



## DIRECTORS' REPORT

Your Directors have pleasure in presenting this 30<sup>th</sup> Annual Report together with the Audited Financial Statements of your Company for the year ended March 31, 2022.

### ECONOMIC SCENARIO

The second wave of Covid-19 pandemic in the first quarter of the financial year was extremely difficult for the Indian economy, and wreaked havoc on almost every family in the country. The positive; however, was that the world had got used to operating in this kind of environment and so we came back much faster than we had after the first wave. To add to the positives was that rains were good in the country and the vaccination program was really well organized so we managed to cover most of the adult population by December 2021. Due to this even though the third wave hit us in January, it didn't have a major impact on business.

There were supply chain issues caused by the multiple waves of Covid, some of which are still continuing resulting in higher inflation and dislocation in deliveries and shortages. This was further aggravated towards the end of the year by the aggression of Russia in Ukraine.

According to Gartner estimates, IT spending in India is estimated to reach US\$ 105 billion in 2022, a growth of 5.5% YoY and further increase to US\$ 112 billion in 2023.

The US economy is doing very well at the moment, though inflation is becoming an issue, resulting in the Fed starting to raise interest rates. While there has been a wider impact of Covid on their population, businesses have been growing. Now with inflation rising, soaring oil prices and continuing Russian aggression in Ukraine, could all become a roadblock to the growth story.

### COMPANY'S AFFAIRS

Over the last few years, the company's involvement in large deals in both India and the US has been rising, resulting in significant increase in turnover and profits. A lot of these contracts are long term and should result in stable revenues for an extended period of time.

During the year under review, the sales and other income of the Company was Rs. 69.55 crores (previous year Rs 47.12 crores) and Profit before Tax (PBT) was Rs 9.06 crores as compared to previous year (Rs 4.02 crores).

Due to the second wave hitting us from March to June 2021, some of the revenue that had to start from April got impacted. However, the long- term contracts continued and as the year passed, we were able to recover most of the losses of the first quarter and we actually ended with significant gains in revenue and profits over the last year.

#### **DCM Infotech Limited**

(Formerly known as DCM Realty Investment and Consulting Limited)

316, Udyog Vihar, Phase II, Gurugram 122 016, Haryana, India

Phone : +91 124 4122800 Fax : +91 124 4009232, E-mail : [secretarial@dcminfotech.com](mailto:secretarial@dcminfotech.com), Website : [www.dcminfotech.com](http://www.dcminfotech.com)

Regd. Office : Unit Nos. 2050 to 2052, Plaza - II, Central Square, 20, Manohar Lal Khurana Marg, Bara Hindu Rao, Delhi 110006  
Phone : 011 41539140 CIN : U72100DL1992PLC047018

With the pandemic and multiple Covid waves continuing, we initiated, work from home for all our employees. Subsequently as things started improving, we have been bringing back the employees to office in a phased manner keeping in mind the safety of our employees.

Based on market conditions and the growth prospects both in India and the USA, the company is consistently investing to build capabilities in new areas in the IT services and related software domain viz. cloud, digital transformation, mobile applications, and VR, AI-ML and NLP based technologies.

The US business outlook continues to be optimistic and the Company was able to expand its client base, create new partnerships and engage in additional business.

### FINANCIAL DATA

The Company has adopted Indian Accounting Standard (Ind AS) with effect from 1<sup>st</sup> April, 2017, accordingly, financial statements for the year ended 31<sup>st</sup> March, 2022 have been prepared in accordance with Ind AS as per the Companies (Indian Accounting Standard) Rules, 2015, as amended from time to time, notified under Section 133 of the Companies Act, 2013.

PARTICULARS	FINANCIAL YEAR ENDED	
	MARCH 31, 2022 (RS/LACS)	MARCH 31, 2021 (RS/LACS)
Profit before Interest, Depreciation and Tax	968.54	485.32
Less - Finance Cost	10.90	16.07
- Depreciation	51.38	67.60
Profit before Tax	906.26	401.65
Less- Provision for tax	233.46	43.22
Profit after Tax	672.80	358.43
Other Comprehensive Income (net of tax)	7.32	8.51
Total Comprehensive Income	680.12	366.94
Add- Profit brought forward	1074.77	753.73
Add-Capital Reserve transferred to retained earnings	31.16	
Profit available for appropriation	1786.05	1120.67
Less: Dividend paid on equity shares	45.90	45.90
Balance profit carried forward	1740.15	1074.77

The financial statements have been prepared as per the requirements of Ind AS 103 (Para 9 (iii) of Appendix C).

### **TRANSFER TO RESERVES**

Amount of Rs 31.16 Lacs is transferred from Special Reserve created in terms of provision of section 36(1) (viii) of Income Tax Act 1961 to General reserves for the financial year ended March 31, 2022.

### **DIVIDEND**

Your directors recommends a Final dividend of Rs. 3 per equity shares of the face value of Rs. 10 each (@ 30%), for the financial year 2021-2022.

### **MATERIAL CHANGES AND COMMITMENTS**

There have been no material changes and commitments, which effect the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate i.e year ended March 31, 2022 and on the date of this report.

### **SUBSIDIARY OR JOINT VENTURE OR ASSOCIATE COMPANIES**

The Company has no subsidiary or joint venture or associate company, therefore disclosures in this regard are not provided in this Report.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. Sumant Bharat Ram, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment as Director of the Company. Accordingly, a resolution is included in the notice of forthcoming 30<sup>th</sup> Annual General Meeting (AGM) of the Company for seeking approval of members for his appointment as Director of the Company.

During the period under review, the Board of Directors of the Company had appointed Mr. Rahil Bharat Ram as Additional Director of the Company with effect from November 12, 2021. Accordingly, a resolution is included in the notice of forthcoming 30<sup>th</sup> Annual General Meeting (AGM) of the Company for seeking approval of members for his appointment as Director of the Company, liable to retire by rotation.

Provisions of the Companies Act, 2013 in respect of Independent Directors is not applicable on the Company, hence disclosures in this regard are not provided in this Report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As required by Section 134(3)(c) read with section 134(5) of the Companies Act, 2013, your directors state that:

- (i) in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (iii) the directors had taken proper and sufficient care 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) the directors had prepared the annual accounts on a going concern basis;
- (v) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **KEY MANAGERIAL PERSONNEL**

During the period under review Ms Anukita Jain, Company Secretary of the Company resigned w.e.f February 10, 2022. Further, the Company appointed Ms. Nidhi Kulshrestha as Company Secretary of the Company.

Accordingly, as on date, the following persons are Whole-Time Key Managerial Personnel ('KMP') of the Company in terms of provisions of Section 203 of the Companies Act, 2013:

- A. Mr. Varun Sarin - Whole Time Director designated as Executive Director
- B. Ms. Nidhi Kulshrestha - Company Secretary

## **NUMBER OF BOARD MEETINGS**

Seven (7) meetings of the Board of Directors of your Company were held during the year under review.

## **BOARD EVALUATION**

The provisions of Section 134(p) of the Companies Act, 2013 and rules made thereunder in respect of evaluation by the Board of its own performance and that of committees and individual directors are not applicable to the Company. Hence disclosures in this regard are not provided in this Report.

## **INTERNAL FINANCIAL CONTROL**

The Company has adequate internal financial control system over financial reporting, which includes proper recording of financial and operational information and regulatory/statutory compliances.

## **STATUTORY AUDITORS**

M/s S.S. Kothari Mehta & Company, Chartered Accountants (Firm Registration No. 000756N) were appointed as Statutory Auditors of the Company for a term of 5 years to hold office from the conclusion of 27<sup>th</sup> Annual General Meeting (AGM) held on September 27, 2019 till the conclusion of 32<sup>nd</sup> Annual General Meeting (AGM) of the Company.

Pursuant to amendment to section 139 of the Companies Act, 2013, which became effective from May 7, 2018, the annual ratification of statutory auditors is no longer required. Accordingly, the Notice of ensuing AGM does not include the proposal for seeking shareholders' approval for ratification of appointment of Statutory Auditors of the Company.

## **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

The Statutory Auditors of the Company have not reported any frauds to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder, as amended from time to time.

## **DIRECTORS' VIEW ON AUDITORS' REPORT**

The Auditors' observations in their Report and the relevant notes to the accounts are self-explanatory.

## **FIXED DEPOSITS**

The Company has not accepted any deposit from the public, and as such, there are no outstanding in terms of Companies (Acceptance of Deposit) Rules, 2014. Hence disclosures in this regard are not provided in this Report.

## **RISK MANAGEMENT**

In order to manage & control financial & accounting risk, regulatory and operational risk, the Company has adequate risk management process in place.

## **AUDIT COMMITTEE AND VIGIL MECHANISM**

The provisions of Section 177 of the Companies Act, 2013 and Rules issued thereunder in respect of constitution of Audit Committee and establishment of Vigil Mechanism are not applicable to the Company, hence disclosures in this regard are not provided in this report.

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

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is enclosed as **Annexure-I**, and forms part of this Report.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of the notes to the Financial Statements provided in this Report.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188**

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis.

The prescribed Form AOC-2 is enclosed as **Annexure-II**, and forms part of this Report

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act, comprising of three Directors. The composition and report on CSR is attached herewith as **Annexure -III**.

## **SECRETARIAL AUDIT**

The Board of Directors at its meeting held on February 10, 2022 has appointed Ms. Pragnya Pradhan, a Company Secretary in whole time practice, Proprietor of M/s. Pragnya Pradhan & Associates, Company Secretaries as Secretarial Auditor of the Company to conduct Secretarial Audit of the Company for the financial year 2021-22.

The Secretarial Audit Report for the financial year ended March 31, 2022 under Regulation 24A of the SEBI (LODR) Regulation, 2015 is annexed herewith as **Annexure-IV** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The statement containing particulars under Section 197 of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed with this Director Report as **Annexure V**.

## EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, as amended from time to time, the Annual Return (MGT-7) as on March 31, 2022 is available on the Company's website on web-link : [www.dcminfotech.com](http://www.dcminfotech.com).


## DISCLOSURE REQUIREMENTS

1. Provisions of Companies Act, 2013 in respect of formulation of remuneration policy for appointment of Directors & Key Managerial Personnel ('KMP') etc and paying remuneration are not applicable to the Company, hence disclosures in this regard are not provided in this Report.
2. There were no significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
3. The company has constituted Internal Complaints Committee(s) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, there were no cases reported under the said Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
4. During the year under review, the Company has complied with mandatory Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI)

## ACKNOWLEDGEMENT

The Directors wish to acknowledge and thanks the Statutory Authorities and all regularity bodies for their continued support and guidance. The Directors thanks the shareholders, business associates and Banks for the faith reposed in the Company and its management. The Directors place on record their deep appreciation of the dedication and commitment of your Company's employees at all levels and look forward to their continued support in the future as well

On Behalf of the Board of Directors  
For DCM Infotech Limited

  
Sumant Bharat Ram  
Chairman

Dated: 25<sup>th</sup> August, 2022  
Place: Delhi

Information as per Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, as amended from time to time and forming part of the Director's Report for the year ended March 31, 2022

**(A) CONSERVATION OF ENERGY**

**(i.) The steps taken or impact on conservation of energy**

The operations involve low energy consumption. Wherever possible, energy conservation measures have been implemented. Efforts to conserve and optimize the use of energy is a continuous process.

(ii.) The steps taken by the Company for utilizing alternate sources of energy- Nil

(iii.) The capital investment on energy conservation equipment's - Nil

**(B) TECHNOLOGY ABSORPTION**

(i.) The efforts made towards technology absorption- Nil

(ii.) The benefits derived like product improvement, cost reduction, product development or import substitution- NA

(iii.) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Nil

(iv.) The expenditure incurred on research and development- Nil

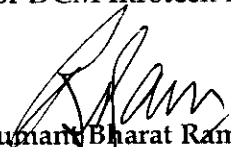
**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(Figures in Rs/Lacs)

Particulars	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021
Foreign Exchange Earned	5617.20	4030.29
Foreign Exchange Used	3829.99	2550.75

For and on behalf of the Board of Directors  
For DCM Infotech Limited

  
Sumant Bharat Ram  
Chairman

Date: 25<sup>th</sup> August.2022

Place: Delhi

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**Form No. AOC-2**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis during the financial year 2021-22 : NIL

Sr. No.	Particulars	Details
(a)	Name(s) of the related party and nature of relationship	N.A.
(b)	Nature of contracts / arrangements / transactions	N.A.
(c)	Duration of the contracts / arrangements/ transactions	N.A.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	N.A.
(e)	Justification for entering into such contracts or arrangements or transactions	N.A.
(f)	Date(s) of approval by the Board	N.A.
(g)	Amount paid as advances, if any	N.A.
(h)	Date on which the ordinary resolution was passed in general meeting as required under first proviso to section 188	N.A.

2. Details of 'material contracts or arrangement or transactions' at arm's length basis entered into during the financial year 2021-22: NIL

Sr. No.	Particulars	Details
(a) /	Name(s) of the related party and nature of relationship	N.A.
(b)	Nature of contracts/ arrangements/ transactions	N.A.

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(c)	Duration of the contracts / arrangements/transactions	N.A.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	N.A.
(e)	Date(s) of approval by the Board, if any	N.A.
(f)	Amount paid as advances, if any	N.A.

For and on behalf of the Board of Directors  
For DCM Infotech Limited

Dated: 25<sup>th</sup> August 2022  
Place: Delhi

  
Sunant Bharat Ram  
Chairman

**Annual Report on CSR activities for the Financial Year ended March 31, 2022**

1. Brief outline on CSR policy of the Company:

As per the requirement of Section 135 of the Companies Act, 2013, the Company had laid down a CSR Policy which encompasses Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare and development of the community at large. As per the CSR Policy, the Company had identified a project as per the Schedule VII of the Act, for the year 2021-22.

**Promoting Education: Improving quality of Education by providing Laptop to underprivileged girls for continuation of their education".**

2. Composition of CSR Committee:

S. no	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Bipin Maira	Chairperson	1	1
2.	Mr. Sumant Bharat Ram	Member	1	1
3.	Mr. Ashwani Kumar Singhal	Member	1	1

3. Web-link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company: [www.dcminfotech.com](http://www.dcminfotech.com)
4. Details of impact assessment of CSR Project carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable
5. Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any

S.no	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1.	2020-21	6540.00	0.00

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6. Average Net Profit of the Company as per Section 135(5):

Net Profit/ (Loss) for the year-

2020-21	-	Rs. 476.38 Lacs
2019-20	-	Rs. 989.35 Lacs
2018-19	-	Rs. (0.35) Lacs
Average Net Profit:		Rs. 488.46 Lacs

7. (a) Two percent of average net profit of the Company as per Section 135(5): Rs. 9.77 Lacs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not Applicable

(c) Amount required to be set off for the financial year, if any: Rs NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 9.77 Lacs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount spent for the Financial Year 2021-22(in Rs.)	Amount Unspent (In Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(5)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the fund	Amount	Date of transfer
Rs. 10,27,459	Not Applicable				

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year: Rs 10.27 Lacs

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S.No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Amount spent for the Project (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
				State	District			Name	CSR Registration No.
1.	N.A.	Cl. (i) Promotion of healthcare	Yes	Haryana	Gurugram	Rs. 1.82 Lacs*	No	Cancer Awareness, Prevention and Early Detection (CAPED) Trust	CSR0000 0750
2.	N.A.	Promotion of education	No	New Delhi	New Delhi	Rs. 8.45 Lacs	No	Network For Quality Education Foundation	CSR0000 4996

\*(Amount spent in financial year 2021-22, for the CSR Project taken up by the Company in financial year 2020-21)

- (d) Amount spent in Administrative Overheads: Nil  
(e) Amount spent on Impact Assessment: Nil  
(f) Total amount spent for the financial year (8b+8c+8d+8e): Rs. 10.27 Lacs  
(g) Excess amount for set off, if any-

S.No.	Particular	Amount (Rs/Lacs)
(i)	Two percent of average net profit of the company as per section 135(5)	9,76,920
(ii)	Total amount spent for the Financial Year	10,27,459
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	50,539
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	50,539


9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable  
(b) Details of CSR amount spent in the financial year for **ongoing projects** for the preceding financial year(s): Not Applicable
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year
- (a) Date of creation or acquisition of the capital asset(s): 29<sup>th</sup> March, 2022  
(b) Amount of CSR spent for creation or acquisition of capital asset: Rs. 10.27 Lacs\*  
\*(Includes Rs. 1.82 lacs spent in financial year 2021-22, for the CSR Project taken up by the Company in financial year 2020-21 in the area of 'Promotion of healthcare')  
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:

The capital asset i.e. the Laptops has been purchased in the name of '**Network For Quality Education Foundation**'. The NQEF is registered under section 12AA of the Income Tax Act, 1961 as a "charitable trust", with the aim of building an ecosystem where governments can strategically partner with mission-aligned organizations. Towards this, foundation strives to achieve excellence in government schools and strengthen education reform efforts to transform the quality of education offered in government schools.

(d) Details of the capital assets(s) created or acquired (including complete address and location of the capital asset)

Details of the capital asset	The Company had acquired Laptops costing about Rs.8.45 Lacs, which are purchased in the name of NQEF. The said asset shall be utilized to support the girls from lesser privileged background to continue their further studies.
Address & location of the capital asset	<b>Not Applicable</b> as laptops acquired are distributed among girls of lesser privileged background to continue for their further studies.

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5): Not Applicable

  
Sumant Bharat Ram  
(Member)

  
Bipin Maira  
(Chairman CSR Committee)



**PRAGNYA PRADHAN & ASSOCIATES**  
PRACTICING COMPANY SECRETARIES

ANNEXURE-IV

Form No. MR-3  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule  
No.9 of the Companies (Appointment and Remuneration Personnel)  
Rules, 2014, as amended]

To,  
The Members,  
DCM INFOTECH LIMITED  
Unit Nos. 2050 to 2052, 2nd Floor,  
Plaza II, Central Square, 20,  
Manohar Lal Khurana Marg,  
Bara Hindu Rao, Central Delhi  
Delhi - 110006

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DCM INFOTECH 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, e-Forms and returns filed and other records maintained by the Company and also the information provided by the Company to us, 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 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, e-forms and returns filed and other records maintained by DCM INFOTECH LIMITED for the financial year ended on 31<sup>st</sup> March, 2022, according to the provisions of:

- 1) The Companies Act, 2013 ('the Act') and the rules made there under;
- 2) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 3) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 4) Relevant provisions of the Securities Contracts (Regulation) Act, 1956, various Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended, as the Company is a

46, LGF, JOR BAGH, New Delhi-110003  
Mob: 9953457413 Email Id: Pragnyap.pradhan@gmail.com





**PRAGNYA PRADHAN & ASSOCIATES**  
PRACTICING COMPANY SECRETARIES

closely held Public Limited Company and also the material wholly owned subsidiary of listed entity namely DCM Limited.

We have relied on the systems/mechanism formed by the Company for compliances under other Applicable Acts, laws and regulations applicable to the Company and the management explanation in this regard.

We have examined compliances of the Secretarial Standards 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. as mentioned above

**We further report that**

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

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.

**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 of the Companies Act, 2013 read with relevant rules, Acts and regulations as stated above. We further report that during the period under review:

- The Company has paid the final dividend of Rs. 1.8/- (18%) per equity shares of Rs.10/- each on paid up equity capital of the Company for the financial year ended March 31, 2021.

The members of the Company had given their approval for alteration of the Article No. 88(1) of the Articles of Association (AOA) of the Company, which relates to payment of sitting fees to Non-Executive Directors of the Company for their attending meeting(s) of Board and Committee(s) thereof.

Place: New Delhi  
Date: 26.05.2022



For Pragnya Pradhan & Associates  
Company Secretaries

*Pragnya Parimita Pradhan*  
(Pragnya Parimita Pradhan)

ACS No. 32778 C P No.: 12030

UDIN: A032778D000397439

PR No: 1564/2021

**This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.**

46, LGF, JOR BAGH, New Delhi-110003  
Mob: 9953457413 Email id: Pragnyap.pradhan@gmail.com





**PRAGNYA PRADHAN & ASSOCIATES**  
PRACTICING COMPANY SECRETARIES

Annexure A

The Members,  
DCM INFOTECH LIMITED  
Unit Nos. 2050 to 2052, 2nd Floor,  
Plaza II, Central Square, 20,  
Manohar Lal Khurana Marg,  
Bara Hindu Rao, Central Delhi  
Delhi - 110006.

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 the correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- 4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: New Delhi  
Date: 26.05.2022



For Pragnya Pradhan & Associates  
Company Secretaries

*Pragnya Parimita Pradhan*  
(Pragnya Parimita Pradhan)

ACS No. 32778

C P No.: 12030

UDIN : A032778D000397439

PR No: 1564/2021

**Information as per Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and forming part of the Director's Report**


Details of top ten employees in terms of remuneration drawn during the year under review.

Sr. No	Name	Age (years)	Designation	Qualification	Total experience (years)	Date of commencement of employment	Remuneration received (Rs lacs)	Particulars of last Employment	% age of Equity Shares held in the Company	Whether employee is related to any Director or manager, (if yes, then Name of Director or Manager)
1	Mr Varun Sarin (*)	60	Exec Director	CA, Bcom	35	01-May-20	65.10	PT Indorama	Nil	No
2	Mr V K Bhatia	58	CTO	BE	36	18-Oct-86	40.88	Indian Comm. Network	Nil	No
3	Mr Animesh Mathur	56	VP- Sales	BE	33	23-Aug-89	33.53	-	Nil	No
4	Mr Ramendra Agarwal	62	COO, Head HR	B Tech	42	7-May-18	28.75	-	Nil	No
5	Mr IV Satya Murthy	58	VP- Sales	MBA	34	23-Jun-93	24.79	Integrated Data	Nil	No
6	Mr Shashank Sisodia	42	Incident Mgr	Diploma	16	16-Mar-12	18.58	IBM India	Nil	No
7	Mr Sandeep Jain	41	Sr. Specialist	Diploma (CS)	21	01-Jun-01	18.63	-	Nil	No
8	Mr Arun Kr. Reddy Sultan	36	Sr. Specialist	B Tech	14	29-Oct-12	16.06	E-Icon on line services Pvt. Ltd.	Nil	No
9	Mr Naveen Dutt Sharma	31	Sr. Specialist	B Tech	9	18-Mar-21	15.36	ICG Medical Pvt. Ltd.	Nil	No
10	Mr Vikram Singh	31	Sr. Specialist	B Com	9	18-Apr-14	15.12	Tatra information Service Pvt. Ltd.	Nil	No

Note:

- Pursuant to the Business Purchase Agreement with DCM Limited (Holding company), all employees of erstwhile DCM Data Systems-IT Division were transferred to the Company with continuity of service. The date of commencement of service has accordingly been taken as the date of start of employment taken in DCM Data Systems.
- Remuneration includes basic salary, allowances, taxable value of perquisites and contribution to provident fund and NPS, as applicable.
- Pursuant to proviso to Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the particulars of employees posted and working in a country outside India, not being Directors or their relatives, drawing more than sixty lakh rupees per financial year or five lakh rupees per month have not been included in this statement.

For and on behalf of Board of Directors  
For DCM Infotech Limited

  
Sumant Bharat Ram  
Chairman

Date: 25/August/2022  
Place: Delhi

**INDEPENDENT AUDITOR'S REPORT**

To the Members of DCM Infotech Limited

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of DCM Infotech Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of 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 significant accounting policies and other explanatory information. (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant Rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 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.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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



**SS KOTHARI MEHTA**  
**& COMPANY**  
CHARTERED ACCOUNTANTS

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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



**SS KOTHARI MEHTA  
& COMPANY**  
CHARTERED ACCOUNTANTS

**Report on Other Legal and Regulatory Requirements**

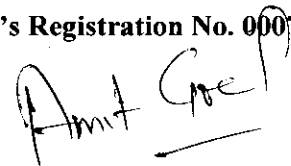
1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder;
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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;



**SS KOTHARI MEHTA  
& COMPANY**  
CHARTERED ACCOUNTANTS

- 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.
- iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested by the company to or in any other person or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause iv (a) and iv (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.

**For S.S. KOTHARI MEHTA & COMPANY**  
**Chartered Accountants**  
**Firm's Registration No. 000756N**



**AMIT GOEL**

Partner

Membership No. 500607

Place: New Delhi  
Date: May 09, 2022  
UDIN : 22500607AQYFXV3232

**SS KOTHARI MEHTA  
& COMPANY**  
CHARTERED ACCOUNTANTS

**Annexure A to the Independent Auditor's Report to the Members of DCM Infotech Limited dated May 09, 2022.**

**Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.**

- i. (a)(A) The Company has maintained proper records showing full particulars including
- (a)(B) The Company has not capitalized any intangible assets except goodwill in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) All property, plant and equipment were physically verified by the management in the previous year in accordance with a planned program of verifying them every 2 year which is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in note 3A to the financial statements are held in the name of the Company except the registration of an immovable properties having carrying value of Rs. 13.79 lakhs remained pending as at balance sheet date.

Description of Property	Gross carrying value	Net carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
Building	Rs. 21.39 lakh	Rs. 13.79 lakh	DCM Data Systems Limited	Not applicable	Since 1996	Earlier was pledge with the bank

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) The Company is in the business of rendering services and its operations does not give rise to inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.





**SS KOTHARI MEHTA  
& COMPANY**  
CHARTERED ACCOUNTANTS

- ii. (b) The Company has not been sanctioned working capital limits from banks or financial institutions during any point of time of the year. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. (a) During the year, the Company has provided loans to their holding Company DCM Limited, Details is as follows:

Particular	Amount
Aggregate amount of loan granted during the year	
- Holding Company (DCM Limited)	Rs. 100 Lakhs
Loan balance outstanding as at balance sheet date in respect of above cases	Nil
- Holding Company (DCM Limited)	

- iii. (b) In our opinion, the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- iii. (c) In respect of loans granted during the year by the Company to its holding Company, schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- iii. (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- iii. (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- iii. (f) The Company has granted loans either repayable on demand or without specifying any terms or period of repayment to its holding Company. Following are the details of the aggregate amount of loans granted to promoters or related parties as defined in clause (76) of section 2 of the Act:

Description	Related Parties
Aggregate amount of loans - Repayable on demand	100 lakhs
Percentage of loans/ advances in nature of loans to the total loans	100%



**S S KOTHARI MEHTA  
& COMPANY**  
CHARTERED ACCOUNTANTS

- iv. Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Act are applicable have been complied with by the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder.
- vi. The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- vii. a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- b. There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute except following :

Name of Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount of Dispute	Amount Deposited
Customs Act, 1962	Custom duty	Assistant Commissioner of custom (Appeals)	1988-89	12.55	-

- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) and clause ix(c) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.



S S KOTHARI MEHTA  
& COMPANY  
CHARTERED ACCOUNTANTS

- (c) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (d) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (e) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Act, has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a), 3(xii)(b) and 3(xiii)(c) of the Order are not applicable to the Company.
- xiii. In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 of the Act are not applicable to the Company and hence not commented upon.
- xiv (a) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Act. Therefore, the requirement to report under clause 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.



SS KOTHARI MEHTA  
& COMPANY  
CHARTERED ACCOUNTANTS

- xv. In our opinion, and 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 as referred in section 192 of the Act.
- xvi. (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company
- (d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses in the current financial year and corresponding previous year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios disclosed in note 42 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In respect of ongoing projects and other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the



**SS KOTHARI MEHTA  
& COMPANY**  
CHARTERED ACCOUNTANTS

Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 39 to the financial statements.

- xxi. Consolidated financial statements is not applicable to the Company. Hence requirement of clause 3(xxi) is not applicable to the Company.

**For S.S. KOTHARI MEHTA & COMPANY**

Chartered Accountants

Firm's Registration No. 000756N

**AMIT GOEL**

Partner

Membership No. 500607

Place: New Delhi

Date: May 09, 2022

UDIN : 22500607AQYFXV3232

**SS KOTHARI MEHTA  
& COMPANY**  
CHARTERED ACCOUNTANTS

**Annexure B to the Independent Auditor's Report to the Members of DCM Infotech Limited dated May 09, 2022.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section**

We have audited the internal financial controls over financial reporting of the DCM Infotech Limited (the 'Company') as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". 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 Act.

**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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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.



**SS KOTHARI MEHTA  
& COMPANY**  
CHARTERED ACCOUNTANTS

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) 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 authorizations of management and directors of the company; and
- c) 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.



**S S KOTHARI MEHTA  
& COMPANY**  
CHARTERED ACCOUNTANTS

**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, 2022, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

**For S.S. KOTHARI MEHTA & COMPANY**

Chartered Accountants

Firm's Registration No. 000756N

**AMIT GOEL**

Partner

Membership No. 500607

Place: New Delhi

Date: May 09, 2022

UDIN : 22500607AQYFXV3232



**DCM Infotech Limited**  
**Balance sheet as at March 31,2022**

Particulars	Notes	(Rupees in Lakhs)	
		As at March 31,2022	As at March 31,2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property plant & equipments	3	79.39	82.37
Right to use	3	57.21	91.55
Intangible assets	4	-	-
<b>Financial assets</b>			
Other financial assets	5	71.80	19.16
Deferred tax assets (net)	6	55.53	58.45
Other non-current assets	7	0.78	1.75
<b>Total non-current assets</b>		<b>264.71</b>	<b>253.28</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	8	1522.74	1014.48
Cash and cash equivalents	9	436.95	390.06
Bank balances other than Cash and Cash Equivalents	10	414.33	364.48
Loans	11	2.08	1.91
Other financial assets	12	247.20	162.12
Other current assets	13	61.32	70.56
<b>Total current assets</b>		<b>2,684.62</b>	<b>2,003.61</b>
<b>Total assets</b>		<b>2,949.33</b>	<b>2,256.89</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity	14	255.01	255.01
Other equity	15	1740.15	1105.93
<b>Total equity</b>		<b>1,995.16</b>	<b>1,360.94</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Leased liabilities	3	32.64	71.87
Provisions	16	133.46	160.66
<b>Total non-current liabilities</b>		<b>166.10</b>	<b>232.53</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Leased liabilities	3	39.22	33.69
Trade payables			
Due to micro and small enterprises	17	20.27	4.99
Due to Others	17	375.61	250.98
Other financial liabilities	18	192.38	274.72
Other current liabilities	19	81.10	88.16
Provisions	20	41.04	6.59
Current tax liabilities (net)	21	38.45	4.29
<b>Total current liabilities</b>		<b>788.07</b>	<b>663.42</b>
<b>Total equity and liabilities</b>		<b>2,949.33</b>	<b>2,256.89</b>

Significant accounting policy and accompanied notes referred above form an integral part of these financial statements.

As per our report of even date

For S.S. Kothari Mehta & Company

Chartered Accountants

FRN - 000736N

*Amit Goel*  
**AMIT GOEL**  
 Partner

Membership No: 500607

Place : New Delhi

Date : 09.05.2022



For and on behalf of the Board of Directors of  
 DCM Infotech Limited

*Sumant Bharat Ram*  
**Sumant Bharat Ram**  
 Chairman  
 DIN: 00052833

*Varun Sarin*  
**Varun Sarin**  
 Executive Director  
 DIN: 00273947

*Ashwani Kumar Singhal*  
**Ashwani Kumar Singhal**  
 Director  
 DIN: 00159349

*Nidhi Kulshrestha*  
**Nidhi Kulshrestha**  
 Company Secretary  
 ACS : A48652

**DCM Infotech Limited**

**Statement of Profit and Loss for the year ended March 31,2022**

(Rupees in Lakhs)

Particulars	Notes	For the year ended March 31,2022	For the year ended March 31,2021
<b>Income</b>			
Revenue from operations	22	6,867.10	4,689.52
Other income	23	87.91	22.21
<b>Total income</b>		<b>6,955.01</b>	<b>4,711.73</b>
<b>Expenses</b>			
Employee benefit expense	24	3,717.06	3,063.42
Finance costs	25	10.90	16.07
Depreciation and amortisation expense	26	51.38	67.60
Other expenses	27	2,269.41	1,162.99
<b>Total expenses</b>		<b>6,048.75</b>	<b>4,310.08</b>
<b>Profit before tax</b>		<b>906.26</b>	<b>401.65</b>
<b>Tax expense</b>			
Current tax expense	29	231.30	108.87
Tax adjustment relating to prior years	29	1.71	(13.07)
Deferred tax charge/(benefit)	6	0.45	(52.58)
		<b>233.46</b>	<b>43.22</b>
<b>Profit for the year</b>		<b>672.80</b>	<b>358.43</b>
<b>Other comprehensive income/(expense)</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gain/(loss) of defined benefit obligations (refer note 33B)		9.79	11.37
Income tax relating to items that will not be reclassified subsequently to profit or loss	6	(2.47)	(2.86)
Net other comprehensive income/(expense) not to be reclassified subsequently to profit or loss		7.32	8.51
<b>Total other comprehensive income/(expense), net of tax</b>		<b>7.32</b>	<b>8.51</b>
<b>Total comprehensive income for the year</b>		<b>680.12</b>	<b>366.94</b>
<b>Earnings per equity share</b>			
Basic and diluted earnings per equity share of Rs. 10 each	28	26.38	14.06

Significant accounting policy and accompanied notes referred above form an integral part of these financial statements.

As per our report of even date

For S.S. Kothari Mehta & Company

Chartered Accountants

FRN - 000756N

AMIT GOEL

Partner

Membership No: 500607

Place : New Delhi

Date : 09.05.2022



For and on behalf of the Board of Directors of

DCM Infotech Limited

Sumanth Bharat Ram  
Chairman

DIN: 00052833

Varun Sarin  
Executive Director

DIN: 00273947

Ashwani Kumar Singhal  
Director

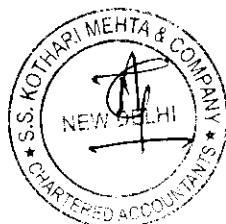
DIN: 00159349

Nidhi Kulshrestha  
Company Secretary

ACS : A48652

**DCM Infotech Limited****Cash flow statement for the year ended March 31,2022**

Particulars	(Rupees in Lakhs)	
	For the year ended March 31,2022	For the year ended March 31,2021
<b>A. Cash flow from operating activities</b>		
Profit before taxation	906.26	401.65
Adjustments for :		
Depreciation and amortisation expense	51.38	67.60
(Profit)/ loss on sale of property, plant and equipment (net)	0.02	0.26
Liabilities no longer required written back	(7.44)	-
Doubtful Debts recovery	(3.58)	-
Interest income	(23.66)	(16.08)
Unwinding of discount on security deposits	-	0.02
Finance cost	10.90	16.07
<b>Operating cash flow before working capital changes</b>	<b>933.88</b>	<b>469.52</b>
<b>Changes in assets and liabilities</b>		
Decrease/(increase) in trade receivables	(504.69)	(69.78)
Decrease/(increase) in loan	(0.17)	(0.12)
Decrease/(increase) in other financial assets	(135.67)	(24.43)
Decrease/(increase) in other assets	10.21	1.90
Increase/(Decrease) in trade payable	147.36	94.72
Increase/(decrease) in provisions	17.05	(0.79)
Increase/(decrease) in financial liabilities	(137.99)	104.18
Increase/(decrease) in other liabilities	51.52	(1.95)
<b>Cash generated from operations</b>	<b>381.50</b>	<b>573.25</b>
Income-taxes (paid)	(198.86)	(122.08)
<b>Net cash generated from operating activities (A)</b>	<b>182.64</b>	<b>451.17</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(17.04)	(10.04)
Proceeds from property, plant and equipment	0.03	0.11
Interest received	21.61	12.98
Deposits (made)/ matured not considered as cash and cash equivalents	(49.85)	(357.32)
<b>Net cash generated / (used) in investing activities (B)</b>	<b>(45.25)</b>	<b>(354.27)</b>
<b>C. Cash flow from financing activities</b>		
Repayment of borrowings	-	(14.39)
Payment of Dividend	(45.90)	(45.90)
Interest paid	(10.90)	(16.17)
payment towards Lease liabilities	(33.70)	(45.76)
<b>Net cash generated/ (used) in financing activities (C)</b>	<b>(90.50)</b>	<b>(122.22)</b>
<b>D. Net cash flows increase/(decrease) during the year (A+B+C)</b>	<b>46.89</b>	<b>(25.32)</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>390.06</b>	<b>415.38</b>
<b>F. Cash and cash equivalents at the close of the year ( D+E)</b>	<b>436.95</b>	<b>390.06</b>
<b>G. Components of cash and cash equivalents</b>		
Cash on hand	0.32	0.61
Balances with scheduled banks:		
- Current accounts	141.63	269.45
- Deposit accounts	295.00	120.00
<b>Cash and cash equivalents at the end of the year (refer note 9)</b>	<b>436.95</b>	<b>390.06</b>



**DCM Infotech Limited**  
**Cash flow statement for the year ended March 31,2022**

(Rupees in Lakhs)

**Note:**

- (a) Statement of cash flow has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind AS - 7) "statement of cash flows".  
 (b) Figures in bracket represents cash outflow.  
 (c) Reconciliation of Financing Activities

Particular	Opening balance April 01, 2021	Cash inflow/ (outflows)	Closing balance March 31,2022
Non- current borrowings	-	-	-

Particular	Opening balance April 01, 2020	Cash inflow/ (outflows)	Closing balance March 31,2021
Non- current borrowings	14.39	(14.39)	-

As per our report of even date  
 For S.S. Kothari Mehta & Company  
 Chartered Accountants

FRN: 000756N

AMIT GOEL

Partner

Membership No: 500607

Place : New Delhi

Date : 09.05.2022



For and on behalf of the Board of Directors of  
 DCM Infotech Limited

*Sunant Bharat Ram*  
 Sunant Bharat Ram  
 Chairman  
 DIN: 00052833

*Varun Sarin*  
 Varun Sarin  
 Executive Director  
 DIN: 00273947

*Ashwani Kumar Singhal*  
 Ashwani Kumar Singhal  
 Director  
 DIN: 00159349

*Nidhi Kulshrestha*  
 Nidhi Kulshrestha  
 Company Secretary  
 ACS : A48652

## Statement of changes in equity for the year ended March 31, 2022

## A. Equity share capital

Particulars	No of Shares	Amount
Balance as at April 1, 2020	25,50,070	255.01
Changes in equity share capital during the year	-	-
Balance as at March 31, 2021	25,50,070	255.01
Changes in equity share capital during the year	-	-
Balance as at March 31, 2022	25,50,070	255.01

## B. Other equity

Particulars	Reserve and surplus		Other comprehensive income		Total
	Special reserve (**)	Retained earning	Exchange difference on translation of foreign operation	Remeasurement (loss)/ gain of post employment benefit obligation	
Balance as on April 1, 2020	31.16	717.67	41.10	(5.04)	784.89
Dividend paid	-	(45.90)	-	-	(45.90)
Add: Profit for the year	-	358.43	-	-	358.43
Other comprehensive income for the year	-	-	-	8.51	8.51
Balance as on March 31, 2021	31.16	1,030.20	41.10	3.47	1,105.93
Special Reserves transferred to retained earning	(31.16)	31.16	-	-	-
Dividend Paid	-	(45.90)	-	-	(45.90)
Profit for the year	-	672.80	-	-	672.80
Other comprehensive income for the year	-	-	-	7.32	7.32
Balance as on March 31, 2022	-	1,688.26	41.10	10.79	1,740.15

(a) \*\* Special reserve was created in earlier years in terms of provision of section 36(1) (Viii) of Income Tax Act 1961 and was during the year transferred to retained earnings

(b) Retained earnings- Retained earnings are the profits that the Company has earned till date, less any dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the company.


As per our report of even date  
For S.S. Kothari Mehta & Company  
Chartered Accountants  
FRN - 0007587N

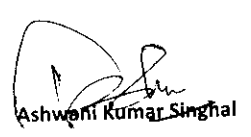
  
AMIT GOEL  
Partner  
Membership No: 500607



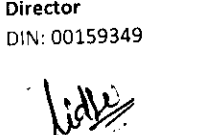
Place : New Delhi  
Date : 09.05.2022

For and on behalf of the Board of Directors of  
DCM Infotech Limited

  
Surjant Bharat Ram  
Chairman  
DIN: 00052833

  
Ashwani Kumar Singhal  
Director  
DIN: 00159349

  
Varun Sarin  
Executive Director  
DIN: 00273947

  
Nidhi Kulshrestha  
Company Secretary  
ACS : A48652

## **DCM Infotech Limited**

### **Notes to the financial statements**

#### **1. Introduction**

**DCM Infotech Limited** (formerly known as DCM Realty and Infrastructure Limited) is a public limited Company incorporated in India with registered office at Unit Nos. 2050 to 2052, 2nd Floor, Plaza II, Central Square, 20, Manohar Lal Khurana Marg, Bara Hindu Rao, New Delhi -110006, India (CIN number U72100DL1992PLC047018). The company is engaged in IT Infrastructure & management Services.

#### **1.1. Basis of preparation and presentation**

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act applicable to the Company.

The financial statements were authorised for issue by the Company's Board of Directors on May 09, 2022.

Details of the Company's accounting policies are included in Note 2.

#### **a. Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest rupees in lacs, unless otherwise stated.

#### **b. Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items:

<u>Items</u>	<u>Measurement basis</u>
Certain financial assets and liabilities (including derivative instruments)	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Other financial assets and liabilities	Amortized cost

#### **c. Use of estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### **2. Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### **a. Current and non-current classification**

All assets and liabilities are classified into current and non-current.

#### **Assets**

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;



## **DCM Infotech Limited**

### **Notes to the financial statements**

- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

#### **Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of financial liabilities some part of which may be non-current. All other liabilities are classified as non-current.

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

#### **Operating cycle**

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

#### **b. Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

#### **c. Property, Plant and equipment**

##### *Recognition and measurement*

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.



**Notes to the financial statements**

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Gains or losses on disposal of an item of property, plant and equipment is recognised in the statement of profit or loss.

Depreciation is provided on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives.

- (i) The Company follows straight-line method of depreciation.
- (ii) The depreciation charged on all property, plant and equipment is on the basis of useful life specified in Part "C" of Schedule II to the Companies Act, 2013 which represents useful lives of the assets.
- (iii) On assets sold, discarded, etc., during the year, depreciation is provided up to the date of sale/discard.
- (iv) Depreciation has been calculated on a pro-rata basis in respect of acquisition/installation during the year.

Depreciation methods, useful lives and residual values are reviewed at each financial year, and changes, if any, are accounted for prospectively.

**d. Intangible assets**

*Recognition and measurement*

Intangible assets comprise computer software. Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

*Amortisation*

The management's estimates of the useful lives of the Software are 3 years.

Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**e. Financial instruments**

*Recognition and initial measurement*

**(i) Financial assets**

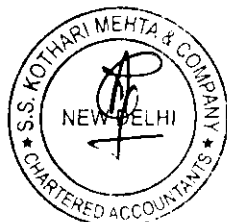
Trade receivables are initially recognised when they originate. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial asset or financial liabilities, as appropriate, on initial recognition.

**Classification and subsequent measurement**

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL (fair value through profit or loss)





## **DCM Infotech Limited**

### **Notes to the financial statements**

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### **Impairment**

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

#### **(ii) Financial liabilities**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### **(iii) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

#### **Derecognition**

##### **(i) Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.



**Notes to the financial statements**

**(ii) Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit or loss.

**f. Impairment of non-financial assets**

The Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

**g. Employee benefits**

***Short-term employee benefits:***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. Employee benefit liabilities such as salaries, wages, and bonus, etc. that are expected to be settled wholly within twelve months in which the employee renders the related services, are recognised in the reporting year and are measured at an undiscounted amount.

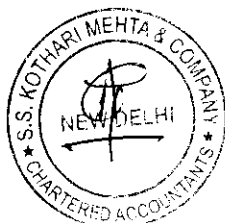
***Defined contribution plans***

A defined contribution plan is a employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund and employee state insurance to Government administered fund which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit or loss during the period in which the employee renders the related service and also includes contribution to national pension scheme and overseas social security contribution.

***Defined benefit plans***

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Company has following defined benefit plans:



The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary, using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured as the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government securities as at the balance sheet date for the estimated term of the obligation. Re-measurements of the defined benefit liability, which comprise actuarial gains and losses are recognized in other Comprehensive Income (OCI).

***Other long-term employee benefits***

Benefits under the Company's compensated absences are other long-term employee benefits. The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Re-measurement gains or losses are recognised in statement of profit or loss in the period in which they arise.

**h. Provisions and contingent liabilities**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the possibility of an outflow of economic benefits is remote.

**i. Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and rebates. Revenue is recognised only when recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement, and the amount of revenue can be measured reliably.

Revenue from sale of goods is recognised when significant risks and rewards of ownership are transferred to the customer and no significant uncertainty exists regarding its collection. Sales are exclusive of Goods and services tax.

Revenue from software development contracts and implementation projects is recognised based on milestone achieved, as provided in the contract.

Revenue on maintenance contracts is recognised on pro-rata basis linked with the period of contract.

Services income is recognised on accrual basis, as provided in the contracts.

***Other income***

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:



## **DCM Infotech Limited**

### **Notes to the financial statements**

- the gross carrying amount of the financial asset; or
- the amortised cost of the 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 but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

#### **j. Lease**

The Company has adopted Ind AS 116. Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations considering the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

#### **k. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

#### **l. Finance expense**

Finance expenses comprises of interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost) incurred in connection with the borrowings of funds. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

#### **m. Income tax**

Income tax comprises current and deferred tax. Current tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

##### **i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

##### **ii. Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:



**Notes to the financial statements**

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.

*Minimum Alternative Tax ('MAT')* expense under the provisions of the Income-tax Act, 1961 is recognised as an asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is written down to reflect the amount that is reasonably certain to be set off in future years against the future income tax liability. MAT Credit Entitlement is presented as part of deferred tax in the balance sheet.

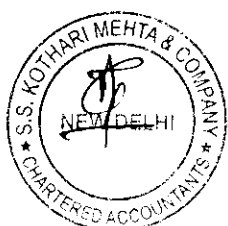
**n. Earnings per share**

Basic earnings per equity share is computed by dividing:

- The net profit attributable to equity shareholders of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after-income tax effects of interest and other financial costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



## **DCM Infotech Limited**

### **Notes to the financial statements**

#### **o. Foreign currency transactions and translation**

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions or an average rate, if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional Currency at the exchange rate at the reporting date. The resulting difference is recorded in the statement of profit and loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit and loss.

The Company uses derivative financial instruments such as forward exchange contracts to hedge its risk associated foreign currency fluctuations. Such derivatives are stated at fair value. Any gains or losses arising from changes in fair value are taken directly to statement of profit or loss.

#### **p. Foreign Operations**

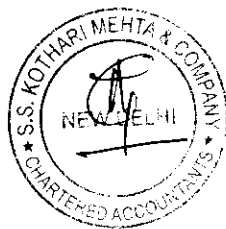
The current assets and liabilities of foreign operations are translated into Rupees, the functional currency of company, at the exchange rates at the reporting date. Other assets and liabilities are translated at the exchange rate at the date of the transaction. The income and expenses of foreign operations are translated into (Rupees) the functional currency at the average of exchange rates prevailing at end of each month of the year. The resulting exchange differences are reclassified to profit and loss.

#### **q. Segment Reporting.**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance.

Since the Company is operating only in one operating segment i.e Information technology providing IT infrastructure Services, the segment wise reporting is not required.

The geographical information analyses of the Company's revenues and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets which have been based on the geographical location of the assets.



**DCM Infotech Limited**

**Notes forming part of financial statements for the year ended March 31,2022**

**Note 3 A : Property, plant and equipment**

(Rupees in Lakhs)

Particulars	Building**	Lease improvements	plant and machinery	Computers	Office equipment	Furniture and fittings	Vehicles*	Total	Right to use assets	Total
<b>Gross block</b>										
Balance as at April 1, 2020	21.39	5.10	6.70	16.73	11.55	6.99	37.16	105.64	178.89	284.53
Addition	-	-	-	5.76	2.71	-	-	8.47	-	8.47
Deletion	-	-	(0.01)	(0.63)	(0.20)	-	(4.21)	(5.05)	-	(5.05)
Balance as at March 31,2021	21.39	5.10	6.69	21.86	14.06	6.99	32.95	109.06	178.89	287.95
Addition	-	-	-	13.78	0.32	-	-	14.10	-	14.10
Deletion	-	-	-	-	(0.04)	-	(0.01)	(0.05)	-	(0.06)
Balance as at March 31,2022	21.39	5.10	6.69	35.64	14.34	6.99	32.94	123.11	178.89	301.99
<b>Accumulated depreciation</b>										
Balance as at April 1, 2020	1.61	1.14	0.40	2.44	1.44	0.31	6.66	14.01	37.21	51.22
Addition	2.99	2.12	0.75	3.83	2.59	0.57	4.50	17.35	50.13	67.48
Deletion	-	-	-	(0.47)	-	-	(4.21)	(4.68)	-	(4.68)
Balance as at March 31,2021	4.60	3.26	1.15	5.80	4.03	0.88	6.95	26.68	87.34	114.02
Addition	3.00	-	0.75	5.69	2.55	0.56	4.49	17.04	34.34	51.38
Deletion	-	-	-	-	(0.01)	-	-	(0.01)	-	(0.01)
Balance as at March 31,2022	7.60	3.26	1.90	11.49	6.57	1.44	11.44	43.71	121.68	165.39
<b>Net carrying value</b>										
As at March 31,2022	13.79	1.84	4.79	24.15	7.77	5.55	21.50	79.40	57.21	136.60
As at March 31,2021	16.79	1.84	5.54	16.06	10.03	6.11	26.00	82.38	91.55	173.93

Description of property **	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company*
Office building	21.39	DCM Data Systems Limited	Not applicable	Since 1996	Pledge with the bank

The Title deed is in respect of above office building situated at Flat No 607,608 and 609 in Navketan Complex, Secunderabad is in the name of DCM Data Systems Limited . Actions are being taken to get the title deed transferred in the Company's name .

**Note 3 B:Ind AS 116 Disclosure**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	As at March 31,2022	As at March 31,2021
Opening Balance at beginning of year	105.56	151.32
Acquisition	-	-
Deletions	-	-
Accretion of interest	10.90	15.38
Payments	(44.60)	(61.14)
<b>Closing balance at end of year</b>	<b>71.86</b>	<b>105.56</b>
Current	39.22	33.69
Non-current	32.64	71.87

The maturity analysis of lease liabilities are disclosed in note 31

The effective interest rate for lease liabilities is 11.75%, with maturity between 2021-2024

**Note 3 C :The following are the amounts recognised in statement of profit or loss:**

Particulars	year ended	
	March 31,2022	March 31,2021
Depreciation expense on right to use assets	34.34	50.13
Interest expense on lease liabilities	10.90	15.38
Expense relating to leases of short-term / low value assets (included in other expenses)	45.33	22.83
<b>Total amount recognised in statement of profit or loss</b>	<b>90.57</b>	<b>88.34</b>

**DCM Infotech Limited****Notes forming part of financial statements for the year ended March 31,2022****Note 4 : Intangible assets****(Rupees in Lakhs)**

<b>Particulars</b>	<b>Software</b>	<b>Total</b>
<b>Gross block</b>		
<b>Balance as at April 1, 2020</b>	<b>1.85</b>	<b>1.85</b>
Addition	-	-
Deletion	1.20	1.20
<b>Balance as at March 31, 2021</b>	<b>0.65</b>	<b>0.65</b>
Addition	-	-
Deletion	-	-
<b>Balance as at March 31, 2022</b>	<b>0.65</b>	<b>0.65</b>
<b>Accumulated depreciation</b>		
<b>Balance as at April 1, 2020</b>	<b>1.73</b>	<b>1.73</b>
Addition	0.12	0.12
Deletion	1.20	1.20
<b>Balance as at March 31, 2021</b>	<b>0.65</b>	<b>0.65</b>
Addition	-	-
Deletion	-	-
<b>Balance as at March 31, 2022</b>	<b>0.65</b>	<b>0.65</b>
<b>Net carrying value</b>		
As at March 31,2022	-	-
As at March 31,2021	-	-

<b>Particulars</b>	<b>As at March 31,2022</b>	<b>As at March 31,2021</b>
<b>5 Other non-current financial assets</b>		
(Unsecured, considered good)		
Security deposits	16.56	15.54
Deposits with bank having maturity for more than twelve months	55.24	3.62
<b>Total</b>	<b>71.80</b>	<b>19.16</b>

Bank deposits of Rs. 5.24 Lacs (March 31, 2021: Rs.3.62 Lacs ) held as margin money

Fair value measurement including categorisation of financial instruments are disclosed in note 35.



6. Tax expenses	For the year ended March 31, 2022	For the year ended March 31, 2021	
<b>(a.) Amounts recognised in profit and loss</b>			
Current tax for the year	231.30	108.87	
Adjustment of tax of prior years	1.71	(13.07)	
	<b>233.01</b>	<b>95.80</b>	
Deferred tax expense/ (credit)	0.45	(52.58)	
<b>Tax expense for the year</b>	<b>233.46</b>	<b>43.22</b>	
<b>(b.) Amounts recognised in other comprehensive income/(expense)</b>			
	<b>For the year ended March 31,2022</b>		
	<b>Before tax</b>	<b>Tax (expense) benefit</b>	
		<b>Net of tax</b>	
Items that will not be reclassified to statement of profit or loss in subsequent period			
Remeasurements of defined benefit obligations	9.79	(2.47)	
		7.32	
<b>For the year ended March 31,2021</b>			
	<b>Before tax</b>	<b>Tax (expense) benefit</b>	
		<b>Net of tax</b>	
Items that will not be reclassified to statement of profit or loss in subsequent period			
Remeasurements of defined benefit obligations	11.37	(2.86)	
		8.51	
<b>(c.) Deferred tax assets and liabilities are attributable to the following:</b>			
<b>Deferred tax assets</b>			
	<b>As at March 31,2022</b>	<b>As at March 31,2021</b>	
Provision for gratuity and compensated absences	52.43	50.68	
Provision for trade receivables and other advances	0.81	5.98	
Other items	3.77	3.60	
<b>Total</b>	<b>57.01</b>	<b>60.26</b>	
<b>Deferred tax liabilities</b>			
Property, plant and equipment	(1.48)	(1.81)	
<b>Total</b>	<b>(1.48)</b>	<b>(1.81)</b>	
<b>Net deferred tax asset /(liabilities)</b>			
Property, plant and equipment	(1.48)	(1.81)	
Provision for gratuity and compensated absences	52.43	50.68	
Provision for trade receivables and other advances	0.81	5.98	
Other items	3.77	3.60	
<b>Total</b>	<b>55.53</b>	<b>58.45</b>	
<b>(d.) Movement in temporary differences:</b>			
	<b>Balance as at March 31, 2021</b>	<b>Movement during 2021-22</b>	<b>Balance as at March 31, 2022</b>
Property, plant and equipment	(1.81)	0.33	(1.48)
Provision for gratuity and compensated absences	50.68	1.75	52.43
Provision for trade receivables and other advances	5.98	(5.17)	0.81
Other items	3.60	0.17	3.77
<b>Total</b>	<b>58.45</b>	<b>(2.92)</b>	<b>55.53</b>
	<b>Balance as at March 31, 2020</b>	<b>Movement during 2020-21</b>	<b>Balance as at March 31, 2021</b>
Property, plant and equipment	(2.48)	0.67	(1.81)
Provision for gratuity and compensated absences	5.07	45.61	50.68
Provision for trade receivables and other advances	6.14	(0.16)	5.98
Other items	-	3.60	3.60
<b>Total</b>	<b>8.73</b>	<b>49.72</b>	<b>58.45</b>



**DCM Infotech Limited**

Notes forming part of financial statements for the year ended March 31,2022

(Rupees in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
<b>7. Other non-current assets</b>		
<i>(Unsecured, considered good)</i>		
Deferred rent	0.78	1.75
<b>Total</b>	<b>0.78</b>	<b>1.75</b>
<b>8. Trade receivables</b>		
<i>(Unsecured)</i>		
Considered good	1522.74	1014.48
Considered doubtful	-	23.75
<b>Total</b>	<b>1522.74</b>	<b>1038.23</b>
Less : Allowance for doubtful receivables	-	23.75
<b>Total</b>	<b>1522.74</b>	<b>1014.48</b>
The Company's exposure to credit and currency risks are disclosed in note 35 The Ageing Schedule is given in note43		
<b>9. Cash and cash equivalents</b>		
Balances with banks		
- In current accounts	141.63	269.45
- Deposits with original maturity of three months or less	295.00	120.00
Cash on hand	0.32	0.61
<b>Total</b>	<b>436.95</b>	<b>390.06</b>
The Company's exposure to credit and currency risks are disclosed in note 35		
<b>10. Bank balances other than cash and cash equivalents</b>		
Deposit having maturity more than three month and less than twelve month	414.33	364.48
<b>Total</b>	<b>414.33</b>	<b>364.48</b>
The Company's exposure to credit and currency risks are disclosed in note 35		
<b>11. Loans-Current</b>		
<i>(Unsecured)</i>		
Loans to employees		
Good	2.08	1.91
Doubful	3.23	3.23
<b>Total</b>	<b>5.31</b>	<b>5.14</b>
Less: Impairment allowance	3.23	3.23
<b>Total</b>	<b>2.08</b>	<b>1.91</b>

The Company's exposure to credit and currency risks are disclosed in note 35

During the current year company has provided loan to Holding company (i.e. DCM Limited) which are repayable on demand of Rs. 100.00 Lakh and same has been settled during the year

Particulars	As at March 31,2022	As at March 31,2021
<b>12. Other current financial assets</b>		
<i>(Unsecured, considered good)</i>		
Unbilled revenue	199.19	116.31
Recoverable from holding company (refer note 37)	42.26	42.12
Interest accrued on fixed deposits	5.75	3.69
<b>Total</b>	<b>247.20</b>	<b>162.12</b>

The Company's exposure to credit and currency risks are disclosed in note 34.

<b>13. Other current assets</b>		
<i>(Unsecured, considered good)</i>		
Advances to suppliers	0.98	10.52
Balance with statutory/government authorities	9.95	10.51
Others receivables * (refer note 32)	18.57	18.57
Deferred rent-Ind as	0.98	0.99
Prepaid expenses	30.84	29.97
<b>Total</b>	<b>61.32</b>	<b>70.56</b>

\* Represents amount paid pursuant to High court order pending settlement of dispute.

<b>14. Equity share capital</b>		
<b>i. Authorised</b>		
60,00,000 (March 31,2021: 60,00,000) equity shares of Rs. 10 each	600.00	600.00
40,00,000 (March 31, 2021: 40,00,000)Preference shares of Rs. 10 each	400.00	400.00
	<b>1,000.00</b>	<b>1,000.00</b>
<b>ii. Issued, subscribed and fully paid-up</b>		
25,50,070 (March 31, 2021: 25,50,070) equity shares of Rs. 10 each	255.01	255.01
<b>iii. Reconciliation of the shares outstanding at the beginning and at the end of reporting period</b>	<b>No. of shares</b>	<b>No. of shares</b>
<b>Equity shares</b>		
At the commencement of the year	25,50,070	25,50,070
Add: Shares allotted during the year	-	-
At the end of the year	25,50,070	25,50,070

iv. The Company has issued one class of equity shares at par value of Rs. 10 each per share. Each holder of equity shares is entitled to one vote per share. In the event of the liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of the equity shares held by the shareholders.



Particulars	As at	As at
	March 31,2022	March 31,2021
<b>v Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:</b>		
<b>Equity shares</b>	<b>No. of shares</b>	<b>No. of shares</b>
DCM Limited (the holding company)*	25,50,070	25,50,070
% of Holding	100%	100%

\* including shares held jointly with its nominees

#### Shareholding Details

Name of shareholders	No. of shares	Percentage of holding during the year	% Change during the year
DCM Limited	2540010	99.6055	
DCM Limited Jointly with Mr. Pawan Gupta	10010	0.3925	
Mr. Narendra Kishore Gaur*	10	0.0004	There is no change during the year
Mr. Ashwani Singhal*	10	0.0004	
Mr. Krishan Gopal Gupta*	10	0.0004	
Mr. Sanjay Garg*	10	0.0004	
Mr. Sumant Bharat Ram*	10	0.0004	
<b>Total</b>	<b>2550070</b>	<b>100</b>	

\*Hold equity share on behalf of and as a nominee of DCM Limited.

vi The Company has not issued any bonus shares and there is no buy back of shares in the current year and preceding five years for consideration other than cash.

#### 15. Other equity

##### (a) Special reserve @

Opening balance

31.16

31.16

Less: Transferred to retained earnings

(31.16)

-

**Closing balance**

**31.16**

@ Special reserve created in terms of provision of section 36(1) (viii) of Income Tax Act 1961, now transferred to retained earning

##### (b) Surplus in statement of profit & loss-retained earning

Opening balance

1,074.77

753.73

Add: profit for the year

672.80

358.43

Add: Special reserves transferred to retained earning

31.16

-

**Sub-total**

**1,778.73**

**1,112.16**

Items of other comprehensive income/ (expense) recognised directly in retained earnings

Remeasurement (loss)/ gain of post employment benefit obligation (net of tax)

7.32

8.51

Dividend paid

(45.90)

(45.90)

**Closing balance**

**1,740.15**

**1,074.77**

**Total other equity**

**1,740.15**

**1,105.93**

#### 16. Non-current provisions

Provision for employee benefits

- Gratuity (refer note 33)

84.08

107.71

- Compensated absence

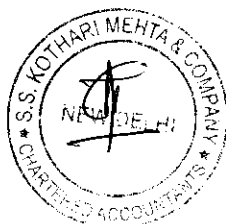
49.38

52.95

**Total**

**133.46**

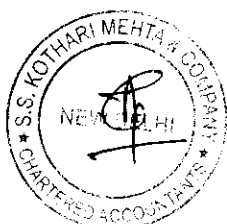
**160.66**



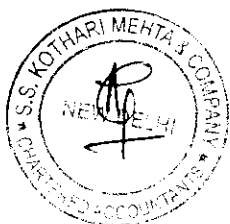
Particulars	As at March 31,2022	As at March 31,2021
<b>17. Trade payables</b>		
Due to micro, small and medium enterprises (*)	20.27	4.99
Due to others	375.61	250.98
<b>Total</b>	<b>395.88</b>	<b>255.97</b>
The Company's exposure to liquidity and currency risks are disclosed in note 34. The Ageing Schedule is given in note 43		
<b>(*) Details relating to micro, small and medium enterprises :</b>		
(a) The Principal amount remaining unpaid to micro, small and medium enterprises as at year end {includes NIL ( March 31,2021: Rs. 2,93,820) payable to creditors of capital goods - also refer note 20}	20.27	7.93
(b) The Interest amounts remaining unpaid to micro, small and medium enterprises as at the year end	-	-
(c) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, during each accounting year	-	-
(d) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
(e) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006.	-	-
(f) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(g) The amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the Micro Small and Medium Enterprises Development Act, 2006.	-	-
<b>18. Other current financial liabilities</b>		
Payable for purchase of property, plant and equipment - to MSME (refer note 17a)	-	2.94
Employee related payable	192.38	271.78
<b>Total</b>	<b>192.38</b>	<b>274.72</b>
Fair value measurement including categorisation of financial instruments are disclosed in note 34		
<b>19. Other current liabilities</b>		
Advance from customers/advance billing	3.71	3.50
Statutory dues payables	77.39	84.66
<b>Total</b>	<b>81.10</b>	<b>88.16</b>
<b>20. Current provisions</b>		
Provision for employee benefits (refer note 34)		
- Gratuity	33.32	3.99
- Compensated absence	7.72	2.60
<b>Total</b>	<b>41.04</b>	<b>6.59</b>
<b>21. Net current tax liabilities</b>		
Provision for income tax	231.30	108.87
Advance tax paid	(192.85)	(104.58)
<b>Total</b>	<b>38.45</b>	<b>4.29</b>



Particulars	For the Year ended March 31,2022	For the Year ended March 31,2021
<b>22. Revenue from operations</b>		
Sale of product licenses	118.48	109.97
Sale of services	6,748.62	4,579.55
<b>Total</b>	<b>6,867.10</b>	<b>4,689.52</b>
<b>Contract balance:</b>		
Trade receivable	1,522.74	1,014.48
Unbilled revenue	199.19	116.31
<b>Total</b>	<b>1,721.93</b>	<b>1,130.79</b>
<b>Reconciliation of revenue recognised with the contracted price is as follows:</b>		
Contracted price	6,867.10	4,689.52
Reductions towards variable consideration components	-	-
<b>Total</b>	<b>6,867.10</b>	<b>4,689.52</b>
<b>23. Other income</b>		
Interest income on financial assets		
On Deposits with Banks and others	23.66	16.08
Other interest income -Ind AS	1.00	1.26
Net gain on foreign currency transactions	22.19	-
Net gain on translating foreign currency transactions	23.63	0.48
Liabilities/provisions no longer required written back	7.44	2.35
Recovery of Doubtful Debts	3.58	-
Recovery of Bad debts	6.30	-
Miscellaneous income	0.11	2.04
<b>Total</b>	<b>87.91</b>	<b>22.21</b>
<b>24. Employee benefit expense</b>		
Salaries, bonus and other allowances*	3,455.55	2,853.18
Contribution to provident and other funds	227.66	175.48
Gratuity expense (refer note 33)	23.04	24.67
Staff welfare expenses	10.81	10.09
<b>Total</b>	<b>3,717.06</b>	<b>3,063.42</b>
* Includes director remuneration -refer note 37 C		
<b>25. Finance costs</b>		
<b>Interest expense on :</b>		
Borrowings-Car Loan	-	0.50
Interest on Income tax payment	-	0.19
Interest on Lease Liabilities ( refer note 3)	10.90	15.38
<b>Total</b>	<b>10.90</b>	<b>16.07</b>
<b>26. Depreciation and amortisation expense (refer note 3 &amp; 4)</b>		
Depreciation on property, plant and equipment	17.04	17.35
Amortisation of intangible assets	-	0.12
Depreciation on right to use assets	34.34	50.13
<b>Total</b>	<b>51.38</b>	<b>67.60</b>



Particulars	For the Year ended March 31,2022	For the Year ended March 31,2021
<b>27. Other expenses</b>	110.96	104.12
Purchase of licences	19.52	20.60
Power, fuel, etc.	45.33	22.83
Rent (refer note 3)		
Repair and maintenance	1.20	1.20
- Buildings	11.46	6.34
- Machinery	36.26	35.20
- others	1,790.00	738.73
Subcontracting charges	20.11	19.44
Insurance	5.71	2.79
Rates and taxes	0.80	-
Directors' fees	84.46	68.89
Legal and professional fees		
Auditors remuneration	4.50	4.50
-Statutory Audit	0.50	0.50
- For Tax Audit	19.99	12.51
Travelling and conveyance	10.27	6.60
Expenditure on corporate social responsibility	20.48	0.28
Bad trade and other receivables, loans and advances written off	(20.46)	-
Less: Out of Provisions for bad trade and other receivables, loans and advances	-	3.20
Net loss on foreign exchange transactions	-	14.01
Net loss on translating financial statement of foreign operations	0.02	0.26
Loss on property, plant and equipment sold/ written off (net)	108.30	100.99
Miscellaneous expenses	2,269.41	1,162.99
<b>Total</b>	<b>2,269.41</b>	<b>1,162.99</b>
<b>28. Earnings per share</b>		
Net profit attributable to equity shareholders as per statement of profit and loss	672.80	358.43
Weighted average number of equity shares in calculating basic EPS	25,50,070	25,50,070
Weighted average number of equity shares in calculating diluted EPS	25,50,070	25,50,070
Basic earning per share in rupees (face value per equity share Rs. 10 each) (Rs.)	26.38	14.06
Diluted earning per share in rupees (face value per equity share Rs. 10 each) (Rs.)	26.38	14.06
<b>29. Tax expenses</b>		
Amounts recognised in profit and loss		
Current tax for the year	231.30	108.87
Adjustment for current tax of prior years	1.71	(13.07)
	233.01	95.80
Deferred tax expense/ (credit)	0.45	(52.58)
<b>Tax expense for the year</b>	<b>233.46</b>	<b>43.22</b>
<b>Reconciliation of tax expense and the accounting profit multiplied by India's tax rate</b>		
Profit before tax	906.26	401.65
Tax at Statutory income tax rate @ 25.168%	228.09	101.09
Ind AS related non deductible expenses	0.16	1.11
Provisions disallowed under income tax act (under Sec 43b)	4.29	2.50
Deferred tax expenses/(income)	0.45	(52.58)
Others disallowances (depreciation, unrealised exchange gain/loss, loss on PPE etc)	(1.24)	4.18
Adjustmet for current tax of prior years	1.71	(13.07)
<b>Income tax expense as per Statement of profit &amp; loss account</b>	<b>233.46</b>	<b>43.22</b>



**30 Disclosure of significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgements, estimates and assumptions**

The judgements and key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its judgements, assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Significant judgements, estimates and assumptions are as specified below:-**

**Determining the lease term of contracts with renewal and termination options - Company as lessee**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

**Income taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. To determine the future taxable profits, reference is made to the latest available profit forecasts.

**Fair value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 35 for further disclosures.

**Property, plant and equipment**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/ component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

**Impairment of property, plant and equipment**

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. The cash flows are derived based on remaining useful life of the respective assets. The recoverable amount is sensitive to the discount rate used for the DCF as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

**Defined benefit plans**

The cost of the defined benefit gratuity plan, post-retirement medical benefits and other defined benefit plan and the present value of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected rate of return on assets, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on mortality rates from Indian Assured Lives Mortality 2012-14. Those mortality tables tend to change only at interval in response to demographic changes.

Future salary increases and gratuity increases are based on expected future inflation rates. Further details about the defined benefit plans are given in note 34.





**31. Leases**

The Company's significant operating lease arrangements are in respect of premises for use as offices, stores, godown, etc. for a period of ranging from 1-5 years. These leasing arrangements, which are cancellable, are renewable at mutually agreeable terms. Future aggregate minimum lease payments under non-cancellable operating lease are as follows:

<u>Particulars</u>	<u>For the year ended March 31, 2022</u>	<u>For the year ended March 31, 2021</u>
Not later than 1 year	39.22	33.69
Later than 1 year but not later than 5 year	32.64	71.87
<b>Total</b>	<b>71.86</b>	<b>105.56</b>

**32. Contingent liabilities, contingent assets and commitments**

The details of disputed dues as of March 31, 2022 in respect of customs duty, income tax, excise duty and sales tax/ GST that have not been deposited by the Company, are as follows:

**Contingent liabilities not provided for:**

- Customs duty	12.55	12.55
- Others *	27.86	27.86
<b>Total</b>	<b>40.41</b>	<b>40.41</b>

All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of management, have a material effect on the results of operations or financial position of the Company.

\* Excludes deposit of Rs 18.57 Lacs (March 31, 2021 : 18.57 lacs) paid vide High Court order pending settlement of dispute (refer note 13)

**33. Employee benefits****A. Defined contribution plans**

Contributions to defined contribution plans charged off for the year are as under:

	<u>For the year ended March 31, 2022</u>	<u>For the year ended March 31, 2021</u>
Company's contribution to provident fund	54.76	50.53
Company's contribution to employees'	0.26	0.27
Company's contribution to social	122.21	87.98
Company's contribution to medicare	29.57	20.28
Company's contribution to NPS	6.19	6.06
<b>Total</b>	<b>212.99</b>	<b>165.12</b>

**B. Defined benefit plans**

The Company operates the following post-employment defined benefit plans:-

The Group operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the group on retirement, separation, death or permanent disablement, in terms of the provisions of the payment of Gratuity Act. Liability with regards to gratuity is accrued based on actuarial valuation at the balance sheet date, carried out by independent actuary.

For details about the related employee benefits plan, refer accounting policies on employee benefits.

The following table set out the status of the defined benefit obligation

**Defined benefit liability- gratuity**

Non current	84.08	107.71
Current	33.32	3.99
<b>Total</b>	<b>117.40</b>	<b>111.70</b>

**i. Reconciliation of the defined benefit liability**

Balance at the beginning of the year	111.70	128.85
Acquisition adjustment	-	-
Current service cost	15.46	15.92
Interest cost	7.58	8.75
Actuarial (gains) / losses	(9.79)	(11.37)
Benefits paid	(7.55)	(30.45)
<b>Balance at the end of the</b>	<b>117.40</b>	<b>111.70</b>



<b>ii. Expense recognized in profit and loss</b>			15.46	15.92
Current service cost			7.58	8.75
Interest			<u>23.04</u>	<u>24.67</u>
<b>Net Cost</b>				
<b>iii. Remeasurements recognized in other comprehensive income/(expense)</b>			(9.79)	(11.37)
Actuarial (gain) / loss on defined benefit obligation			<u>(9.79)</u>	<u>(11.37)</u>
<b>Total</b>				
<b>iv. Actuarial assumptions</b>				
Financial assumptions				
Discount rate			6.79%	6.79%
Future salary growth			6.00%	6.00%
Retirement age			58	58
Mortality table			IALM(2012-14)	IALM(2012-14)
Withdrawal rate				
Upto 30 years			3.00%	3.00%
From 31 to 44 years			2.00%	2.00%
Above 44 years			1.00%	1.00%

**v. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	For the year ended 31st March 2022		For the year ended 31st March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5%)	(4.52)	4.97	(4.74)	5.21
Future salary growth (0.5%)	5.01	(4.59)	5.23	(4.79)

**vi. Maturity profile**

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

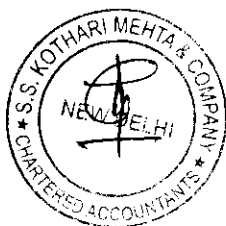
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Year 1	33.32
Year 2	8.76	29.75
Year 3	22.72	7.71
Year 4	0.95	20.26
Year 5	2.26	0.95
Year 6	0.94	2.00
6 Year onwards	48.46	47.05
Total		

**34. Fair value measurement and financial instruments**

(a) Financial instruments – by category and fair values hierarchy: The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

for the year ended March 31, 2022

Particulars	Carrying value			Fair value measurement using		
	FVTPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
<b>Non current</b>						
Other financial assets	-	-	71.80	-	-	71.80
<b>Current assets</b>						
Trade receivables	-	-	1,522.74	-	-	1,522.74
Cash and cash equivalents	-	-	436.95	-	436.95	-
Bank balances other than cash and cash equivalents	-	-	414.33	-	414.33	-
Loans	-	-	2.08	-	-	2.08
Other financial assets	-	-	247.20	-	-	247.20
<b>Non-current liabilities</b>						
Leased Liabilities	-	-	32.64	-	-	32.64
<b>Current liabilities</b>						
Leased liabilities	-	-	39.22	-	-	39.22
Trade payables	-	-	395.88	-	-	395.88
Other financial liabilities	-	-	192.38	-	-	192.38



For the year ended March 31, 2021

Particulars	Carrying value			Fair value measurement using		
	FVTPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
<b>Non current</b>			19.16	-	-	19.16
Other financial assets	-	-	-	-	-	-
<b>Current assets</b>			1,014.48	-	-	1,014.48
Trade receivables	-	-	390.05	-	390.05	-
Cash and cash equivalents	-	-	364.48	-	364.48	-
Bank balances other than cash and cash equivalents	-	-	1.91	-	-	1.91
Loans	-	-	162.12	-	-	162.12
Other financial assets	-	-	-	-	-	-
<b>Non-current liabilities</b>			71.87	-	-	71.87
Leased Liabilities	-	-	-	-	-	-
<b>Current liabilities</b>			33.69	-	-	33.69
Leased liabilities	-	-	255.97	-	-	255.97
Trade payables	-	-	274.72	-	-	274.72
Other financial liabilities	-	-	-	-	-	-

Note : The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans and other financial assets and liabilities, approximates the fair values, due to their short-term nature. For the loans, investments and other non-current financial assets and bank deposits (due for maturity after twelve months from the reporting date), and for other non-current financial liabilities, the carrying value approximates the fair values as on the reporting date.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2022 and March 31, 2021.

(b) **Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

**Risk management framework**

The Company's board of directors has overall responsibility for the establishment and control over the Company's risk management framework. The Board requires its senior management to operate within this defined framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

i. **Credit risk**

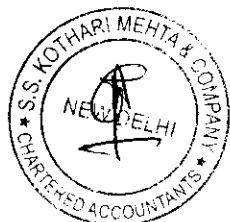
The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
Trade receivables (net of allowances for doubtful receivables)	1,522.74	1,014.48
Cash and cash equivalents	436.95	390.06
Balances other than cash and cash equivalents	414.33	364.48
Loans	2.08	1.91
Other financial assets	247.20	162.12

Credit risk is the risk of financial loss to Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The average credit period on sales of products and services is 30 to 90 days.

The Company has used a practical & expedient approach for computing the expected credit loss allowance for trade receivables based on a provision matrix. This matrix takes into account historical credit loss experience, adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due .



## DCM Infotech Limited

## Notes forming part of financial statements for the year ended March 31, 2022

(Rupees in Lakhs)

The Company's exposure to credit risk for trade receivables is as follows :

Amounts not due	1,325.50	909.84
1-90 days past due	170.16	97.71
91 to 180 days past due	22.39	5.36
More than 180 days past due	4.69	1.57
<b>Total trade receivable</b>	<b>1,522.74</b>	<b>1,014.48</b>

## Movement in the allowance for impairment in respect of trade receivables:

Balance at the beginning	23.75	24.39
Add : Provisions during the year	-	-
Add : Exchange difference during the year	0.29	(0.64)
Less : Recovery during the year	(3.58)	-
Less : Writeoff during the year	(20.46)	-
<b>Balance at the end</b>	<b>-</b>	<b>23.75</b>

## ii. Liquidity risk

Liquidity risk, denotes the risk that the Company will encounter in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it maintains sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its current liquidity position, and anticipated future internally generated funds from operations, will enable it to meet its future known obligations in the ordinary course of business.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted  
For the year ended March 31, 2022

Particulars	Carrying amount	Contractual cash flows			Total
		Less than one year	1-5 years	More than 5 years	
Trade payables	395.88	395.88	-	-	395.88
Other financial liabilities	192.38	192.38	-	-	192.38
Lease liabilities	71.86	39.21	32.65	-	71.86
<b>Total</b>	<b>660.12</b>	<b>627.47</b>	<b>32.65</b>	<b>-</b>	<b>660.12</b>

For the year ended March 31, 2021

Particulars	Carrying amount	Contractual cash flows			Total
		Less than one year	1-5 years	More than 5 years	
Trade payables	255.97	255.97	-	-	255.97
Other financial liabilities	274.72	274.72	-	-	274.72
Lease liabilities	105.56	33.69	71.87	-	105.56
<b>Total</b>	<b>636.25</b>	<b>564.38</b>	<b>71.87</b>	<b>-</b>	<b>636.25</b>

\* Contractual cash flow includes the interest to be incurred and paid in subsequent periods

## iii Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

## Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

## Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at March 31, 2022 and as at March 31, 2021

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
<b>Financial</b>		
Trade receivables	1,254.15	944.47
Cash and cash equivalent	63.07	243.73
Loans and advances	1.68	1.42
Other financial asset	140.73	92.05
<b>Total</b>	<b>1,459.63</b>	<b>1,281.67</b>



<b>Financial liabilities</b>			256.34	216.97
Trade payables			42.03	186.64
Other financial liability	<b>Total</b>		<u>298.37</u>	<u>403.61</u>

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at March 31, 2022 (previous year ended as on March 31, 2021) would have affected the measurement of financial instruments denominated in functional currency and affected equity and profit or loss by the amounts shown below. This analysis is based on a change (depreciation / appreciation) of 1% and assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases

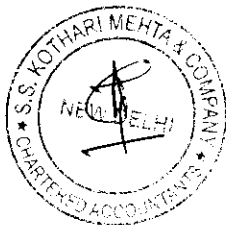
Particulars	Profit or loss before tax		Changes in equity (net of tax)	
	Strengthening	Weakening	Strengthening	Weakening
<b>For the year ended March 31, 2022</b>				
USD	11.61	(11.61)	(8.69)	8.69
<b>Total</b>	11.61	(11.61)	(8.69)	8.69
<b>For the year ended March 31, 2021</b>				
USD	8.78	(8.78)	(6.57)	6.57
<b>Total</b>	8.78	(8.78)	(6.57)	6.57

**35. Capital management**

For the purpose of the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares based on the business requirements in future.

The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts adjusted with available cash and bank balances divided by total capital (equity attributable to owners of the parent). Company is not having any debts as on March 31, 2022



**36. Operating segments****A. Basis for segmentation**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segment's operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

- B** In accordance with Ind AS 108 'Segment Reporting' and section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, since the Company is operating only in one segment i.e Information technology providing IT infrastructure Services, the segment wise reporting is not required.

**C. Geographical information**

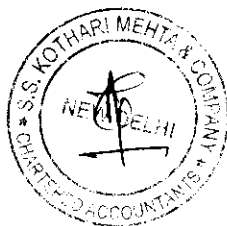
The geographical information analyses of the Company's revenues and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets which have been based on the geographical location of the assets.

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>i. Revenues</b>		
India (a)	1,260.46	660.09
Outside India		
USA	5,597.27	4,002.00
Middle East	9.37	27.43
Outside India (b)	5,606.64	4,029.43
<b>Total (a+b)</b>	<b>6,867.10</b>	<b>4,689.52</b>
<b>ii. Non current assets *</b>		
India	135.24	173.95
Outside India	2.11	1.71
<b>Total</b>	<b>137.35</b>	<b>175.66</b>

\* Non current assets exclude financial instrument, deferred tax assets and post employment benefit assets.

**D. Major customers**

Revenue of approximately Rs.3,965.47 Lacs (Year ended March 31, 2021 Rs. 2163.00 Lacs ) are derived from customers who contributed 10% or more.



37. Related party disclosures:

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

A. Name and description of relationship of the related party

Entity having significant control over the Company

DCM Limited ( Holding Company)

Fellow Subsidiaries

DCM Textiles Limited

DCM Realty and Infrastructure Ltd

DCM Engineering Limited (Formerly known as DCM Tools & Dies Limited)

DCM Finance & Leasing Limited

DCM Data Systems Limited

DCM Engineering Products Educational Society

Joint Venture of Holding Company

Purearth Infrastructure Limited

Key management personnel and/or Individuals having direct or indirect control or significant influence, and their relatives:

Mr. Varun Sarin – Whole time Director designated as Executive Director

Mr. Sumant Bharat Ram - Director

Mr. Ashwani Kumar Singhal - Director

Mr. Bipin Maira - Director

Mr. Rahil Bharat Ram - Director\*

Ms Anukita Jain - Company Secretary<sup>^</sup>

Ms Nidhi Kulshrestha - Company Secretary\*\*

\* Director with effect from November 12th, 2021

<sup>^</sup> Resigned w.e.f Feb 10,2022

\*\* Company Secretary with effect from February 10th, 2022

B. Transactions with related parties:

Nature of transaction

	Holding company	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Intercompany Deposit given	100.00	-
Intercompany Deposit Received back	(100.00)	-
Dividend paid to holding company	45.90	45.90
Interest Income on intercompany Deposits	0.14	-

C. Transactions with key management personnel

Particulars

	For the year ended March 31, 2022	For the year ended March 31, 2021
--	--------------------------------------	--------------------------------------

Compensation of key management personnel

Salaries and bonus including contributions made to provident fund

Mr. Varun Sarin

65.10

58.89

Ms. Anukita Jain

5.53

5.77

Ms Nidhi Kulshrestha

1.18

-

Post-employment defined benefit plan

Gratuity\*

Ms. Anukita Jain

0.02

0.08

Ms Nidhi Kulshrestha

-

-

Other long term defined benefit plan\*

Compensated absences\*

Ms. Anukita Jain

0.32

0.18

Ms Nidhi Kulshrestha

0.03

-

\*Considered on accrual basis

D. Directors' Fees

Mr. Sumant Bharat Ram

0.20

-

Mr. Ashwani Kumar Singhal

0.20

-

Mr. Bipin Maira

0.20

-

Mr. Rahil Bharat Ram

0.20

-

E. Balances with related parties:

Particulars

	Holding Company	
	As on March 31,2022	As on March 31,2021
Balances receivables from DCM Ltd	42.26	42.12

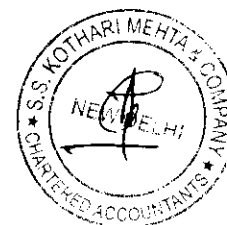
38. Corporate Social Responsibility (CSR)

Particulars

	For the year ended March 31, 2022	For the year ended March 31, 2021
Gross amount required to be spent	9.77	6.53
Amount spent- in cash	10.27	6.60
<b>Nature of CSR activities</b>		
Promotion of healthcare	1.82	6.60
Promotion of education	8.45	-
<b>Total</b>	<b>10.27</b>	<b>6.60</b>

39. The management has certified that there is no outstanding capital and other commitment as on March 31, 2022 (March 31,2021 : Nil)

40. No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these financial statements.



41. Analytical Ratios

Ratios	Numerator	Denominator	Proposed for Results/ Annual account	March 31, 2022	March 31, 2021	Variance %	Reason For Variance'
Current ratio*	Current Assets	Current Liabilities	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	3.58	3.18	12.68%	
Debt equity ratio	Total debt = [Long term borrowings including current maturities + current borrowings + interest accrued and due on borrowings]	Total Equity = Issued share capital + Other equity + Non controlling interest (if any)	$\frac{\text{Total debt}}{\text{Total equity}}$				Company does not have any debt during the year, hence same is not applicable
Debt Service Coverage Ratio	Earnings available for debt service = Profit before tax (after exceptional item) + finance costs + depreciation and amortisation	Debt service = Finance costs (including interest capitalised) for the period/ year + Scheduled principal repayments of long term borrowings (excluding prepayment/ re-financing) during the period	$\frac{\text{(Profit before tax (after exceptional item) + finance costs + depreciation \& amortisation)}}{\text{(Finance costs (including interest capitalised) for the period + Scheduled principal repayments of long term borrowings (excluding prepayment/ re-financing) during the period)}}$				Company does not have any debt during the year, hence same is not applicable
Return on equity ratio	Net profits after taxes	Average total equity excluding fair value of investments through OCI	$\frac{\text{Net Profits after taxes}}{\text{Average total equity excluding fair value of Investments through OCI}}$	49.44%	45.67%	8.26%	
Inventory Turnover ratio	Revenue from sale of products	Average inventory	$\frac{\text{Revenue from sale of products}}{\text{Average inventory}}$				Company is engaged in the business of providing services hence requirements of the same is not applicable
Trade receivables turnover ratio	Revenue from sale of products and services (excluding subsidies)	Average Accounts Receivable - Average rebate to customers	$\frac{\text{Revenue from sale of products and services (excluding subsidies)}}{\text{(Average Accounts Receivable - Average rebate to customers)}}$	5.41	4.79	13.07%	
Trade payables turnover ratio	Net purchases of goods = Purchase of raw materials included in cost of raw materials consumed + Purchases of stock in trade	Average Trade Payables	$\frac{\text{Purchases of goods}}{\text{Average Trade Payables}}$	6.96	5.58	24.89%	
Net capital turnover ratio	Revenue from sale of products and services (excluding subsidies)	Working capital = Current assets - Current liabilities	$\frac{\text{Revenue from sale of products and services (excluding subsidies)}}{\text{Working capital}}$	3.62	3.50	3.48%	
Net profit ratio	Net profit after tax	Revenue from operations	$\frac{\text{Net profit after tax}}{\text{Revenue from operations}}$	9.67%	7.61%	27.16%	Net profit increase due to Increase in Services business and Other Income in FY 22.
Return on capital employed	Earnings before interest and taxes (including other income)	Capital Employed = Average total equity excluding fair value of investments through OCI + Average Total Debt	$\frac{\text{Earnings before interest and taxes (including other income)}}{\text{(Average total equity excluding fair value of Investments through OCI + Average Total Debt)}}$	54.01%	37.44%	44.27%	Increase in earning before interest due to Increase in the revenue from Services business and Other Income in FY 22
Return on investment	Bonds Debentures+ Dividend Income+Profit on sale of Investment+Profit on fair valuation of Investment	Current Investment+Non Current Investment+ Other bank balances	$\frac{\text{Bonds Debentures+ Dividend Income+Profit on sale of Investment+Profit on fair valuation of Investment}}{\text{Current Investment+Non Current Investment+ Other bank balances}}$				Company does not have any investment, hence the same is not applicable





## 42 Ageing schedule of trade receivables from due date of payment

(Rupees in Lakhs)

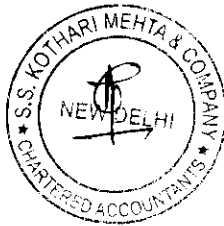
Particulars	For the year ended March 31, 2022						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Undisputed trade receivables</b>							
(i) Considered good	1,320.24	197.81	2.81	1.88	-	-	1,522.74
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
<b>Disputed trade receivables</b>							
(iv) Considered good	-	-	-	-	-	-	-
(v) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Credit impaired	-	-	-	-	-	-	-

Particulars	For the year ended March 31, 2021						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Undisputed trade receivables</b>							
(i) Considered good	934.33	78.58	-	1.45	0.12	-	1,014.48
(ii) Which have significant increase in credit risk	-	-	-	23.75	-	-	23.75
(iii) Credit impaired	-	-	-	23.75	-	-	23.75
<b>Disputed trade receivables</b>							
(iv) Considered good	-	-	-	-	-	-	-
(v) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Credit impaired	-	-	-	-	-	-	-

## 43 Ageing schedule of trade payables from the due date

Particulars	For the year ended March 31, 2022					Total
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	20.27	-	-	-	-	20.27
(ii) Others	365.33	3.00	3.21	1.49	2.58	375.61
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-

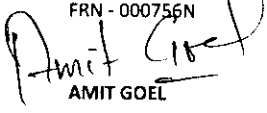
Particulars	For the year ended March 31, 2021					Total
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	4.99	-	-	-	-	4.99
(ii) Others	213.36	32.98	2.06	-	-	250.98
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-

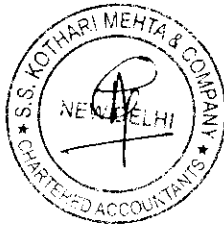


44. Additional disclosures

Sl. No.	Particulars	Note in financial statements
(i)	Title deeds of Immovable Property not held in the name of the Company:	Refer Note 3
(ii)	Loans or advances to specified persons	The Company has not provided any Loan or Advances to specified persons
(iii)	Details of Benami Property held	The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
(iv)	Borrowings secured against current assets	The Company has not availed any facilities from banks on the basis of security of current assets.
(v)	Wilful Defaulter	The Company is not declared Wilful Defaulter by any Bank or any Financial Institution
(vi)	Relationship with Struck off Companies	The Company do not have any transactions with struck-off companies.
(vii)	Registration of charges or satisfaction with Registrar of Companies (ROC)	The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
(viii)	Fund Received	The Company have not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
(ix)	Fund advanced	The Company have not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
(x)	Undisclosed income	The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
(xi)	Details of Crypto Currency or Virtual Currency	The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.


45. Previous year figures have been recasted/restated wherever necessary to conform to the current year's presentation.

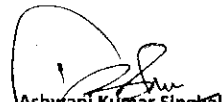
As per our report of even date  
For S.S. Kothari Mehta & Company  
Chartered Accountants  
FRN - 000756N  
  
**AMIT GOEL**  
Partner  
Membership No: 500607



Place : New Delhi  
Date : 09.05.2022

For and on behalf of the Board of Directors of  
DCM Infotech Limited

  
**Sumant Bharat Ram**  
Chairman  
DIN: 00052833

  
**Ashwani Kumar Singh**  
Director  
DIN: 00159349

  
**Varun Sarin**  
Executive Director  
DIN: 00273947

  
**Nidhi Kulshrestha**  
Company Secretary  
ACS : A48652