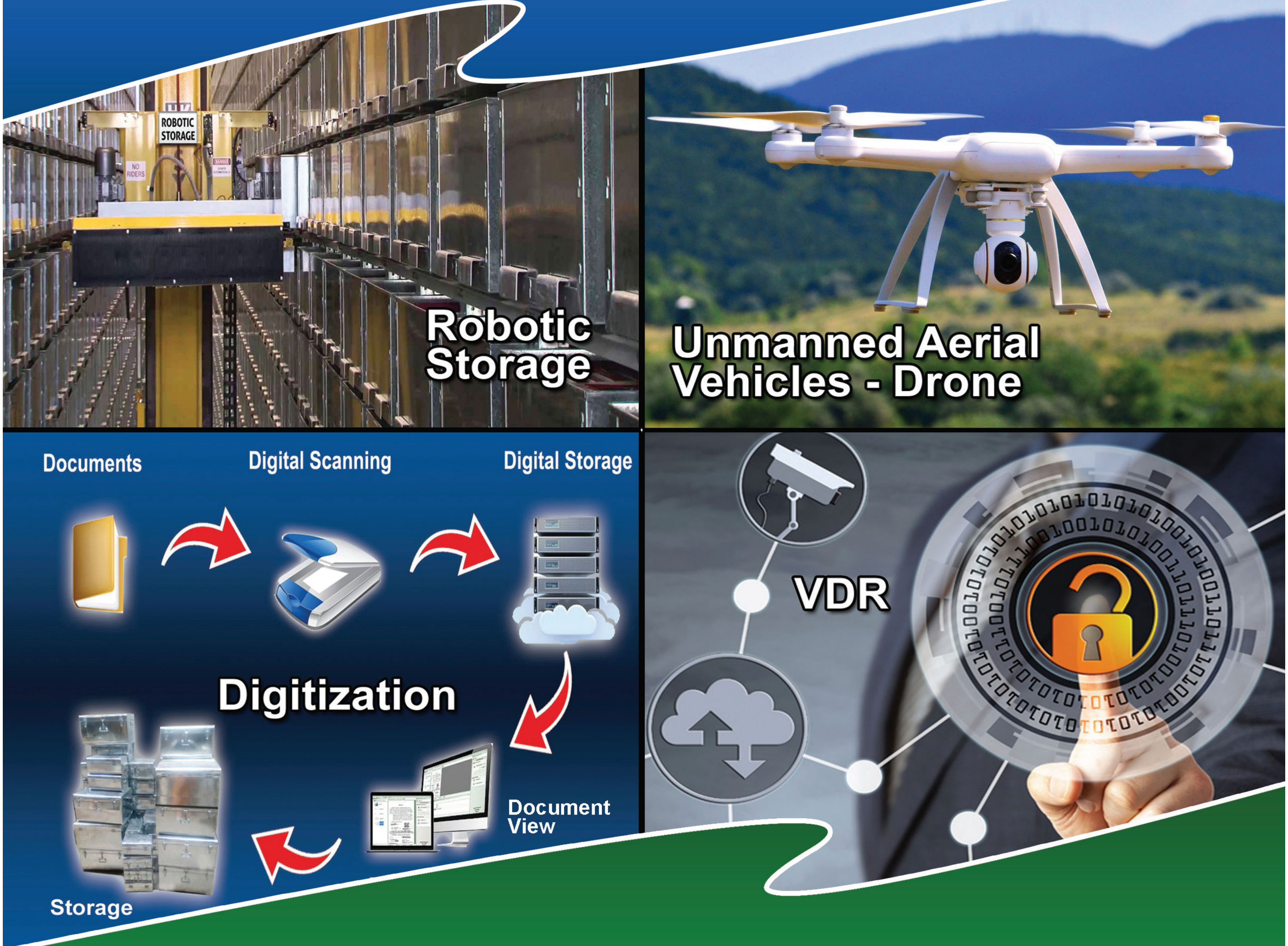
StockHolding Document Management Services Limited

SDMS



ANNUAL REPORT 2018 - 2019

Vision

"StockHolding DMS 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

- StockHolding DMS 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.
- StockHolding DMS 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.

CONTENTS

BOARD OF DIRECTORS (AS ON JULY 24, 2019)

Shri Ramesh NGS	-	Chairman (Non-Executive)
Shri R. H. Mewawala	-	Vice Chairman (Executive)
Shri Venkatraman Iyer	-	Independent Director
Shri Sanjay Sharma	-	Independent Director
Shri L. Viswanathan	-	Director
Shri Jagdish Thakur	-	Director
Shri Shreekant Patwardhan	-	Additional Director
Ms. Anita Dembla	-	Additional Director
Shri Sanjeev Vivrekar	-	MD & CEO
Ms. Jyoti Katira	-	Chief Financial Officer
Ms. Jajvalya Raghavan	-	Company Secretary
Statutory Auditors	-	M/s. L. S. Nalwaya & Co. Chartered Accountants, Mumbai
Internal Auditors	-	M/s. PKF Sridhar & Santhanam, LLP Chartered Accountants, Mumbai (for FY 2018-19)
Secretarial Auditors	-	SVVS & Associates, Company Secretaries, LLP

Registered Office
SHCIL House, P -51, T.T.C. Industrial Area,
MIDC, Mahape, Navi Mumbai – 400 710
Tel No: 022-61778708
CIN : U74140MH2006GOI163728
Website : www.stockholdingdms.com

PERFORMANCE HIGHLIGHTS

(₹ in crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Income from Operations	**50.66**	59.13
Other Income	**1.12**	1.21
Total Income	**51.78**	60.34
Expenditure		
- Cost of software licenses sold	**-**	1.89
- Financial Cost	**4.32**	3.65
- Employees Benefit Exp.	**13.04**	11.76
- Other Expenses	**36.15**	32.42
- Depreciation	**6.02**	5.92
Total Expenditure	**59.53**	55.64
Profit/(Loss) before tax & Prior Period Adjustment	**(7.75)**	4.70
- Exceptional Items / Prior period	**(1.66)**	(1.68)
Profit/ (Loss) before tax	**(9.41)**	3.02
Provision for Tax	**(2.48)**	0.58
Profit/(Loss) after tax	**(6.93)**	2.44
Other Comprehensive Income	**(0.02)**	(0.02)
Profit/(Loss) including other Comprehensive Income	**(6.95)**	2.42

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Thirteenth Annual Report of your Company along with the Audited Financial Statements for the financial year ended March 31, 2019.

Awards, Certifications and Memberships

It gives us immense pleasure to announce that your Company has achieved CMMI Level 5 certification, an internationally recognized standard given by Carnegie Mellon University's Software Engineering Institute (SEI) for assessing software development practices. This is a globally recognized standard and a testament of SDMS' commitment to consistently deliver high quality, reliable, cost effective & efficient software solutions and related services to clients across the globe.

It is a matter of pride that the Company has become a CMMI Level 5 organisation within a short span of four years from its earlier milestone of CMMI Level 3.

Your Company also has seven ISO certifications – ISO 9001:2015, ISO 27001:2013, ISO 15836:2017, ISO/TR 15489:2016, ISO/IEC 20000-1:2011, ISO 14721:2012 and ISO 10244:2010 in the end to end document management arena.

Your Company has taken membership of National Association of Software and Services Companies (NASSCOM). NASSCOM is the premier trade body and the chamber of commerce of the IT-BPM industries in India. NASSCOM is a global trade body with more than 1300 members, which include both Indian and multinational companies that have a presence in India.

Your Company has taken membership of PRISM for its storage services. PRISM is an international certification program open to companies providing storage and protection of hard-copy records.

SDMS Team celebrating the achievement of CMMI-5 Level Milestone

Performance & Operations review

Your Company continues to offer Physical Record Management Services, Document Management System, Digitization Services, Hosting Services, Workflow Management System, Customer Relationship Management System, Enterprise Content Management System and Virtual Data Room (VDR).

Your Company participates in tenders floated by government and other organizations for business opportunities in India and abroad. During the FY 2018-19, your Company has bagged various tenders for storage, digitization and software business.

Your Company continues to pursue extensive marketing and sales initiatives to expand its client base. During the FY 2018-19, your Company added 27 clients in the storage space, 4 clients in the digitization, 3 clients in the software/hosting services and 3 clients in the VDR segment. The latest technology is put in place to achieve higher levels of speed, accuracy and perfection in the digitization space.

Financial Performance

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

The financial results are summarized below:

(₹ in crores)

Particulars	Year ended March 31,2019	Year ended March 31,2018
Total Income	**51.78**	60.34
Total Expenditure	**59.53**	57.32
Profit/(Loss) before Tax	**(9.41)**	3.02
Provision for Tax	**(2.48)**	0.58
Profit/(Loss) after tax	**(6.93)**	2.44
Other Comprehensive Income	**(0.02)**	(0.02)
Profit/(Loss) including other Comprehensive Income	**(6.95)**	2.42

The unfortunate fire incident which broke out in the basement storage area at SHCIL House in December 2017 has severely dented the business of the Company thereby resulting in 14% dip in the topline of the Company in the FY 2018-19. The Company witnessed the slump in its income from business segments like digitisation (28%) and hosting services (16%) except physical storage which witnessed a marginal increase of 5%.

Nonetheless, the Company has taken various remedial steps to win the clients' confidence and return to be a profitable company.

Your Company is foraying into the latest software and technology products which are expected to contribute to the topline of the Company in FY 2019-20.

Future Outlook

FY 2019-20 looks very promising for the Company. The

Company is embarking on new & latest technology driven offerings like Robotic Process Automation (RPA) and Unmanned Aerial Vehicles (UAV). The Company is looking to target the BFSI Segment for this cutting edge products and services.

Your Company is a trusted name and continues to hold a strong foothold in the digitization industry. Major big-ticket size orders in the digitization space are in the pipeline.

Your Company is also exploring business opportunities overseas in the African countries. Your Company expects a major break-through which will boost up the topline and turnaround the Company.

Dividend

To conserve the limited resources available for business expansion, the Directors of your Company do not recommend any dividend for the FY 2018-19.

Transfer to Reserves

The closing balance of the retained earnings of the Company for FY 2018-19, after all appropriation and adjustments was ₹ 1402.32 lakhs.

Directors and Key Managerial Personnel (KMP)

Shri Ramesh NGS is the Non Executive Chairman of your Company. Your Company has nine Directors which includes two Independent Directors. The Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149 of the Companies Act, 2013.

Shri L. Viswanathan, Director and Shri Jagdish Thakur, Director will retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Based on the recommendation of the Nomination and Remuneration Committee at its meeting held on July 24, 2019, the Board approved the appointment of Shri Shreekant Patwardhan and Ms. Anita Dembla as Additional Directors who will represent the Holding Company, StockHolding.

Shri Umesh Punde and Ms. Meena Pednekar, Directors demitted office w.e.f. July 13, 2019 & July 18, 2019 respectively. The Board appreciates the valuable contribution made by them during their association with the Company.

Shri R. H. Mewawala - Executive Vice Chairman (Whole Time Director) (w.e.f. April 1, 2018), Shri Sanjeev Vivrekar - MD & CEO, Ms. Jyoti Katira – Chief Financial Officer and Ms. Jajvalya Raghavan – Company Secretary are the Key Managerial Personnel of your Company.

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

An off-site Board level Strategy Meet was held in July 2018
(Left to right – Mr. Jagdish Thakur, Mr. L. Viswanathan, Mr. Sanjay Sharma, Mr. R.H. Mewawala, Mr. Ramesh NGS, Mr. Sanjeev Vivrekar, Mr. Venkat Iyer, Mr. Umesh Punde and Ms. Meena Pednekar)

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, 2019, the applicable accounting standards and there are no material departures;

ii. that such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the loss of the Company for the year ended on that date;

iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. that the annual financial statements have been prepared on a going concern basis;

v. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of Committees of the Board viz. Audit, Nomination & Remuneration, Risk Management, Share Allotment and Transfer, Corporate Social Responsibility and Advisory Committee.

The Nomination and Remuneration Committee of the Board (NRC-B) evaluated the performance of the individual Directors. The performance evaluation of the Independent Directors was carried out by the entire Board. In a separate meeting of the Independent Directors, the performance of the Chairman and the non-Independent Directors was carried out.

The Directors expressed their satisfaction with the evaluation process.

Internal Financial Controls

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

Dematerialization of equity shares of your Company

The equity shares of your Company have been admitted with National Securities Depository Limited (NSDL). Link Intime India Pvt Limited has been appointed as Registrar and Transfer Agent. The ISIN allocated by NSDL to your Company is "INE01DQ01017". The Company's equity shares are completely in dematerialized form.

Human Wealth Development & Training

Your Company is committed to creating a healthy and employee-friendly organizational culture which nurtures the talent and potential of its employees.The Company continuously explores new approaches to learning and development to keep the workforce relevant in an evolving technology landscape.

A structured induction training programme is conducted for new joinees which covers an overview of your Company, product knowledge, soft skills, etc.

In order to enhance the learning curve of employees, training programmes were conducted on topics such as Fire & Safety, Corporate & Email Etiquette, Public Speaking and Team Bonding during the FY 2018-19 for the benefit of the employees.

Apart from internal training programmes, employees were nominated to external programmes for better exposure to industry practices and new trends in areas such as IT, Finance, Marketing conclaves, etc. organized by Training Institutes of repute.

E-Mail Etiquette Training Program was organized at Hotel Majestic Court Sarovar Portico.

Safety Training Program was organized for the employees

Nomination and Remuneration Policy

Your Company has a policy on Nomination and Remuneration as required under Section 178(3) of the Companies Act, 2013. Currently the Board has an appropriate mix of Executive, Non- Executive & Independent Directors. The Policy is made available at http://www.stockholdingdms.com//userfiles/downloads/NOMINATION-AND-REMUNERATION POLICY.pdf

Auditors

The Statutory Auditors of your Company are appointed by the Comptroller and Auditor General of India (C&AG)

M/s L S Nalwaya & Co. Chartered Accountants were the Statutory Auditors for the FY 2018-19.

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

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

The Comptroller and Auditor General of India (C&AG) vide letter dated July 23, 2019, informed that C&AG has decided not to conduct the supplementary audit of the financial statements of your Company for the year ended March 31, 2019 under Section 143(6)(a) of the Companies Act, 2013. Copy of the same is placed next to Statutory Auditors' Report forming part of the financial statements.

Secretarial Auditors' report

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

Audit Committee

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

Nomination and Remuneration Committee

The details of the composition of the Nomination and Remuneration Committee of the Board and meetings held during the FY 2018-19 are included in the Corporate Governance report which forms part of this report.

Risk Management Policy

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

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

Corporate Social Responsibility

The brief outline of the Corporate Social Responsibility (CSR) policy of your Company and the initiatives undertaken on CSR during the year are set out in this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 at Annexure 2. The policy is also available on the website of your Company at http://www.stockholdingdms.com/userfiles/downloads/CSR-Policy-of-StockHolding-DMS.pdf

Committee on Prevention of Sexual Harassment

Your Company has in place Prevention of Sexual Harassment Committee as required under "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013." The Committee includes an External Independent member viz. Ms Sneha Khandekar. During the FY 2018-19, no complaints were received.

Cost records and cost audit

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

Fixed Deposits

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

Particulars of Loans, Guarantees and Investments

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

Related Party Transactions

All 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 have been 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 are no materially significant related party transactions by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have 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 3 to this Report which is a nil report.

Subsidiaries, Joint Ventures, Associate Companies

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

Extract of Annual Return

As provided under Section 92 (3) of the Companies Act, 2013, the extract of annual return in Form MGT-9 is placed herewith at Annexure 4.

Corporate Governance

Your Company is not a listed entity. Nevertheless, it endeavours to comply with Corporate Governance norms. A report thereof is placed herewith at Annexure 5.

Particulars of Employees

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

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

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

Conservation of energy & technology absorption:

Your Company does not carry any manufacturing activities. However, it has taken steps towards conservation of energy and continues to use latest technologies for improving the productivity and quality of its services. Your 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 – ₹ 13.27 Lakhs (Previous year – ₹ 1.71 Lakhs)

Acknowledgements

The Board places on record its deep appreciation for the valuable 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 acknowledges with gratitude the valuable contribution made by the employees at all levels of the Company.

For and on behalf of the
Board of Directors

Place: Mumbai
Date: July 24, 2019

Ramesh NGS
Chairman (Non- Executive)

"ANNEXURE 1"

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

The Members,

STOCKHOLDING DOCUMENT MANAGEMENT SERVICES LIMITED

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by STOCKHOLDING DOCUMENT MANAGEMENT SERVICES LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of 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 secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, 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 examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act), the rules made thereunder and The Companies Act, 1956 to the extent applicable ;

(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iii) Other applicable laws namely Industrial & Labour Laws, Commercial laws, Business related Laws, Commercial Laws as detailed in Annexure B.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards as may be applicable from time to time issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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 period under review were carried out in compliance with the provisions of the Act.

No audit has been conducted on the compliance with finance and taxation laws as the same are subject to audit by the Statutory Auditors and Internal Auditors to the Company and their observations, if any, shall hold good for the purpose of this audit report.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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 while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

During the audit period, the Company has made allotment of Equity shares through private placement to Stock Holding Corporation of India Limited, Holding Company amounting to ₹ 20 crores in two tranches, having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For SVVS & Associates
Company Secretaries LLP

CS. Suresh Viswanathan
Designated Partner
FCS : 4453
CP No : 11745

Place: Mumbai
Date : July 22, 2019

Note: This report is to be read with the list of Applicable Laws and our letter of even date which are attached as Annexure A and Annexure B respectively and form an integral part of this report.

The Members, **"ANNEXURE A"**

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

Our report of even date is to be read along with this letter.

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 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. Audit of the compliance with Other Laws has been undertaken based on scope of audit and the applicability of such Laws as ascertained by the Company and informed to us.

We have relied on reports of Internal Audits to the extent made available to us and the observations, if any, contained in such reports shall hold good for the purpose of this audit report.

For SVVS & Associates Company Secretaries LLP

CS. Suresh Viswanathan
Designated Partner
FCS : 4453
CP No : 11745

Place: Mumbai
Date : July 22, 2019

"ANNEXURE B"

No. Governing Act/Rules/Regulation/Circulars/Notifications, etc.

A. Labour Laws
   1. The Maternity Benefit Act, 1961
   2. The Payment of Bonus Act, 1965
   3. The Payment of Wages Act, 1936
   4. The Minimum Wages Act – Regional- Maharashtra
   5. The Maharashtra Labour Welfare Fund Act, 1953
   6. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
   7. The Payment of Gratuity Act, 1972
   8. Contract Labour (Regulation And Abolition) Act, 1970
   9. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
   10. Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
   11. Employees' State Insurance Act, 1948

B. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder

C. Local Body Laws
   1. The Bombay Shops and Establishments Act, 1948

"ANNEXURE 2"

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1 A brief outline of your Company's CSR policy including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

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

The Board of your Company after taking into account the recommendations of the Corporate Social Responsibility (CSR) Committee of the Board has approved the CSR policy. The CSR policy is also displayed on the website

http://www.stockholdingdms.com/userfiles/downloads/CSR-Policy-of-StockHolding-DMS.pdf

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

i. Eradicating hunger, poverty and malnutrition, promoting preventive health care, sanitation, etc.;

ii. Promoting education, including special education and employment enhancing vocation skills, etc.;

iii. Any other area under Schedule VII of Section 135 of the Companies Act, 2013.

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

2 Composition of the CSR Committee

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

1. Shri Venkatraman Iyer - Independent Director - Chairman
2. Shri Jagdish Thakur - Director
3. Ms. Meena Pednekar* - Director

(Ms. Meena Pednekar demitted office on July 18, 2019. Ms. Anita Dembla, Director has been inducted to the Committee w.e.f. July 24, 2019)

3 Average net profit of the Company for last three financial years for the purpose of computation of CSR - ₹ 1014.63 lakhs.

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

The Company is required to spend ₹ 20.29 lakhs.

5 Details of CSR spent for the financial year

a. Total amount to be spent for the financial year :CSR contribution of ₹ 20.29 lakhs is rounded off to ₹ 20.50 lakhs

b. Amount unspent, if any : Nil

c. Manner in which the amount spent during the financial year is detailed below:

Sr. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs i. Local area or other ii. Specify the State and district where project or programs was undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs Sub-heads 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent ; direct or through implementing agency
1.	St. Stephens	Medical/Health	Mumbai, Maharashtra	₹ 2,50,000/-	₹ 2,50,000/-	₹ 2,50,000/-	Through SHCIL Foundation
2.	Socio Service Art Group	Education	Jammu (J&K)	₹ 1,50,000/-	₹ 1,50,000/-	₹ 1,50,000/-	Through SHCIL Foundation

Sr. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs i. Local area or other ii. Specify the State and district where project or programs was undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs Sub-heads 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent ; direct or through implementing agency
3.	The National Association of Disabled's Enterprises	Employment enhancing vocational skills	Mumbai Maharashtra	₹ 1,50,000/-	₹ 1,50,000/-	₹ 1,50,000/-	Through SHCIL Foundation
4.	Agnels Balbhavan	Education and socio-economic development	Vashi, Navi Mumbai. Maharashtra	₹ 10,00,000/-	₹ 10,00,000/-	₹ 10,00,000/-	Through SHCIL Foundation
5.	Akshaya Patra	Eradicating hunger, poverty	Mumbai, Maharashtra	₹ 5,00,000/-	₹ 5,00,000/-	₹. 5,00,000/-	Through SHCIL Foundation
Total				₹ 20,50,000	₹ 20,50,000		

6 In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

For the financial year 2018-19, your Company has spent two percent of the average net profit of the last three financial years.

7 A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

We hereby declare that the implementation and monitoring of the CSR policy is in compliance with the CSR objective and policy of your Company.

Date : July 24, 2019

Sanjeev Vivrekar
MD & CEO

Venkatraman Iyer
Chairman, CSR Committee

"ANNEXURE 3"

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

Ramesh NGS
Chairman (Non-Executive)

Date: July 24, 2019

"ANNEXURE 4"

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

as on March 31, 2019

[Pursuant to section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U74140MH2006GOI163728		
ii.	Registration Date	10	08	2006
		DATE	MONTH	YEAR
iii.	Name of the Company	StockHolding Document Management Services Limited		
iv.	Category / Sub-Category of the Company	Category	Public Company	
		Sub- Category	Government Company	
v.	Address of the Registered office and contact details	SHCIL House, P -51, T.T.C. Industrial Area, MIDC, Mahape, Navi Mumbai, 400710. Tel No: 022 61778708 Website : www.stockholdingdms.com E-mail ID : companysecretary@stockholdingdms.com		
vi.	Whether listed company	No		
vii.	Name, Address and contact details of Registrar and Transfer agent, if any	Link Intime India Pvt. Ltd. C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400083 Tel. No. +91 22 49186000		

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company are stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Physical Storage Services	9967	41.21
2	Digitisation	9997	38.23
3	Software services	9983	20.56

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. N0	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Stock Holding Corporation Of India Limited 301, Centrepoint, Dr. B. Ambedkar Road, Parel Mumbai, 400012	U67190MH1986GOI040506	Holding Company	100%	Sec 2 (46) and Sec 2 (87)
2	IFCI Limited	L74899DL1993GOI053677	Holding Company	0%	Sec 2 (46) and Sec 2 (87)

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

(i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2018				No. of Shares held at the end of the year i.e. March 31, 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	**Promoters**									
1	**Indian**									
a.	Individual/HUF	-	-	-	-	-	-	-	-	-
b.	Central Govt	-	-	-	-	-	-	-	-	-
c.	State Govt (s)	-	-	-	-	-	-	--	-	-
d.	Bodies Corp.	-	4,32,50,000*	4,32,50,000*	100	5,57,50,000*	-	5,57,50,000*	100	28.9
e.	Banks / FI	-	-	-	-	-	-	-	-	-
f.	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1)	**-**	**4,32,50,000***	**4,32,50,000***	**100**	**5,57,50,000***	**-**	**5,57,50,000***	**100**	**28.9**
2	**Foreign**									
a	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b	Other – Individuals	-	-	-	-	-	-	-	-	-
c	Bodies Corp.	-	-	-	-	-	-	-	-	-
d	Banks / FI	-	-	-	-	-	-	-	-	-
e	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**-**	**4,32,50,000***	**4,32,50,000***	**100**	**5,57,50,000***	**-**	**5,57,50,000***	**100**	**28.9**
B	**Public Shareholding**									
1	Institutions									
a	Mutual Funds	-	-	-	-	-	-	-	-	-
b	Banks / FI	-	-	-	-	-	-	-	-	-
c	Central Govt	-	-	-	-	-	-	-	-	-
d	State Govt(s)	-	-	-	-	-	-	-	-	-
e	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f	Insurance Companies	-	-	-	-	-	-	-	-	-
g	FIIs	-	-	-	-	-	-	-	-	-
h	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total (B)(1)	-	-	-	-	-	-	-	-	
2	**Non-Institutions**									
a	Bodies Corp.									
	i) Indian	-	-	-	-	-	-	-	-	-
	ii)Overseas	-	-	-	-	-	-	-	-	-
b	Individuals									
	i) Individual shareholders holding nominal share capital upto₹ 1 lakh	-	-	-	-	-	-	-	-	-
	ii) Individual shareholders holding nominal share in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
	Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C	**Shares held by Custodian for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	**-**	**4,32,50,000***	**4,32,50,000***	**100**	**5,57,50,000***	**-**	**5,57,50,000***	**100**	**28.9**

***Out of the above, six shares are held by individuals as nominees of Stock Holding Corporation of India Ltd (Holding Company) in dematerialized form.**

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% of Total Shares
1.	Stock Holding Corporation of India Limited	-	4,32,50,000*	4,32,50,000*	100	5,57,50,000*	-	5,57,50,000*	100	28.9

***Out of the above, six shares are held by individuals as nominees of Stock Holding Corporation of India Ltd (Holding Company) in dematerialized form.**

(iii) Change in Promoters' Shareholding (Please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	**4,32,50,000***	100	**4,32,50,000***	100
2.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	1,25,00,000 (Allotment of Shares)		1,25,00,000	
3.	At the End of the Year	**5,57,50,000***	100	**5,57,50,000***	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	**100% shares are held by Promoter i.e. Stock Holding Corporation of India Ltd Hence, not applicable**			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the Year				

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the Directors and Key Managerial Personnel (KMP)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
DIRECTORS					
1.	Shri Ramesh NGS – Non – Executive Chairman	-	-	-	-
2.	Shri R. H. Mewawala – Executive Vice Chairman	1 (as nominee of Stock Holding Corporation of India Ltd)	0	1 (as nominee of Stock Holding Corporation of India Ltd)	0
3.	Shri Venkatraman Iyer - Independent Director	-	-	-	-

Sr. No.	Name of the Directors and Key Managerial Personnel (KMP)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4.	Shri Sanjay Sharma - Independent Director	-	-	-	-
5.	Shri L. Viswanathan - Director	1 (as nominee of Stock Holding Corporation of India Ltd)	0	1 (as nominee of Stock Holding Corporation of India Ltd)	0
6.	Shri Umesh Punde – Director	-	-	-	-
7.	Shri Jagdish Thakur - Director	1 (as nominee of Stock Holding Corporation of India Ltd)	-	1 (as nominee of Stock Holding Corporation of India Ltd)	0
8.	Ms Meena Pednekar - Director	-	-	-	-
9.	Shri Sanjeev Vivrekar – MD & CEO	-	-	-	-
KEY MANAGERIAL PERSONNEL					
1.	Shri R. H. Mewawala – Executive Vice Chairman	1 (as nominee of Stock Holding Corporation of India Ltd)	0	1 (as nominee of Stock Holding Corporation of India Ltd)	0
2.	Shri Sanjeev Vivrekar – MD & CEO	-	-	-	-
3.	Ms. Jyoti Katira – Chief Financial Officer	-	-	-	-
4.	Ms. Jajvalya Raghavan – Company Secretary	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment (₹ in lakhs)

	Secured Loans* excluding deposits	Unsecured Loans**	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1439.44	1479.01	-	2918.45
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	74.49	-	-	74.49
Total (i+ii+iii)	1513.93	1479.01	-	2992.94
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	500	-	500
Net Change	-	500	-	500
Indebtedness at the end of the financial year				
i) Principal Amount	1455.29	994.92	-	2450.21
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	79.25	-	-	79.25
Total (i+ii+iii)	1534.54	994.92	-	2529.46

* 1,50,000 Secured, Fully paid-up, Redeemable, Non Convertible Debentures of ₹ 1000/- each from Stock Holding Corporation of India Limited (Holding Company).

**Inter Corporate Deposit from Stock Holding Corporation of India (Holding Company). Not a deposit within the meaning of Section 74 of Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sr. No	Particulars of Remuneration	Name of the Whole Time Director
		Shri R.H.Mewawala
1	Gross Salary (excluding Commission) a) Salary as per provisions contained in Section 17 (1) of the Income tax Act,1961	55,69,692
	(b) Value of perquisites u/s 17 (2) Income tax Act,1961	1,260
	(c) Profits in lieu of salary under section 173(3) Income-tax Act,1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit	-
5	Others –Employer contribution to provident and other funds	5,94,540
	Total	61,65,492
	Ceiling as per the Act calculated as per Section 198 read with Schedule V of the Companies Act, 2013	1,68,00,000

(Amount in ₹)

Sr. No	Particulars of Remuneration	Name of the Managing Director
		Shri Sanjeev Vivrekar
1	Gross Salary (excluding Commission) a) Salary as per provisions contained in Section 17 (1) of the Income tax Act,1961	39,53,799
	(b) Value of perquisites u/s 17 (2) Income tax Act,1961	40,680
	(c) Profits in lieu of salary under section 173(3) Income-tax Act,1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit	-
5	Others –Employer contribution to provident and other funds	3,99,842.00
	Total	43,94,321
	Ceiling as per the Act calculated as per Section 198 read with Schedule V of the Companies Act, 2013	1,68,00,000

B. Remuneration to other directors: (other than Managing Director & Whole Time Director)

1.	Particulars of Remuneration	Fee for attending Board meetings	Fee for attending Committee meetings	Commission	Others, please specify	Total Amount
	Independent Directors					
	Shri Venkatraman Iyer	4,00,000	4,40,000	-	-	8,40,000
	Shri Sanjay Sharma	4,00,000	4,80,000	-	-	8,80,000
	Total (1)	**8,00,000**	**9,20,000**	**-**	**-**	**17,20,000**

2.	Other Non-Executive Directors					
	Shri Ramesh NGS#	4,00,000	-	-	-	4,00,000
	Shri L. Viswanathan#	3,50,000	-	-	-	3,50,000
	Shri Umesh Punde#	4,00,000	2,80,000	-	-	6,80,000
	Shri Jagdish Thakur#	4,00,000	5,20,000	-	-	9,20,000
	Ms. Meena Pednekar#	4,00,000	1,60,000	-	-	5,60,000
	Total (2)	**19,50,000**	**9,60,000**	**-**	**-**	**29,10,000**
	Total (B)=(1+2)	**27,50,000**	**18,80,000**	**-**	**-**	**46,30,000**

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

C. Remuneration to Key Managerial Personnel (other than MD/Manager/WTD)

(Amount in ₹)

Sr. No	Particulars of Remuneration	Ms. Jajvalya Raghavan, Company Secretary	Ms. Jyoti Katira, Chief Financial Officer	Total
1	Gross Salary (excluding Commission) a) Salary as per provisions contained in Section 17 (1) of the Income tax Act,1961	9,85,399	22,08,102	31,93,501
	(b) Value of perquisites u/s 17 (2) Income tax Act,1961	8,859	19,587	28,446
	(c) Profits in lieu of salary under section 173(3) Income-tax Act,1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as% of profit	-	-	-
5	Others – Employer contribution to provident and other funds	59,483	3,20,083	3,79,566
Total		**10,53,741**	**25,47,772**	**36,01,513**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

No penalties/punishment/compounding of offences were levied under the Companies Act, 2013.

"ANNEXURE 5"

REPORT ON CORPORATE GOVERNANCE

(forming part of Directors' Report for the year ended March 31, 2019)

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 consists of nine members, including two Independent Directors.

Shri R. H. Mewawala was appointed as Executive Vice Chairman w.e.f. April 1, 2018. The day-to-day management is being looked after by the Managing Director and CEO.

Shri Umesh Punde and Ms. Meena Pednekar, Directors submitted their resignation from the Directorship of the Company w.e.f. July 13, 2019 & July 18, 2019 respectively.

Shri. Shreekant Patwardhan and Ms. Anita Dembla, Directors have been appointed as Non-Executive Directors w.e.f. July 24, 2019.

Details of the Board Meeting and Attendance

The Board of Directors meets at least once in every quarter. Eight meetings were held during the FY 2018 -19. Details of Board Meetings held are as follows:

Sr. No	Date of the Board Meeting	Board Strength	No. of Directors present
1	April 26, 2018	9	9
2	July 7, 2018	9	9
3	July 16, 2018	9	9
4	August 28, 2018	9	9
5	October 17, 2018	9	9
6	October 24, 2018	9	9
7	January 30, 2019	9	8
8	March 15, 2019	9	9

Attendance of Directors during FY 2018 -19 at each of the above meetings is as follows:

Sr. No.	Name of the Director	Attendance at the Board Meetings held on							
		26-Apr-18	7-Jul-18	16-Jul-18	28-Aug-18	17-Oct-18	24-Oct-18	30-Jan-19	15-Mar-19
1.	Shri Ramesh NGS	√	√	√	√	√	√	√	√
2.	Shri R. H. Mewawala	√	√	√	√	√	√	√	√
3.	Shri Venkatraman Iyer	√	√	√	√	√	√	√	√
4.	Shri Sanjay Sharma	√	√	√	√	√	√	√	√
5.	Shri L. Viswanathan	√	√	√	√	√	√	LoA	√
6.	Shri Umesh Punde	√	√	√	√	√	√	√	√
7.	Shri Jagdish Thakur	√	√	√	√	√	√	√	√
8.	Ms. Meena Pednekar	√	√	√	√	√	√	√	√
9.	Shri Sanjeev Vivrekar	√	√	√	√	√	√	√	√

LoA = Leave of absence, √ = attended

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

Name of the Director	Name of institution	Designation
Shri Ramesh NGS	Stock Holding Corporation of India Limited	MD & CEO
	SHCIL Services Limited	Non-Executive Chairman
	StockHolding Securities IFSC Ltd.	Non-Executive Chairman
	Wonder Home Finance Limited	Additional Director (Independent)
Shri Venkatraman Iyer	Pahal Financial Services Pvt. Ltd	Director
	Anakage Technologies Pvt Ltd	Nominee Director
	Tranquility Advisory LLP	Designated Partner
Shri Sanjay Sharma	-	-
Shri R. H. Mewawala	-	-
Shri L. Viswanathan	-	-
Shri Umesh Punde	-	-
Shri Jagdish Thakur	-	-
Ms. Meena Pednekar	-	-
Shri Sanjeev Vivrekar	-	-

Details of Audit Committee Meetings and Attendance

The Audit Committee met 5 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				
			26-Apr-18	16-Jul-18	17-Oct-18	24-Oct-18	30-Jan-19
1	Shri Venkatraman Iyer	Non- Executive/ Independent	√	√	√	√	√
2	Shri Sanjay Sharma	Non- Executive/ Independent	√	√	√	√	√
3	Shri Jagdish Thakur	Non- Executive	√	√	√	√	√

√ = attended.

Details of Nomination and Remuneration Committee Meetings and Attendance

The Nomination and Remuneration Committee met 2 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 & Remuneration Committee Meeting held on	
			26-Apr- 18	24-Oct-18
1	Shri Venkatraman Iyer	Non- Executive/ Independent	√	√
2	Shri Sanjay Sharma	Non- Executive/ Independent	√	√
3	Shri Umesh Punde	Non -Executive	√	√
4	Shri Jagdish Thakur	Non- Executive	√	√

√ = attended.

Details of Risk Management Committee Meetings and Attendance

The Risk Management Committee met 3 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		
			26-Apr- 18	16-Jul-18	30-Jan-19
1	Shri Umesh Punde	Non- Executive	√	√	√
2	Shri Jagdish Thakur	Non- Executive	√	√	√
3	Ms. Meena Pednekar	Non- Executive	√	√	√

√ = attended.

Details of Share Allotment and Transfer Committee Meeting and Attendance

The Share Allotment and Transfer Committee met twice during the year. The details of attendance of the Directors at the Share Allotment and Transfer Committee meeting is as follows:

Sr. No.	Name of the Director	Category	Attendance at the Share allotment and transfer Committee meeting held on	
			26-Nov-18	15-Mar-19
1	Shri Sanjay Sharma	Non- Executive/ Independent	√	√
2	Shri Umesh Punde	Non- Executive	√	√
3	Shri Jagdish Thakur	Non- Executive	√	√

√ = attended

Details of Corporate Social Responsibility Committee Meeting

The Corporate Social Responsibility Committee met once during the year. The details of attendance of the Directors at the Corporate Social Responsibility Committee meeting are as follows:

Sr. No.	Name of the Director	Category	Attendance at the Corporate Social Responsibility Committee meeting held on 24-Oct-18
1	Shri Venkatraman Iyer	Non- Executive / Independent	√
2	Shri Jagdish Thakur	Non- Executive	√
3	Ms. Meena Pednekar	Non- Executive	√

√ = attended.

Committee of Independent Directors

In compliance of Schedule IV (Code for Independent Directors), the Independent Directors met on March 15, 2019.

The Committee comprises of Independent Directors, viz., Shri Venkatraman Iyer and Shri Sanjay Sharma. The detail of attendance during the FY 2018-19 is as follows:

Sr. No.	Name of the Director	Category	Attendance at the Independent Directors Committee meeting held on 15-Mar-19
1	Shri Venkatraman Iyer	Non- Executive / Independent	√
2	Shri Sanjay Sharma	Non- Executive / Independent	√

√ = attended.

Details of Advisory Committee of the Board

The Advisory Committee of the Board met 2 times 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	
			26-Apr- 18	17-Oct-18
1.	Shri Sanjay Sharma	Non- Executive/ Independent	√	√
2.	Shri Venkatraman Iyer	Non- Executive /Independent	√	√
3.	Shri R. H. Mewawala	Executive Vice Chairman	√	√

√ = attended.

General Meetings

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

General Meeting	10th AGM	11th AGM	12th AGM
Year	2015-16	2016-17	2017-18
Venue	SHCIL House, P-51,T.T.C Industrial Area, MIDC, Mahape, Navi Mumbai- 400710	SHCIL House, P-51,T.T.C Industrial Area, MIDC, Mahape, Navi Mumbai- 400710	The Regenza by Tunga, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400703
Date of Meeting	September 16, 2016	September 8, 2017	September 7, 2018

General Meeting	13th EGM	14th EGM
Year	2017-18	2018-19
Venue	301,Centre Point, Dr. B. Ambedkar Road, Parel, Mumbai-400012	301,Centre Point, Dr. B. Ambedkar Road, Parel, Mumbai-400012
Date of Meeting	November 2, 2017	October 24, 2018

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

Meeting no.	Resolution No.	Particulars of Resolution
10th AGM	Not applicable	No special resolution was passed.
11th AGM	7	Reappointment of Shri. Sanjeev Vivrekar (DIN : 02561324) as Managing Director & CEO
12th AGM	6	Appointment of Shri R. H. Mewawala as Executive Vice Chairman (Whole Time Director) (DIN 00201096)
12th EGM	1	Change of the Name of the Company from SHCIL Projects Limited to StockHolding Document Management Services Limited.
13th EGM	1	Infusion of capital by way of issue of 62,50,000 equity shares of ₹ 10/- each at a premium of ₹ 6/- per share aggregating to ₹ 10,00,00,000 (Rupees Ten crores only) to Stock Holding Corporation of India Limited on Private Placement basis.
14th EGM	1	Infusion of capital by way of Issue of 1,25,00,000 equity shares of ₹ 10/- each at a premium of ₹ 6/- per share aggregating to ₹ 20,00,00,000 (Rupees Twenty crores only) to Stock Holding Corporation of India Limited on Private Placement basis in two tranches.

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	Monday, September 9, 2019 at 4:00 p.m. 301, Centrepoint, Dr. Ambedkar Road, Parel, Mumbai - 400012.
b)	Date of Book closure/record date	N.A
c)	Dividend payment date	No dividend is announced and recommended by the Board for FY 2018-19.

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, 2019

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

The Members of
StockHolding Document Management Services Limited

REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying IndAS financial statements of StockHolding Document Management Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as IndAS Financial Statements).

   In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IndAS financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: including the IndAS, of the financial position of the Company as at March 31, 2019 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

2. **Basis for Opinion**

   We conducted our audit in accordance with the Standards on Auditing (SA's) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors Responsibilities for the Audit of the IndAS 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 requirement that are relevant to our audit of the IndAS financial statements under the provisions of the Companies Act, 2013 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.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

3. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (IndAS) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

   In preparing the IndAS 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 are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY

4. Our responsibility is to express an opinion on these IndAS financial statements based on our audit.

5. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

6. We conducted our audit in accordance with the Standards on Auditing (SA's) specified under Section 143 (10) of the Companies Act, 2013 and other applicable authoritative pronouncement issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the IndAS financial statements are free from material misstatement.

7. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the IndAS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the IndAS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the IndAS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the IndAS financial statements.

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

EMPHASIS OF MATTERS

9. Without qualifying our opinion, attention is invited to Note no. 47 of the financial statement, regarding liability to third party due to the fire occurred at Company's premises. Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") as amended, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

11. As required by Section 143 (3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of changes in Equity dealt with by this Report are in agreement with the books of account;

    d) In our opinion, the aforesaid IndAS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

    e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act;

    f) 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".

    g) 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:

        i. The Company does not have any pending litigations which would impact its financial position in its IndAS Financial Statements.

        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 Investor Education and Protection Fund by the Company.

12. As required under section 143(5), we report on the following directions issued under the section as under:

Sr. No.	Directions	Replies
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, No Accounting transactions were processed outside the IT systems.
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.	Not Applicable
3.	Whether funds received / receivable for specific schemes from central / state agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	Not Applicable

For and on behalf of
L. S. NALWAYA & COMPANY
Chartered Accountants
FRN: 115645W

Ashish Nalwaya
Partner
MRN: 110922

Mumbai, April 23, 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Para 10 of Independent Auditors' Report of even date to the members of StockHolding Document Management Services Limited on the IndAS financial statements for the year ended 31st March 2019.

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has physically verified part of the fixed assets after the half year end and no discrepancies were noticed on such verification.

c. The Company does not have any immovable property. Hence Clause 3(i)(c) of the Order is not applicable to the Company for the year under audit.

ii. The nature of the operations/business of the Company does not require it to maintain inventories. Accordingly, the provisions of Clause 3 (ii) of the Order are not applicable to 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 Companies Act, 2013. Accordingly, the provisions of Clause 3 (iii) of the Order are not applicable to the Company.

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

v. The Company has not accepted any deposits during the year and hence the directives issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder are not applicable to the Company.

vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013.

vii. a. According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, profession tax, cess and any other applicable statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed statutory dues is outstanding as at March 31, 2019 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 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 and based on the records examined by us, the Company has not defaulted in repayment of dues to financial institutions, banks, Government or dues to debenture holders.

ix. According to the information and explanations given to us and the records of the Company examined by us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Clause 3(ix) of the Order is not applicable.

x. According to the information and explanations given to us by the Management, we report that no fraud by the Company or on the Company by the officer or employees has been noticed or reported during the year.

xi. In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company and hence Clause 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us, all transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and details have been disclosed in the IndAS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us, the Company has made private placement of equity shares during the year under review. The Company has complied with the requirement of Section 42 of the Companies Act, 2013 and the amount raised from the private placement of equity shares have been used for the purposes for which the funds were raised.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Clause 3(xv) of the Order is, therefore, not applicable to the Company during the year.

xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Clause 3(xvi) of the Order is, therefore, not applicable to the Company.

For and on behalf of
L. S. NALWAYA & COMPANY
Chartered Accountants
FRN: 115645W

Ashish Nalwaya
Partner
MRN: 110922

Mumbai, April 23, 2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

Referred to in para 11 (f) under 'Report on Other Legal and Regulatory Requirements' in of the Independent Auditors' Report of even date to the members of StockHolding Document Management Services Limited on the financial statements for the year ended 31st March 2019

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

We have audited the internal financial controls over financial reporting of StockHolding Document Management Services Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the special purpose financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
L. S. NALWAYA & COMPANY
Chartered Accountants
FRN: 115645W

Ashish Nalwaya
Partner
MRN: 110922

Mumbai, April 23, 2019

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 2019.

The preparation of financial statements of StockHolding Document Management Services Limited for the year ended 31 March 2019 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 23rd April 2019.

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 2019 under section 143(6)(a) of the Act.

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

(Tanuja Mittal)
Principal Director of Commercial Audit and
Ex-officio Member, Audit Board-I, Mumbai

Place: Mumbai
Date: 23.07.2019

BALANCE SHEET AS AT MARCH 31, 2019

(₹ in lakhs)

Particulars			Note	As at Mar 31, 2019	As at Mar 31, 2018
I. ASSETS					
Non-current assets					
(a)	Property, Plant and Equipment		3	**4,989.18**	4,248.57
(b)	Capital work-in-progress			**-**	0.94
(c)	Investment Property			**-**	-
(d)	Goodwill			**-**	-
(e)	Other intangible assets		3	**22.94**	45.97
(f)	Intangible assets under development			**5.90**	-
(g)	Biological Assets other than bearer plants			**-**	-
(h)	Financial Assets				-
	(i)	Investments		**-**	-
	(ii)	Trade receivables		**-**	-
	(iii)	Loans		**-**	-
	(iv)	Others			
		- Security deposits	4	**408.41**	338.99
		- Margin money deposits with banks	5	**244.61**	198.40
(i)	Deferred tax assets (net)			**-**	-
(j)	Non current tax assets (net)		6	**361.33**	194.96
(k)	Other non-current assets		7	**683.89**	634.62
				6,716.26	5,662.45
Current assets					
(a)	Inventories			**-**	-
(b)	Financial Assets				
	(i)	Investments		**-**	-
	(ii)	Trade receivables	8	**5,204.34**	4,849.64
	(iii)	Cash and cash equivalents	9	**1218.32**	912.98
	(iv)	Bank balances other than (iii) above	10	**8.27**	7.74
	(v)	Loans		**-**	-
	(vi)	Others			
		- Security deposits	11	**41.28**	16.03
		- Interest accrued	12	**2.02**	0.30
(c)	Current tax assets (net)			**-**	-
(d)	Other current assets		13	**996.21**	1,646.08
				7,470.44	7,432.77
	TOTAL ASSETS			**14,186.70**	**13,095.22**
II. EQUITY AND LIABILITIES					
Equity					
(a)	Equity Share capital		14	**5,575.00**	4,325.00
(b)	Other Equity		15	**2,686.86**	2,715.19
				8,261.86	7,040.19
Liabilities					
Non-current liabilities					
(a)	Financial Liabilities				
	(i)	Borrowings	16	**2,029.46**	2,492.94
	(ii)	Trade payables		**-**	-
	(iii)	Other financial liabilities		**-**	-
(b)	Provisions		17	**29.94**	21.02
(c)	Deferred tax liabilities (Net)		18	**6.25**	237.81
				2,065.65	2,751.77
Current liabilities					
(a)	Financial Liabilities				
	(i)	Borrowings	19	**1424.32**	908.55
	(ii)	Trade payables	20		
	(a)	Total outstanding dues of micro enterprises and small enterprises		**83.65**	72.59
	(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises		**1214.65**	934.20
	(iii)	Other financial liabilities	21	**1,044.14**	1,208.76
(b)	Other current liabilities		22	**57.23**	151.44
(c)	Provisions		23	**35.20**	27.72
(d)	Current Tax Liabilities (Net)		24	**-**	-
				3,859.19	3,303.26
	TOTAL EQUITY AND LIABILITIES			**14,186.70**	**13,095.22**

Accompanying notes are an integral part of the financial statements.
As per our report of even date
For L S Nalwaya & Co
Chartered Accountants
Firm Registration no: 115645W

For and on behalf of the Board

Ashish Nalwaya
Partner
Membership No: 110922

Jajvalya Raghavan
Company Secretary

Sanjeev Vivrekar
MD & CEO

Venkatraman Iyer
Sanjay Sharma
Jagdish Thakur
Directors

Place: Mumbai
Date : April 23, 2019

Jyoti Katira
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

Particulars		Note	Year ended Mar 31, 2019	Year ended Mar 31, 2018
I.	Revenue from operations	25	**5,065.73**	5,912.83
II.	Other income	26	**112.45**	121.19
III.	**Total Income (I + II)**		**5,178.18**	6,034.02
IV.	Expenses:			
	Cost of software licenses sold		**-**	188.84
	Employee benefits expense	27	**1,304.34**	1,175.41
	Finance costs	28	**431.61**	365.35
	Depreciation and amortization expense	3	**601.80**	592.34
	Other expenses	29	**3,615.35**	3,242.06
	Total expenses (IV)		**5,953.10**	5,564.00
V.	Profit/ (loss) before exceptional items and tax (III-IV)		**(774.92)**	470.02
VI.	Exceptional items	31	**(166.10)**	(167.74)
VII.	Profit/ (loss) before tax (V - VI)		**(941.02)**	302.28
VIII.	Tax Expense:			
	(1) Current Tax			
	- Current period		**-**	113.00
	- Pertaining to previous period		**(16.80)**	(7.54)
	(2) Deferred Tax		**(230.93)**	(47.53)
			(247.73)	57.93
IX.	Profit/ (loss) for the period from continuing operations (VII-VIII)		**(693.29)**	244.35
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)		**(693.29)**	244.35
XIV	Other Comprehensive Income	30		
	A (i) Items that will not be reclassified to profit or loss		**(2.25)**	(2.67)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**0.63**	0.78
	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)**		**(694.91)**	242.46
XVI	Earnings per equity share (for continuing operation)	33		
	(1) Basic		**(1.53)**	0.62
	(2) Diluted		**(1.53)**	0.62
XVII	Earnings per equity share (for discontinued operation)			
	(1) Basic		**-**	-
	(2) Diluted		**-**	-
XVIII	Earnings per equity share(for discontinued & continuing operations)	33		
	(1) Basic		**(1.53)**	0.62
	(2) Diluted		(1.53)	0.62

Accompanying notes are an integral part of the financial statements.
As per our report of even date
For L S Nalwaya & Co
Chartered Accountants
Firm Registration no: 115645W

For and on behalf of the Board

Ashish Nalwaya
Partner
Membership No: 110922

Jajvalya Raghavan
Company Secretary

Sanjeev Vivrekar
MD & CEO

Venkatraman Iyer
Sanjay Sharma
Jagdish Thakur
Directors

Place: Mumbai
Date : April 23, 2019

Jyoti Katira
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2019

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

Period ended	Balances at the beginning of the reporting period	Changes in equity share capital during the period	Balance at the end of the reporting period
March 31, 2018	3,700.00	625.00	4,325.00
March 31, 2019	4,325.00	1,250.00	5,575.00

B. OTHER EQUITY

(₹ in lakhs)

Particulars	Equity component of borrowings from holding company	Securities premium	Retained earnings	Total
Opening Balance as on April 01, 2018	**159.54**	**375.00**	**2,180.65**	**2,715.19**
Amount received on preferential issue of equity shares	-	750.00	-	750.00
Profit for the year ended March 31, 2019	-	-	(693.29)	(693.29)
Actuarial gain/(loss) on defined employee benefit plan	-	-	(1.62)	(1.62)
Dividend paid	-	-	(69.20)	(69.20)
Tax on distributed profits	-	-	(14.22)	(14.22)
Closing Balance as on March 31, 2019	**159.54**	**1,125.00**	**1,402.32**	**2,686.86**

As per our report of even date
For L S Nalwaya & Co
Chartered Accountants
Firm Registration no: 115645W

For and on behalf of the Board

Ashish Nalwaya
Partner
Membership No: 110922

Jajvalya Raghavan
Company Secretary

Sanjeev Vivrekar
MD & CEO

Venkatraman Iyer
Sanjay Sharma
Jagdish Thakur
Directors

Place: Mumbai
Date : April 23, 2019

Jyoti Katira
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹in lakhs)

	Year ended Mar 31, 2019	Year ended Mar 31, 2018
Cash flows from operating activities :		
Profit/(Loss) before tax	**(941.02)**	302.28
Adjusted for:		
Depreciation/amortisation	**601.80**	592.34
Provision for doubtful debts expense	**-**	43.76
Provision for expense written back	**(49.04)**	(54.49)
Provision for doubtful debts written back	**(53.18)**	(12.25)
Bad debts written off	**218.56**	122.60
Fixed assets written off	**249.25**	-
Deposits written off	**-**	-
Share issue/increase in authorised capital expenses	**1.25**	10.50
Interest/Dividend income	**(44.18)**	(52.42)
Interest on Inter-Corporate Deposit/ Non convertible debentures/Cash credit facility/ancillary borrowing costs	**431.61**	365.36
Actuarial gains/(losses) on employee benefits	**(2.25)**	(2.67)
	1,353.82	1,012.73
Operating Profit / (loss) before working capital changes	**412.80**	1,315.01
Changes in working capital		
(Increase)/ Decrease in Trade Receivables, Long term & Short term Loans & Advances and Other Current Assets	**(429.88)**	(184.08)
Increase / (Decrease) in Trade Payables, Other Liabilities & Provisions	**567.54**	(260.06)
	137.66	(444.14)
Cash generated from operations	**550.46**	870.87
Taxes paid (including taxes deducted at source)	**(149.57)**	(399.83)
Net cash generated from / (used in) operating activities	**400.89**	471.04
Cash flows from investing activities :		
Purchase of fixed assets including capital work in progress & capital advances	**(1,627.28)**	(784.63)
(Purchase)/sale of current investments (Net)	**-**	-
Redemption of fixed deposits	**4,277.35**	899.67
Investment in fixed deposits	**(4,324.09)**	(916.54)
Interest/dividend received	**42.46**	52.48
Net cash generated from / (used in) investing activities	**(1,631.56)**	(749.02)
Cash flows from financing activities :		
Proceeds from issue of capital	**2,000.00**	1,000.00
Share issue/increase in authorised capital expenses	**(1.25)**	(10.50)
Inter-corporate deposit from related party	**(500.00)**	-
9.5% non convertible debentures	**-**	-
Cash credit facility	**(43.59)**	441.89
Bank overdraft facility	**559.36**	337.00
Interest on inter-corporate deposit/ non convertible debentures	**(395.09)**	(339.25)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹in lakhs)

	Year ended Mar 31, 2019	Year ended Mar 31, 2018
Dividend paid	**(69.20)**	(248.82)
Tax on distributed profits	**(14.22)**	(50.65)
Net cash from financing activities	**1,536.01**	1,129.67
Net (decrease) / increase in cash and cash equivalents	**305.34**	851.68
Cash and cash equivalents, beginning of the period	**912.98**	61.30
Cash and cash equivalents, end of the period	**1,218.32**	912.98
Note: Cash and cash equivalents include the following :		
Cash balance	**-**	-
Balance with banks:		
- in current accounts	**268.32**	96.70
- in deposit accounts	**950.00**	816.28
- cheques on hand	**-**	-
	1,218.32	912.98

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

As per our report of even date
For L S Nalwaya & Co
Chartered Accountants
Firm Registration no: 115645W

For and on behalf of the Board

Ashish Nalwaya
Partner
Membership No: 110922

Jajvalya Raghavan
Company Secretary

Sanjeev Vivrekar
MD & CEO

Venkatraman Iyer
Sanjay Sharma
Jagdish Thakur
Directors

Place: Mumbai
Date : April 23, 2019

Jyoti Katira
Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Foot Note:

Net Debt Reconciliation

(₹in lakhs)

	Year ended Mar 31, 2019	Year ended Mar 31, 2018
Cash and cash equivalents	**1,218.32**	912.98
Liquid investments	**-**	-
Current borrowings	**(1,424.32)**	(908.55)
Non-current borrowings	**(2,529.46)**	(2,992.94)
Net (debt)/ Cash & Cash Equivalents	**(2,735.46)**	(2,988.51)

	Other Assets		Liabilities from financing activities		Total
	Cash and bank overdraft	Liquid Investments	Non-current borrowings	Current borrowings	
Net (debt)/ Cash & Cash Equivalents as at 1 April 2017	61.30	-	2,966.84	129.66	(3,035.20)
Cash Flows	851.68	-	-	778.89	72.79
Interest expense	-	-	312.35	45.26	(357.61)
Interest paid	-	-	(286.25)	(40.22)	326.47
Interest accrued	-	-	-	(5.04)	5.04
Other non-cash movements	-	-	-	-	-
-Acquisitions/disposals	-	-	-	-	-
-Fair value adjustments	-	-	-	-	-
(Net debt)/ Cash & Cash Equivalents as at 31 March 2018	**912.98**	**-**	**2,992.94**	**908.55**	**(2,988.51)**
Cash Flows	305.34	-	(500.00)	515.77	289.57
Interest expense	-	-	272.05	152.75	(424.80)
Interest paid	-	-	(235.53)	(150.17)	385.70
Interest accrued	-	-	-	(2.58)	2.58
Other non-cash movements	-	-	-	-	-
-Acquisitions/disposals	-	-	-	-	-
-Fair value adjustments	-	-	-	-	-
(Net debt)/ Cash & Cash Equivalents as at 31 March 2019	**1,218.32**	**-**	**2,529.46**	**1,424.32**	**(2,735.46)**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

1. Background

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

2. Significant Accounting Policies

i) Overall consideration

The financial statements have been prepared using the significant accounting policies and measurement basis summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Indian Accounting Standards (IndAS).

ii) Basis of preparation

These financial statements are prepared in accordance with IndAS under the historical cost convention on the accrual basis except for certain financial instruments and long term employee benefits which are measured at fair values, the provisions of the Companies Act, 2013 (`Act') (to the extent notified). The IndAS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and related amendments till date.

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 rounded to the nearest lakh, except when otherwise indicated.

iii) 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 period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

iv) Applicability of new and revised IndAS:

a) New standards notified and adopted by the Company

IndAS 115 – Revenue from contracts with customers:

MCA on 29 March 2018 notified the new standard for revenue recognition (effective from 1 April 2018) which overhauls the existing revenue recognition standards including IndAS 18 – Revenue and IndAS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

i. Identification of the contracts with the customer

ii. Identification of the performance obligations in the contract

iii. Determination of the transaction price

iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)

v. Recognition of revenue when the Company satisfies a performance obligation.

The management has assessed the impact of this new standard on the Company's financial information to be not material.

b) New standards notified and yet to be adopted by the Company

1. IndAS 116 – Leases:

   IndAS 116 replaces existing standard IndAS 17 "Leases". The standard is effective for annual periods beginning on or after April 1, 2019.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

IndAS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low value items.

Lessor accounting remains similar to the current standard.

The Company is assessing the impact on its financial statements from adopting IndAS 116 and plans to adopt the standard as at April 1, 2019.

2. Other Amendments:

A number of other accounting standards have been modified on miscellaneous issues with effect from 1st April 2019. Such changes include clarification/ guidance on:

(i) business combination accounting in case of obtaining control of a joint operation;

(ii) accounting in case of obtaining joint control of an operation wherein there was no joint control earlier;

(iii) income tax consequences in case of dividends;

(iv) accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities;

(v) accounting treatment for specific borrowings post capitalization of corresponding qualifying asset;

(vi) accounting for prepayment features with negative compensation in case of debt instruments;

(vii) accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans;

(viii) accounting for long-term interests in associates and joint ventures to which the equity method is not applied but that in substance form part of the net investment in the associate or joint venture (long-term interests).

None of these amendments are expected to have any material effect on the Company's financial statements.

v) Current / non-current classification

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

vi) Revenue

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

i. Identification of the contracts with the customer

ii. Identification of the performance obligations in the contract

iii. Determination of the transaction price.

iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)

v. Recognition of revenue when the Company satisfies a performance obligation.

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

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

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

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

Income from software services is recognized over the contract period.

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

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

vii) Interest and dividends

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

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

viii) Operating expenses

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

ix) Property, plant and equipment

Items of property, plant and equipment (PP&E) are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenses related to acquisition and installation of the concerned asset and excludes any tax for which input credit is taken. Subsequent expenditure related to an item of PP&E is added to its book value only if the increase in future benefits from the existing asset is beyond its previously assessed standard of performance.

Depreciation on PP&E is charged under the 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

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

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

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

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

x) Intangible assets

(a) Initial recognition of other intangible assets

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

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

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

(b) Subsequent measurement

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

Asset	Useful life
Software	3 years

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

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

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

xi) Leased assets

<u>Company as a lessee</u>

Finance leases

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Operating leases

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

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

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognized in the statement of profit and loss when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the assets net of selling price or value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on appropriate discount rate. If at the balance sheet date there is any indication that a previously assessed impaired loss no longer exists then such loss is reversed and the asset is restated to that extent

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

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

xiii) Financial instruments

Recognition, initial measurement and derecognition

Initial recognition and measurement

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

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are adjusted to the fair value on initial recognition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sells the asset.

Subsequent measurement

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

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

Debt instruments at amortised cost

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

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVOCI

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

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

Equity investments

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

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

Derecognition

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

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

Impairment of financial assets

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

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

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

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

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

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

xiv) Financial liabilities

Initial recognition and measurement

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Subsequent measurement

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.

xv) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

(a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

(c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

xvi) Segment reporting

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

The Company has three operating segments: physical 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.

xvii) Income taxes

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

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

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

xviii) Cash and cash equivalents

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

xix) Equity, reserves and dividend payments

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

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

Retained earnings includes all current and prior period retained profits.

xx) Post-employment benefits and short-term employee benefits

Post-employment benefit plans

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

Defined contribution plans

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

Defined benefit plans

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

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

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

Long/Short-term employee benefits

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

xxi) Provisions

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

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

xxii) Borrowing costs

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

xxiii) Contingent liabilities and Contingent assets

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

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

xxiv) Earnings per share

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

xxv) Insurance claims

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

xxvi) Significant accounting judgements, estimates and assumptions

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

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

Useful lives of depreciable assets

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

Impairment of non-financial assets

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

Defined benefit obligation (DBO)

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

xxvii) Financial risk management

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

3 Property, Plant and Equipment (₹ In lakhs)

Particulars	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at April 1, 2018	Additions	Deductions	As at Mar 31, 2019	As at April 1, 2018	For the year ended	Deductions	As at Mar 31, 2019	As at Mar 31, 2019	As at Mar 31, 2018
Tangible assets										
Computers - Hardware (Servers, networks etc)	520.43	28.95	5.66	**543.72**	279.00	111.63	4.10	**386.53**	**157.19**	241.43
Computer end user devises	201.44	62.55	57.70	**206.29**	135.36	50.83	55.91	**130.28**	**76.01**	66.08
Motor vehicles	9.39	6.22	-	**15.61**	9.39	1.56	-	**10.95**	**4.66**	-
Furniture & fixtures	113.83	5.41	37.77	**81.47**	63.96	15.06	25.85	**53.17**	**28.30**	49.87
Leasehold Improvements	161.58	159.26	57.80	**263.04**	39.94	26.99	11.14	**55.79**	**207.25**	121.64
Office equipments - Mobiles	1.34	2.10	-	**3.44**	0.56	1.08	-	**1.64**	**1.80**	0.78
Office equipments - Others	35.95	5.80	-	**41.75**	20.66	9.98	-	**30.64**	**11.11**	15.29
P&M - Electricals	200.34	9.78	52.84	**157.28**	55.01	17.75	24.50	**48.26**	**109.02**	145.33
P&M - Others	4383.59	1285.58	230.83	**5,438.34**	775.44	340.91	71.85	**1044.50**	**4393.84**	3608.15
Total	5627.89	1565.65	442.60	**6750.94**	1379.32	575.79	193.35	**1761.76**	**4989.18**	4248.57
Intangible assets										
Software	205.39	2.98	-	**208.37**	159.42	26.01	-	**185.43**	**22.94**	45.97
Total	205.39	2.98	-	**208.37**	159.42	26.01	-	**185.43**	**22.94**	45.97
As at 31.03.19	**5833.28**	**1568.63**	**442.60**	**6959.31**	**1538.74**	**601.80**	**193.35**	**1947.19**	**5012.12**	**4294.54**
As at 31.03.18	6001.61	344.64	512.97	**5833.28**	1042.75	592.34	96.35	**1538.74**	**4294.54**	4958.86

* refer note no 47

Note:

1. The gross block as on Mar 31, 2019 includes assets under deemed cost of ₹2666.33 lakhs.
2. Of the total assets of the company, assets of ₹1500 lakhs are hypothecated against issue of non convertible debentures.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Non Current Assets
Financial Assets

(₹ in lakhs)

	Particulars	As at Mar 31, 2019	As at Mar 31, 2018
4	**Security and other deposits (Unsecured and considered good unless otherwise stated)**	**408.41**	338.99
		408.41	338.99
5	**Deposits with banks ***	**244.61**	198.40
		244.61	198.40
	* Placed as lien against bank guarantees		
6	**Non Current Tax Assets**		
	Advance payment of tax and taxes deducted at source (net of provisions)	**361.33**	194.96
		361.33	194.96
7	**Other Non Current Assets**		
	Capital advances	**660.89**	607.20
	Advances other than capital advances	**18.41**	18.41
	Prepaid expenses	**4.49**	8.91
	Receivable from Stockholding Document Management Services Ltd's employees group gratuity scheme	**0.10**	0.10
		683.89	634.62

Current Assets
Financial Assets

8 Trade Receivables *

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Secured	**-**	-
Unsecured		
Considered good	**5249.60**	4948.08
Less : Provision for doubtful debts	**(45.26)**	(98.44)
Credit impaired	**-**	-
Receivables with significant increase in credit risk	**-**	-
	5204.34	4849.64
* - Includes dues from SHCIL (holding company)	**669.25**	427.18
* - Includes dues from SSL (fellow subsidiary)	**5.49**	4.86
* - Includes dues from IFCI (ultimate holding company)	**32.98**	0.13

9	**Cash and Cash equivalents**		
	- Cash on hand	**-**	-
	- Bank balances	**-**	-
	- in current accounts	**268.32**	96.70
	- in deposit accounts	**950.00**	816.28
	- Cheques in hand	**-**	-
		1,218.32	912.98

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Particulars	As at Mar 31, 2019	As at Mar 31, 2018
10	**Other Balances with Banks**		
	- In deposit accounts	**8.27**	7.74
		8.27	7.74
	Other Current Financial Assets		
11	Security and other deposits (unsecured and considered good unless otherwise stated)	**41.28**	16.03
		41.28	16.03
12	**Interest accrued on fixed deposits**	**2.02**	0.30
		2.02	0.30
13	**Other Current Assets**		
	Advances other than capital advances		
	Prepaid expenses	**100.51**	85.64
	Cenvat/GST credit receivable	**197.18**	78.82
	Other advances receivable	**3.48**	9.77
	Insurance claim receivable	**-**	469.42
	Others	**-**	-
	Surplus in gratuity fund	**-**	-
	Accrued income (other than interest accrued on fixed deposits) - Contract asset refer foot note 1 below	**695.04**	1,002.43
		996.21	1,646.08
	foot note 1		
	Changes in contract assets are as follows:		
	Balance at the beginning of the year	**1,002.43**	2,558.18
	Revenue recognised during the year	**525.47**	978.56
	Invoices raised during the year for contract assets at the beginning of the year	**832.86**	2,534.31
	Balance at the end of the year	**695.04**	1,002.43
14	**Equity Share Capital**		
	Authorised		
	600,00,000 (FY 2017-18: 500,00,000) equity shares of ₹ 10 each	**6,000.00**	5,000.00
		6,000.00	5,000.00
	Issued		
	5,57,50,000 (FY 2017-18: 432,50,000) equity shares of ₹ 10 each	**5,575.00**	4,325.00
		5,575.00	4,325.00
	Subscribed & Paid up		
	5,57,50,000 (FY 2017-18: 432,50,000) equity shares of ₹ 10 each, fully paid-up	**5,575.00**	4,325.00
		5,575.00	4,325.00

Terms/rights attached to equity shares:

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Reconciliation of shares outstanding

Particulars	As at Mar 31, 2019 No. of shares	As at Mar 31, 2018 No. of shares
Shares outstanding at the beginning of the period	43,250,000	37,000,000
Add : Shares subscribed during the period	12,500,000	6,250,000
Less : Shares bought back during the period	-	-
Shares outstanding at the end of the period	55,750,000	43,250,000

Percentage of holding:
The entire paid up share capital is held by Stock Holding Corporation of India Ltd. and its nominees.

(₹ in lakhs)

		As at Mar 31, 2019	As at Mar 31, 2018
15	**Other equity**		
	Equity component of borrowings from holding company		
	Opening	159.54	159.54
	Additions	-	-
	Closing	159.54	159.54
	Securities premium		
	Opening balance	375.00	-
	Add: Amount received on preferential issue of equity shares	750.00	375.00
	Closing	1125.00	375.00
	Retained earnings		
	Opening	2180.65	2237.66
	Transferred from current year's profit & loss account	(693.29)	244.35
	Less: Appropriations:		
	Dividend paid	(69.20)	(248.82)
	Tax on distributed profits	(14.22)	(50.65)
	Acturial gain/(loss) on defined employee benefit plan	(1.62)	(1.89)
	Closing	1402.32	2180.65
	Total Other Equity	2686.86	2715.19
	Non Current Liabilities		
16	**Financial Liabilities - Borrowings**		
	Unsecured		
	Inter Corporate Deposit from Related Party [see note (i)]	494.92	979.01
	Secured		
	1,50,000, 9.5% Secured, Redeemable Non Convertible Debentures of ₹1000/- each fully paid up [see note (ii)]	1,534.54	1,513.93
		2,029.46	2,492.94

(i) The Company has taken inter-corporate deposit of ₹ 5 crores @ 9.25% p.a and ₹ 10 crores @ 9.75% from the holding company on April 16, 2013 and April 16, 2014 respectively. The interest is payable on quarterly basis. The loan is repayable at the end of 5th, 6th and 7th year from the date of first draw down with an option for pre-payment in full or parts subject to minimum of ₹ 2 crores per tranche. The scheduled cash flows of the loan have been discounted at 11% pa (market rate of interest) and the difference between the present value of discounted cash flows and the actual loan amount has been recognised as deemed equity.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(ii) All debentures are held by holding company. Debentures are secured by specified assets of the company. Tenure of the debentures is seven years. Interest is payable annually. The company may exercise call option at the beginning of the fourth year to redeem the debentures in full or in part, subject to such call option be exercised in multiples of 10% of the issued amount. Similarly, the debentureholder may exercise put option at the beginning of the fourth year in full or in part, subject to such put option be exercised in multiples of 10% of the issued amount. The charge on specified assets has been created. The scheduled cash flows of the debentures have been discounted at 11% pa (market rate of interest) and the difference between the present value of discounted cash flows and the actual debentures amount has been recognised as deemed equity.

(₹ in lakhs)

	Particulars	As at Mar 31, 2019	As at Mar 31, 2018
17	**Provisions**		
	Provision for employee benefits		
	Gratuity	**-**	-
	Leave encashment	**29.94**	21.02
		29.94	21.02
18	**Deferred Tax Liabilities (Net)**		
	The major components of deferred tax assets and liabilities arising on account of timing differences are as under:		
	Deferred Tax Assets (A)		
	Provision for doubtful debts/advances	**12.59**	28.67
	Employee benefits	**18.12**	14.19
	Stamp duty & ROC form fees	**-**	-
	Unabsorbed tax losses carried forward	**301.82**	-
	Deferred Tax Liabilities (B)		
	Depreciation	**338.78**	280.67
	Net Deferred Tax Liabilities (B-A)	**6.25**	237.81
	Deferred tax as on Mar 31, 2019 has been measured using the effective tax rate of 27.82%.		
	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.		
	Current Liabilities		
19	**Financial Liabilities - Borrowings**		
	Secured		
	Cash credit facility *	**527.96**	571.55
	Overdraft facility **	**896.36**	337.00
		1,424.32	908.55
	* With IDBI Bank secured by an exclusive charge on entire present & future current assets of the company including cash and cash equivalents. ** With IDBI Bank secured against fixed deposit placed by the parent company viz StockHolding.		
20	**Financial Liabilities - Trade Payables**		
	Dues to micro and small enterprises (Refer footnote below)	**83.65**	72.59
	Dues to holding company	**781.16**	437.85
	Dues to other creditors	**433.49**	496.35
		1,298.30	1,006.79
	Footnote:-		
	The disclosures relating to Micro and Small enterprises are as under:		
	a) The principal amount remaining unpaid to supplier as at the end of the accounting period	**83.65**	72.59
	b) The interest due thereon remaining unpaid to supplier as at the end of the accounting period	**-**	-
	c) The amount of interest paid in terms of section 16, along with the amount of payment made to the supplier beyond the appointed day during the period	**-**	-
	d) The amount of interest due and payable for the period	**-**	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Particulars	As at Mar 31, 2019	As at Mar 31, 2018
	e) The amount of interest accrued and remaining unpaid at the end of the accounting period	-	-
	f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
21	**Other Current Financial Liabilities**		
	Current maturities of long term debt	**500.00**	500.00
	Accruals for expenses	**465.10**	672.20
	Accruals for interest on current borrowings	**12.61**	10.03
	Security deposits payable	**2.63**	2.63
	Retention money payable	**16.72**	10.47
	Capital creditors	**40.15**	11.26
	Other liabilities	**6.93**	2.17
		1,044.14	1,208.76
22	**Other Current Liabilities**		
	Advances from clients - Contract liability	**8.14**	3.58
	Statutory liabilities	**49.09**	147.86
		57.23	151.44
23	**Short-term Provisions**		
	Provision for employee benefits		
	Gratuity	**5.38**	1.45
	Leave encashment	**29.82**	26.27
		35.20	27.72
24	**Current Tax Liabilities (Net)**		
	Provision for income tax (net of prepayments)	-	-
		-	-
25	**Revenue from Operations**		
	Income from physical storage services	**2,087.76**	1,991.27
	Income from digitization services	**1,936.49**	2,686.03
	Income from software products/services	**1,041.48**	1,235.53
		5,065.73	5,912.83

IndAS 115 Revenue from Contracts with Customers – Transition impact

The Company has adopted IndAS 115 'Revenue from Contracts with Customers' with effect from April 01, 2018 resulting in a change in the revenue recognition policy of the Company in relation to its contracts with customers (refer to note 2 (iv a) (1) for new accounting policy). IndAS 115 outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue guidance, which is found currently across several standards. It established a new five-step model that will apply to revenue arising from contracts with customers.

The Company has opted for the modified retrospective application permitted by IndAS 115 upon adoption of new standard. Accordingly, the standard has been applied for the year ended March 31, 2019 only (i.e. the initial application period). Modified retrospective application also requires the recognition of cumulative impact of adoption of IndAS 115 on all contracts as at April 01, 2018 ('transition date') in equity and the impact on such transition date is Nil.

Also 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, 2019

(₹ in lakhs)

	Particulars	Year ended Mar 31, 2019	Year ended Mar 31, 2018
26	Other Income		
	Interest (Gross)		
	- On deposits with banks	44.18	34.54
	- On income tax refund	-	17.88
	Provisions written back	54.78	66.74
	Miscellaneous Income	13.49	2.03
		112.45	121.19
27	**Employee Benefits Expense**		
	Salaries, allowances & bonus	827.90	819.21
	Reimbursement of expenses for deputed personnel	215.38	122.09
	Contribution to provident fund and other funds	93.40	87.06
	Staff welfare expenses	167.66	147.05
		1,304.34	1,175.41
28	**Finance Cost**		
	Interest on inter corporate deposits	113.71	155.58
	Interest on 9.5% non convertible debentures	158.34	156.77
	Interest on cash credit/overdraft facility	152.75	45.26
	Interest others	1.43	0.13
	Ancillary borrowing costs	5.38	7.74
		431.61	365.48
29	**Other Expenses**		
	Outsourcing expenses	1,058.64	1,189.27
	Project trainees	242.89	209.06
	Traveling and conveyance	140.12	120.23
	Repairs and maintenance	230.21	153.84
	Electricity charges	53.16	69.80
	Postage, printing & stationery	71.53	81.88
	Marketing expenses	33.71	22.97
	Directors' sitting fees	45.50	26.85
	Telephone and telecommunication	31.50	34.97
	Commission	23.08	25.23
	Rent	660.46	472.21
	Rates and taxes	51.94	20.55
	Legal and professional charges	147.31	98.80
	Recruitment and training expenses	11.04	3.63
	Payment made to statutory auditors		
	- Audit fees	9.50	10.35
	- Tax audit fees	2.40	1.65
	- For others	1.34	1.42
	- For out of pocket expenses	-	0.32
	Insurance	35.42	10.25
	Bank charges	3.24	5.30
	Software expenses	104.21	134.35
	Transportation expenses	142.79	133.52

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Particulars	Year ended Mar 31, 2019	Year ended Mar 31, 2018
	Packing expenses	**9.07**	56.07
	Security expenses	**200.39**	126.63
	Computer hire charges	**5.13**	11.36
	Corporate Social Responsibility expenses	**20.50**	19.50
	Bad debts written off	**218.56**	122.60
	Brokerage on rental premises	**4.00**	2.99
	Bank guarantee invocation charges	**4.22**	-
	Provision for impairment of receivables	**-**	43.76
	Other expenses	**53.49**	32.57
		3,615.35	3,241.93
30	**OCI items not reclassified to profit and loss in subsequent periods:**		
	Remeasurement of net defined benefit liability	**(2.25)**	(2.67)
	Income tax relating to Remeasurement of net defined benefit liability	**0.63**	0.78
		(1.62)	(1.89)
31	**Exceptional items**		
	Income		
	Claim received from insurance	**807.98**	-
	Income from sale of salvage	**40.63**	-
		848.61	-
	Expense		
	Debris removal and incidental expenses on account of fire	**239.23**	167.74
	Recreation cost of documents damaged due to fire	**92.68**	-
	Loss on assets damaged due to fire	**682.80**	-
		1014.71	167.74
	Net exceptional item	**(166.10)**	(167.74)

(₹ in lakhs)

	Particulars	As at Mar 31, 2019	As at Mar 31, 2018
32	**Contingent Liabilities and commitments**		
	Contingent liabilities:		
	a) Claims against the company not acknowledged as debt (refer note 47 b)	**-**	-
	b) Performance Bank guarantees	**442.12**	300.44
	Commitments:		
	a) Estimated amount of contract to be executed on capital account (net of advances) and not provided for	**2,139.72**	1,959.32
		2,581.84	2,259.76
	Note: Excludes taxes/freight which may be payable		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Particulars	As at Mar 31, 2019	As at Mar 31, 2018
33	**Earning per Share**		
	Number of shares at the beginning of the year	**432.50**	370.00
	Number of shares at the end of the year	**557.50**	432.50
	Weighted average number of shares outstanding during the year	**452.53**	393.46
	Net Profit/(Loss) for the year	**(693.29)**	244.35
	Net Profit/(Loss) available for equity shareholders	**(693.29)**	244.35
	Basic & Diluted Earning per share (in ₹)	**(1.53)**	0.62
34	**Operating Leases**		
	1. Future Minimum Lease Payments under non-cancellable operating lease for the period		
	(a) Not later than one year	**367.36**	100.42
	(b) Later than one year but not later than 5 years	**689.67**	200.32
	(c) More than 5 years	**22.82**	44.10
	2. Lease payments charged to Profit and Loss Account	**660.46**	472.21

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.

35 Related Parties

a. List of Related Parties

Ultimate Holding Company	IFCI Ltd
Holding Company	Stock Holding Corporation of India Ltd
Fellow Subsidiary (with whom transactions have taken place during the period)	SHCIL Services Ltd
Key Management Personnel	Ramesh NGS - Non Executive Chairman
	R. H. Mewawala - Executive Vice Chairman
	Venkatraman Iyer - Independent Director
	Sanjay Sharma - Independent Director
	L. Viswanathan - Director
	Umesh Punde - Director
	Jagdish Thakur - Director
	Meena Pednekar - Director
	Sanjeev Vivrekar - MD & CEO
	Jyoti Katira - CFO
	Jajvalya Raghavan - CS
Trust wherein the Company has control	StockHolding Document Management Services Ltd. Employees Group Gratuity Assurance Scheme

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

b. **Transactions (including accruals) with related parties for the year ended March 31, 2019.**

(₹in lakhs)

Particulars	For the year ended March 31, 2019						For the year ended March 31, 2018					
	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
Reimbursement of Office Expenses	-	51.60	-	-	-	51.60	-	99.87	-	-	-	99.87
Rent	-	93.26	-	-	-	93.26	-	147.64	-	-	-	147.64
Managerial Remuneration	-	-	-	141.61	-	141.61	-	-	-	73.12	-	73.12
Subscription to Share Capital	-	-	-	-	-	-	-	-	-	-	-	-
Commission	-	23.03	-	-	-	23.03	-	22.98	-	-	-	22.98
Sitting Fees Paid	-	-	-	45.50	-	45.50	-	-	-	26.80	-	26.80
Inter Corporate Deposits (ICDs)	-	-	-	-	-	-	-	-	-	-	-	-
9.5% non convertible debentures (NCDs)	-	-	-	-	-	-	-	-	-	-	-	-
Interest on ICDs/ NCDs	-	272.05	-	-	-	272.05	-	312.35	-	-	-	312.35
Reimbursement of deputed employees salary & gratuity and other funds	-	215.41	-	-	-	215.41	-	120.28	-	-	-	120.28
Income - Physical Storage, Digitisation, Software sales & related software services	113.03	337.79	57.26	-	-	508.08	50.01	807.60	71.15	-	-	928.76
Contributions	-	-	-	-	6.60	6.60	-	-	-	-	11.98	11.98

* Excluding taxes

c. **Outstanding balances as at March 31, 2019.**

(₹in lakhs)

Particulars	As at March 31, 2019						As at March 31, 2018					
	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
Trade and other receivables	32.98	669.25	5.49	-	-	707.73	0.13	427.18	4.86	-	-	432.17
Dues payable	-	781.16	-	-	-	781.16	-	437.85	-	-	-	437.85
Inter corporate deposits (ICDs)	-	994.92	-	-	-	994.92	-	1479.01	-	-	-	1479.01
9.5% non convertible debentures (NCDs)	-	1534.54	-	-	-	1534.54	-	1513.93	-	-	-	1513.93

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Particulars	Year ended Mar 31, 2019	Year ended Mar 31, 2018
36	Payment of managerial remuneration		
	(a) To Executive Vice Chairman and MD & CEO		
	Short-term employee benefits	**95.63**	35.15
	Post-employment gratuity and medical benefits	**5.25**	1.66
	Termination benefits	**4.71**	1.55
	(b) To Other Managerial Personnel		
	Short-term employee benefits	**32.12**	32.81
	Post-employment gratuity and medical benefits	**1.95**	1.95
	Termination benefits	**1.94**	-
		141.61	73.12

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

37 Disclosure pursuant to IndAS accounting standard – 19 'Employee Benefits'

a) Defined Contribution plans

Contribution to provident fund ₹ 57.60 Lakhs (Previous period: ₹ 52.11 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 Mar 31, 2019	Year ended Mar 31, 2018
I. Actuarial assumptions :		
Discount Rate	**7.78%**	7.87%
Rate of Return on Plan Assets *	**7.78%**	7.87%
Future Salary Rise**	**5.00%**	5.00%
Attrition Rate Current Year	**2.00%**	2.00%
* 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.		

(₹ in lakhs)

Particulars	Year ended Mar 31, 2019	Year ended Mar 31, 2018
II. Change in Benefit Obligation:		
Liability at the beginning of the year	**36.38**	26.11
Interest cost	**2.86**	2.01
Current service cost	**8.17**	6.85
(Benefit paid from the Fund)	**(0.23)**	(0.86)
Acturial (gains)/losses on obligations - Due to Change in Financial Assumptions	**0.62**	(0.88)
Acturial (gains)/losses on obligations - Due to Experience	**0.08**	3.15
Liability at the end of the year	**47.88**	36.38
III. Fair Value of Plan Assets:		
Fair value of plan assets at the beginning of the year	**34.93**	23.23
Expected Return on plan assets	**2.75**	1.79
Contributions	**6.60**	11.17
(Benefit paid from the Fund)	**(0.23)**	(0.86)
Acturial gains/(losses) on plan assets	**(1.55)**	(0.40)
Fair value of plan assets at the end of the year	**42.50**	34.93

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

37 Disclosure pursuant to IndAS accounting standard – 19 'Employee Benefits' (Contined)

(₹ in lakhs)

Particulars	Year ended Mar 31, 2019	Year ended Mar 31, 2018
IV. Total Actuarial (Gain) / Loss to be recognized in Other Comprehensive Income (OCI)	**2.25**	2.67
V. Actual Return on Plan Assets	**7.57**	11.71
VI. Amount Recognised in the Balance Sheet :		
Fair value of plan assets at the end of the year	**42.50**	34.93
Liability at the end of the year	**(47.88)**	(36.38)
Funded Status	**(5.38)**	(1.45)
Unrecognized past service cost	**-**	-
Unrecognized Transition Liability	**-**	-
Net (liability)/Asset recognized in the Balance Sheet	**(5.38)**	(1.45)
VII. 100% of the Plan assets has been invested in Insurer Managed Funds		
VIII. Expenses Recognised in the statement of profit or loss		
Current service cost	**8.17**	6.85
Net interest cost	**0.11**	0.22
Expense recognised	**8.28**	7.07
IX. Expenses Recognised in the other comprehensive income (OCI)		
Acturial (gains)/losses	**0.70**	2.27
Return on plan assets excluding interest income	**1.55**	0.40
Expense recognised in OCI	**2.25**	2.67
X. Balance Sheet Reconciliation		
Opening net liability	**1.45**	2.88
Expenses recognised in statement of profit or loss	**8.28**	7.07
Expenses recognised in OCI	**2.25**	2.67
Employers contribution	**(6.60)**	(11.17)
Amount recognised in balance sheet - Net liability/ (Asset)	**5.38**	1.45
XI. Sensitivity Analysis		
Projected benefit obligation on current assumptions	**47.88**	36.38
Delta Effect of +1% change in rate of discounting	**(6.25)**	(4.88)
Delta Effect of -1% change in rate of discounting	**7.66**	6.01
Delta Effect of +1% change in rate of salary increase	**7.80**	6.13
Delta Effect of -1% change in rate of salary increase	**(6.45)**	(5.04)
Delta Effect of +1% change in rate of employee turnover	**2.22**	1.76
Delta Effect of -1% change in rate of employee turnover	**(2.62)**	(2.10)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

37 Disclosure pursuant to IndAS accounting standard – 19 'Employee Benefits' (Contined)

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.

XII. Expected employer's contribution in next year is ₹14.38 Lakhs (Actual contribution in current year - ₹ 6.60 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 Mar 31, 2019**	Year ended Mar 31, 2018
	Discount Rate	**7.78% p.a**	7.87% p.a
	Salary Escalation Rate	**5.00% p.a**	5.00% p.a
	Attrition Rate	**2.00% p.a**	2.00% p.a
	Mortality	**Indian Assured Lives Mortality (2006-08) Ultimate**	Indian Assured Lives Mortality (2006-08) Ultimate
(ii)	Amount recognized in Balance Sheet and movements in net liability:		
	Opening Balance of Compensated Absences (X)	**8.48**	15.04
	Present value of Compensated Absences (As per actuary valuation) (Y)	**33.44**	23.52
	Unfunded / (Excess) liability of Compensated Absences recognised in the Profit and Loss account for the year (Y – X)	**24.96**	8.48

38	**Foreign currency related disclosures**		
	Particulars		
(a)	Expenditure in Foreign currency - Travelling expenses	**13.27**	1.71
(b)	Earning in foreign currency	**-**	-
(c)	Unhedged foreign currency exposure as on reporting date	**-**	-
(d)	Derivative contracts outstanding as on reporting date	**-**	-

39	**Dividend - distribution and proposed**		
	Declared and paid during the current period	**69.20**	-
	Proposed dividend @ ₹Nil per equity share (2017-18: ₹0.16 per share), subject to approval in AGM (not recognised as a liability as at March 31, 2018)	**-**	69.20

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

40 CSR Expenditure

a) Gross amount required to be spent by the Company during the year is ₹20.50 lakhs (previous year: ₹19.50 lakhs)

			(₹ in lakhs)
b)	Amount spent during the quarter on:		
	CSR activities	**Paid**	Total
	(i) Construction/ acquisition of any asset	**-**	-
	(ii) On purposes other than (i) above	**20.50**	20.50

41 Segment Reporting

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

(₹ in lakhs)

		Year ended Mar 31, 2019	**Year ended Mar 31, 2018**
b)	**Segment Revenue**		
	Physical Storage Services	**2087.76**	1991.27
	Digitisation Services	**1936.49**	2686.03
	Software Services	**1041.48**	1235.53
Total Revenue		**5065.73**	5912.83
Segment Cost			
	Physical Storage Services	**1934.17**	1618.82
	Digitisation of Documents	**1738.43**	1839.21
	Software Services	**608.12**	804.37
Total Cost		**4280.72**	4262.40
c)	**Segment Results**		
	Physical Storage Services	**153.59**	372.45
	Digitisation of Documents	**198.06**	846.82
	Software Services	**433.36**	431.16
Total Net Revenue		**785.01**	1650.43
Unallocated Expenses			
	Operating Expenses	**1657.58**	1257.98
	Depreciation & Amortisation	**14.81**	43.61
Operating Profit/ (loss)		**(887.37)**	348.83
	Other income	**112.45**	121.19
Profit/ (loss) before exceptional items and tax		**(774.92)**	470.02
	Exceptional items	**(166.10)**	(167.74)
Profit/ (loss) before tax		**(941.02)**	302.28
	Less: Tax	**(247.73)**	(57.93)
Profit/ (loss) for the period		**(693.29)**	244.35
Other comprehensive income (net of tax)		**(1.62)**	(1.89)
Total Comprehensive Income for the period (Comprising Profit/ (loss) and Other Comprehensive Income for the period)		**(694.91)**	242.46

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

(₹ in lakhs)

	As on Mar 31, 2019	As on Mar 31, 2018
d) Segment Assets		
Physical Storage Services	**6635.52**	5257.53
Digitisation of Documents	**3284.22**	4508.65
Software Services	**2177.98**	1462.54
Unallocable Assets	**2088.98**	1866.50
Total Assets	**14186.70**	13095.22
e) Segment Liabilites		
Physical Storage Services	**2237.42**	2045.40
Digitisation of Documents	**822.82**	733.47
Software Services	**400.95**	460.87
Unallocable Liabilities	**2463.65**	2815.29
Total Liabilities	**5924.84**	6055.03
f) Capital Employed		
Physical Storage Services	**4,398.10**	3,212.14
Digitisation of Documents	**2,461.40**	3,775.18
Software Services	**1,777.03**	1,001.67
Unallocable	**(374.67)**	(948.80)
Total Capital Employed (d-e)	**8261.86**	7040.19

Note: There are no reportable geographical segments.

Information about major customers

Company's significant revenues, more than 59% (FY 2017-18: 69%) are derived from sales to government, quasi government enterprises and public sector units. The total sales to such companies amounted to ₹ 2978.73 lakhs in the year ended March 31, 2019 and ₹ 4093.48 lakhs in FY 2017-18.

Revenue from physical storage and digitisation of two customers is ₹ 1383.35 lakhs (FY 2017-18: Four customers - ₹ 3916.13 Lakhs) which is 27% (FY 2017-18: 66%) of the Company's total revenue.

42 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 Mar 31, 2019	As at Mar 31, 2018
Total equity	**8261.86**	7040.19
Capital	**8261.86**	7040.19
Non current and current borrowings	**3453.78**	3401.49
Overall financing	**11715.64**	10441.68
Capital-to-overall financing ratio	**71%**	67%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

43 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.

(₹ in lakhs)

		Year ended Mar 31, 2019	Year ended Mar 31, 2018
	The following is the sensitivity analysis of various types of risks:		
a)	Interest rate sensitivity analysis		
	Profit for the period including other comprehensive income	**(694.91)**	242.46
	Effect of +1% change in rate of interest	**(25.21)**	(30.00)
	Effect of -1% change in rate of interest	**25.21**	30.00
b)	Credit risk analysis		
	Customer credit risk is managed as per the company's established policy, procedures and control relating to customer credit risk management. Outstanding trade receivables are regularly monitored.		

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

(₹ in lakhs)

	As at Mar 31, 2019	As at Mar 31, 2018
90 Days	**1,400.48**	1,797.38
91-180 Days	**427.70**	549.53
181-365 days	**718.56**	791.28
more than 365 days	**2,033.61**	1,382.71
	4,580.35	4,520.90
Add: SHCIL debtors	**669.25**	427.18
Less: Provision for doubtful debts	**45.26**	98.44
Debtors as per books	**5,204.34**	4,849.64

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 - 5.78%) did not exceed 5% of total debtors at any time during the year ended Mar 31, 2019.

c) Liquidity risk analysis

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

(₹ in lakhs)

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Current:		
Borrowings		
- Within 6 months	**2092.74**	1601.07
- Between 6 and 12 months	**23.96**	47.79
Trade payables		
- Within 6 months	**1298.30**	1006.79
- Between 6 and 12 months	**-**	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Other current financial liabilities		
- Within 6 months	**1136.57**	1387.92
- Between 6 and 12 months	**-**	-
Non Current:		
Borrowings		
- upto 5 years	**2287.13**	2979.51
- Later than 5 years	**-**	-
Other non current financial liabilities		
- upto 5 years	**29.94**	21.02
- Later than 5 years	**-**	-
The company has access to committed credit facilities as described below, of which ₹3.64 lakhs were unused at the end of the reporting period (as at March 31, 2018 - ₹563 lakhs). The company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.		
Secured bank overdraft and cash credit facility reviewed annually and payable at call		
Amount used	**1424.32**	908.55
Amount unused	**3.64**	563.00

44 Carrying amount and movement in provision for doubtful debts		
Carrying amount as at the beginning of the period	**98.44**	66.94
Additional provisions	**45.26**	98.44
Amount utilised	**-**	-
Reversals	**98.44**	66.94
Carrying amount as at the end of the period	**45.26**	98.44

45 Financial assets and liabilities

(₹ in lakhs)

	Fair value heirarchy	As at Mar 31, 2019	As at Mar 31, 2018
Categories of financial assets			
Carrying values of financial assets measured at amortised cost			
Non Current financial assets			
Security and other deposits	**Level 3**	**408.41**	338.99
Margin money deposits with banks	**Level 3**	**244.61**	198.40
Current financial assets			
Security and other deposits	**Level 3**	**41.28**	16.03
Trade and other receivables	**Level 3**	**5204.34**	4849.64
Cash and cash equivalent	**Level 3**	**1,218.32**	912.98
Other balances with banks	**Level 3**	**8.27**	7.74
Accrued interest on fixed deposits	**Level 3**	**2.02**	0.30

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Fair value heirarchy	As at Mar 31, 2019	As at Mar 31, 2018
Categories of financial liabilities			
Carrying value of financial liabilities measured at amortised cost			
Non Current financial liabilities	**Fair value heirarchy**		
Inter - corporate deposits	**Level 3**	**494.92**	979.01
Non Convertible Debentures	**Level 3**	**1,534.54**	1,513.93
Current financial liabilities			
Current maturities of long term debt	**Level 3**	**500.00**	500.00
Cash Credit facility	**Level 3**	**1,424.32**	908.55
Trade payables	**Level 3**	**1,298.30**	1,006.79
Accruals for expenses	**Level 3**	**477.71**	682.23
Security deposits	**Level 3**	**2.63**	2.63
Retention money	**Level 3**	**16.72**	10.47
Other current financial liabilities	**Level 3**	**47.08**	13.43

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

(₹ in lakhs)

		Year ended Mar 31, 2019	Year ended Mar 31, 2018
46	**Income taxes**		
(a)	Income tax expense		
	Current taxes		
	- For current year	-	113.00
	- For earlier years	(16.80)	(7.54)
	Total of current tax	**(16.80)**	105.46
(b)	Deferred taxes		
	Deferred tax charge/(credit) - For Current Year	(230.93)	(47.53)
	Total of deferred tax	**(230.93)**	(47.53)
	Total of tax expense	**(247.73)**	57.93
(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 before tax	**(941.02)**	302.28
	Enacted tax rates in India	**27.82%**	34.608%
	Computed expected current tax expense	-	104.61
	Add: Tax effect of items not allowed as deduction	-	229.38
	Less: Tax effect of items allowed as deduction	-	229.27
	Add: Tax effect on notional interest cost calculated as per IndAs	-	9.03
	Less: Tax effect on other comprehensive income calculated as per IndAs	-	0.92
	Add: Rounding off	-	0.17
		-	113.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

		Year ended Mar 31, 2019	Year ended Mar 31, 2018
(d)	The gross movement in the deferred income tax account is as per below:		
	Net deferred income tax liability at the beginning	**237.81**	286.12
	Credits/Charge relating to temporary differences - Recognised in statement of profit and loss	**(230.93)**	(47.53)
	Temporary differences on defined benefit obligation - Recognised in other comprehensive income	**(0.63)**	(0.78)
	Temporary differences recognised directly in equity	**-**	-
	Temporary differences reclassified from equity to statement of profit and loss	**-**	-
	Net deferred income tax liability at the end	**6.25**	237.81

47 (a) During the previous year, a fire incident occurred on December 11, 2017 at Mahape premise of the company. The insurance company has appointed surveyors. The surveyors are in the process of submitting the final assessment report to the company. The company has continued to carry the corresponding fixed assets of galvanized containers (93400 nos) at their written down values of ₹ 382.07 lakhs as on Mar 31, 2019 on a going concern basis , due to difficulty in removal of the said assets from the robotic slots as the robotic retrieval is not operational and manual retrieval of the containers is fraught with risk.

(b) The company has been receiving claims for loss of documents from its clients. The clients are in various stages of conducting audit through their auditors to assess damage to their documents for the final claims. Pending ascertainment of actual claim, the company has not provided/disclosed for such claim/contingent liabilities and corresponding insurance claim receivable in the books of account as on March 31, 2019.

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

49 Approval of financial statements

The Financial Statements have been approved for issue by the Board of Directors on April 23, 2019.

PHOTO GALLERY

CSR INITIATIVES

SHCIL Foundation, as a part of SDMS CSR initiative, partnered with Socio Service Art Group to conduct a Digital Education Workshop for Kashmiri Migrant Children & Youth Living in Camps in Jammu (J&K)

SDMS has contributed towards the refurbishment of toilets and study room at Agnels Balbhavan, Vashi, Navi Mumbai – a home for orphans and underprivileged boys through SHCIL Foundation.

Winning team of SDMS in Inter StockHolding Group (Men) Cricket Tournament held at Vashi Sports Club, Navi Mumbai

NOTES

NOTES

NOTES

CERTIFICATE
of
ACHIEVEMENT

This is to acknowledge that

StockHolding DMS

(StockHolding Document Management Services Limited)
(formerly known as SHCIL Projects Limited),
P-51,SHCIL House,TTC Industrial Area, MIDC Mahape, Navi Mumbai -400710

Has achieved Maturity Level 5

For the CMMI-DEV V1.3 Model Framework

Assessed vide SCAMPI v1.3 Method.

CMMIDEV /5 SM
Exp. 2022-02-13 / Appraisal #2440

Consulting Partner

Kris Puthucode & Rakesh Singh

(Lead Appraiser & Lead Instructor)

PRODUCTS

- Document Management Solution
- Electronic Content Management & Workflow
- Robotic Process Automation
- Artificial Intelligence
- Lending Solution & On Boarding – Mobile App
- ChatBot
- Unmanned Aerial Vehicles - Drone
- End to End University Solution with Concealed Digital Evaluation System

SERVICES

- Digitisation Services
- Physical Record Management Services
- Hosted Services
- Virtual Data Room
- e-Governance Platform
- Secure Document Destruction

OUR CREDENTIALS

NASSCOM MEMBER

CMMIDEV /5 SM
Exp. 2022-02-13 / Appraisal #2440

Microsoft GOLD CERTIFIED Partner

VRS ®

QA TECHNIC QA
DAkkS Deutsche Akkreditierungsstelle D-ZM-18949-01-00
ISO 9001 :2015

PRSM Member

SHCIL HOUSE

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

Tel: +91-22-61778708. Website: www.stockholdingdms.com.

CIN: U74140MH2006GOI163728