	26.17%	17.20%	52.12%	Increase in earnings.
Return on investment ratio	Investment income	Average investments	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 a 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.
- (f) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- 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 to or on behalf of the Ultimate Beneficiaries.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- (g) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- i. 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
 - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (h) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (i) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (j) The Company has not declared/ paid any interim/final dividend during the year.

- 47** (a) A fire incident occurred on December 11, 2017 at Mahape premises of the company.
- (b) The Company has received claims for loss of documents from its clients. Pending ascertainment of actual claim, the company has not provided/disclosed for such claim/contingent liabilities and corresponding insurance claim receivable in the books of account as on March 31, 2024. 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. The management has been advised by its legal counsel, that the company has a good case on merits and the likelihood of the compensation, as sought, being granted is remote. Hence such claims have also not been considered as contingent liabilities.

- 48** Previous year figures have been regrouped/reclassified wherever necessary to make them comparable with the current year's classification.

49 Approval of financial statements

The Financial Statements have been approved for issue by the board of directors on April 12, 2024.

As per our report of even date

For ABM & Associates LLP

Chartered Accountants

Firm Registration no: 105016W/W- 100015

Anil Chikodi

Partner

Membership No: 107659

Place: Kolhapur

Date : April 12, 2024

For and on behalf of the Board

Teena Dedhia

Company Secretary

Place: Mumbai

Date : April 12, 2024

Pandula Sreelakshmi

MD & CEO

DIN: 09215125

Jyoti Katira

Chief Financial Officer

Venkatraman Iyer

Director

DIN: 01204165

Jagdish Thakur

Director

DIN: 02941956

Dinesh Kumar Garg

Director

DIN:08925290

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PHOTO GALLERY

Activities conducted by SDMS during

Vigilance Awareness Week - 2023

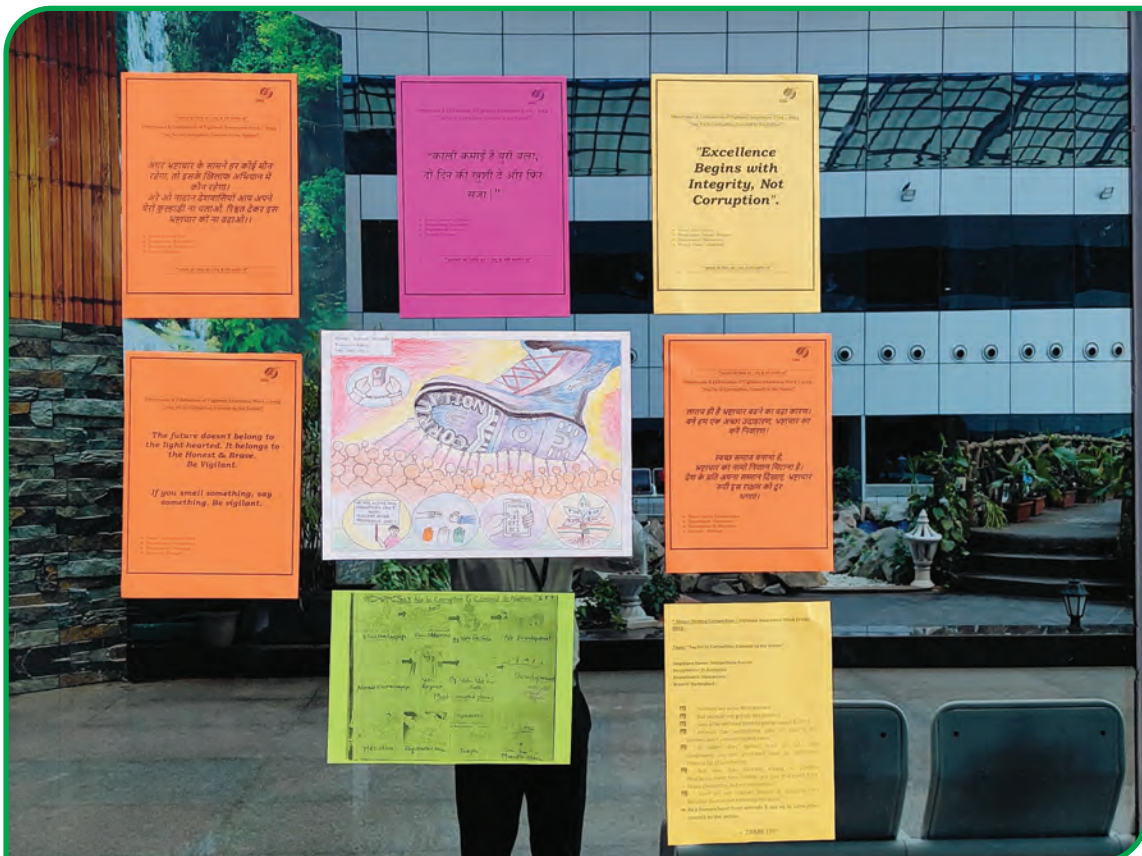
सतर्कता जागरूकता सप्ताह - 2023

(from October 30, 2023 to November 5, 2023)

“Say No to Corruption; Commit to the Nation”

“भ्रष्टाचार का विरोध करे: राष्ट्र के प्रति समर्पित रहें”

Sr. No.	Name of the Employee	Slogan
Winner 1 st	Savita Vishwakarma (Empl. code 329)	लालच ही है भ्रष्टाचार बढ़ने का बढ़ा कारण। बने हम एक अच्छा उदाहारण, भ्रष्टाचार का करें निवारण। स्वच्छ समाज बनाना है, भ्रष्टाचार का नामो निशान मिटाना है। देश के प्रति अपना सम्मान दिखाएं, भ्रष्टाचार रूपी इस राक्षस को दूर भगाएं।
Winner 2 nd	Roshan Patil (Empl. code 308)	अगर भ्रष्टाचार के सामने हर कोई मौन रहेगा, तो इसके खिलाफ अभियान में कौन रहेगा। अरे ओ नादान देशवासियों आप अपने पैरों कुल्हाड़ी ना चलाओ, रिश्तत देकर इस भ्रष्टाचार को ना बढ़ाओ।
Winner 3 rd	Ankush P Shingate (Empl. code 317) & Parag R Shivankar (Empl. code 477)	“काली कमाई है बुरीबला, दो दिन की खुशी दे और फिर सजा।” An end to Corruption is my plan, if you join then sure we can. भ्रष्टाचार का अंत मेरी योजना है, यदि आप शामिल हों तो निश्चित रूप से ये संभव है।



SDMS Employees training



National Safety week celebration



Diwali Festival Celebration



Diwali Poja



Diwali gift distribution



International Men's Day Celebration



International Women's Day Celebration



World Environment Day





Certificate of Achievement

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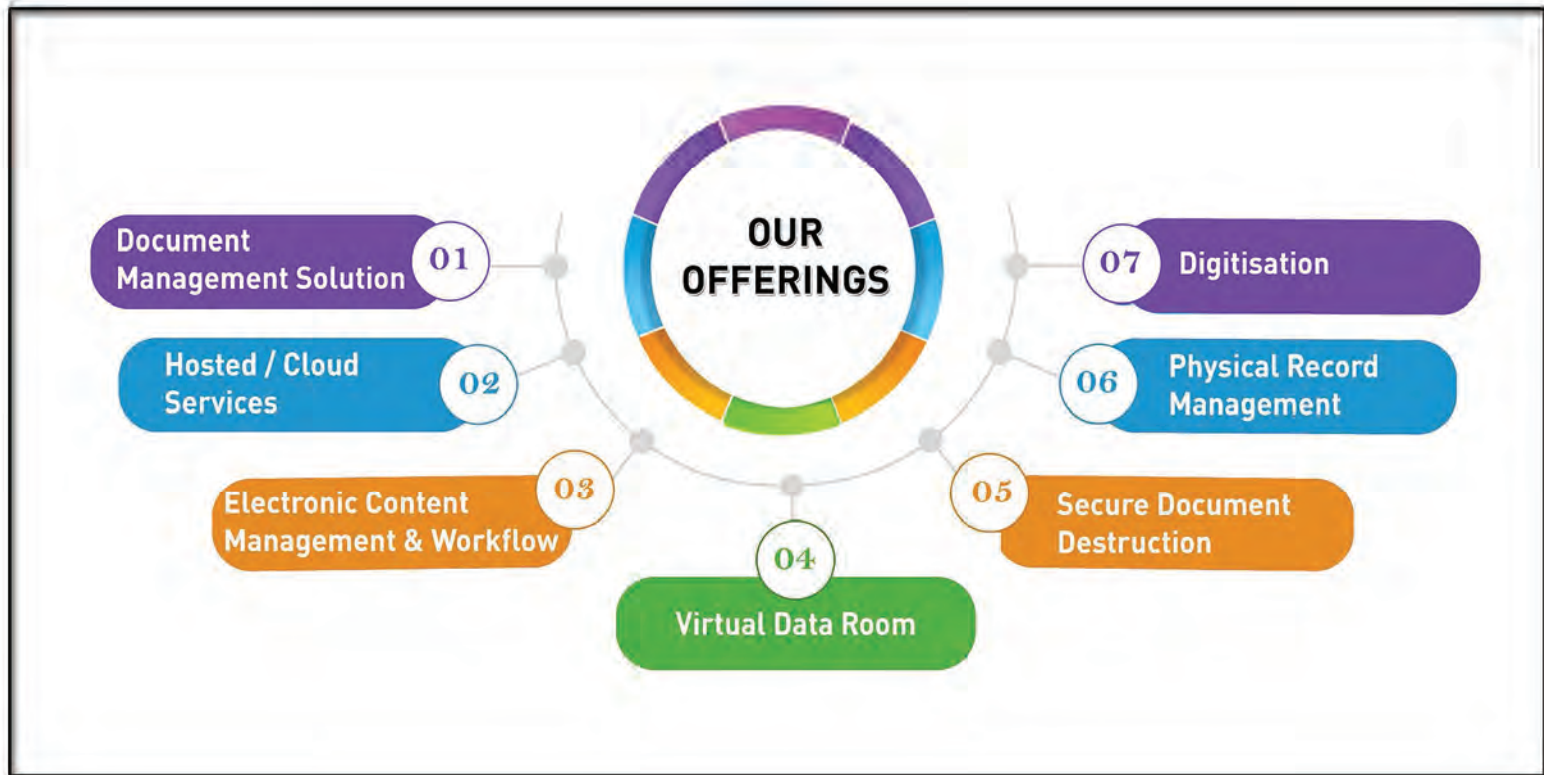
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