enabling futurability..

ESDS SOFTWARE SOLUTION LIMITED

(formerly known as ESDS Software Solution Private Limited)
(CIN : U72200MH2005PLC155433)

ANNUAL REPORT

FINANCIAL YEAR 2020-2021

Enabling Futurability

INDEX

CORPORATE INFORMATION

BOARD OF DIRECTORS	**Piyush Prakashchandra Somani** Designation: Managing Director and Chairman **Komal Somani** Designation: Whole Time Director **Alipt Sharma** Designation: Nominee Director **Ramesh Kumar Amudalapalli** Designation: Independent Director **Dhandapani T. G.** Designation: Independent Director **Uma Manoj Mandavgane** Designation: Independent Director **Pamela Kumar** Designation: Independent Director
CHIEF FINANCIAL OFFICER	**Sandeepkumar Mehta**
COMPANY SECRETARY	**Aniket Khandelwal**
AUDITORS	**Shah Khandelwal Jain & Associates** Chartered Accountants Level 3, Riverside Business Bay, Wellesley Road Near RTO, Pune- 411001, Maharashtra, India.
REGISTERED OFFICE	Plot No. B- 24 & 25, NICE Area, MIDC, Satpur, Nashik – 422 007, Maharashtra, India.
CORPORATE OFFICE	Plot No. Gen 71/1 & 71/1/1, T.T.C Industrial Area, M.I.D.C., Navi Mumbai - 400 710, Maharashtra, India.

MANAGEMENT ORGANIZATION CHART

OUR PROMOTER AND PROMOTER GROUP

PROMOTER

Piyush Prakashchandra Somani is the Promoter of our Company.

As on the date of this Annual Report, our Promoter holds 24,800,000 Equity Shares, representing 47.49% (29.32% on a fully diluted basis) of the issued, subscribed, and paid-up Equity Share capital of our Company.

Details of our Promoter are as follows:

Piyush Prakashchandra Somani

Piyush Prakashchandra Somani is the Promoter and Managing Director of our Company and Chairman of our Board. He holds a bachelor's degree in engineering (electronics) from the University of Pune. He has over 16 years of experience in the information technology sector. As the founder of our Company at the age of 26, he has been instrumental in expanding the operations of our Company in India and several international markets. He is also on the board of our Subsidiaries, ESDS Internet Services Private Limited, SPOCHUB Solutions Private Limited, ESDS Cloud FZ LLC and ESDS Global Software Solution, Inc.

Change in control of our Company

Pursuant to our Board resolution dated June 4, 2021, the Board of our Company has taken on record that Piyush Prakashchandra Somani is the promoter of the Company in terms of the Companies Act and the SEBI ICDR Regulations. There has been no change in control of our Company in the five years immediately preceding the date of this Annual Report.

"Customer service will always remain at the forefront of our Business..."

- Piyush Somani

BOARD OF DIRECTORS

PIYUSH SOMANI

KOMAL SOMANI

ALIPT SHARMA

AMUDALAPALLI R.K.

DHANDAPANI T.G.

UMA MANDAVGANE

PAMELA KUMAR

BRIEF PROFILES OF OUR DIRECTORS

Piyush Prakashchandra Somani - *Promoter and Managing Director*

Piyush Prakashchandra Somani is the Promoter and Managing Director of our Company and Chairman of our Board. He holds a bachelor's degree in engineering (electronics) from the University of Pune. He has over 16 years of experience in the information technology sector. As the founder of our Company at the age of 26, he has been instrumental in expanding the operations of our Company in India and several international markets. He is also on the board of our Subsidiaries, ESDS Internet Services Private Limited, SPOCHUB Solutions Private Limited, ESDS Cloud FZ LLC and ESDS Global Software Solution, Inc.

Komal Somani - *Whole Time Director*

Komal Somani is the Whole Time Director on our Board and the Chief Marketing Officer of our Company. She holds a bachelor's degree in engineering from the University of Pune. She has been associated with our Company since September 1, 2012. She has won several awards and recognitions such as "Most Innovative Woman of the Year – 2018" at the 2nd She Leads Summit and Awards, 2018, was ranked amongst the 50 Most Innovative HR Technology Leaders 2017, and amongst the 25 Most Innovative HR Tech Leaders – 2016 at the Asia Pacific HRM Congress. She was also awarded the Maharashtra Nari Ratna Award 2017, Tejaswini Sanmaan by Swaraj in 2017 and Nashik Best HR Leaders – 2017. She is also on the board of Resvera Wines Private Limited.

Alipt Sharma - *Nominee Director*

Alipt Sharma is a Nominee Director on the Board of our Company. He holds a bachelor's degree in arts from the University of Delhi, has completed the post-graduate programme in management from the Indian School of Business, Hyderabad and is an associate member of the Institute of Chartered Accountants of India. He has experience in the field of corporate finance. He is also on the board of Rochem Separation Systems (India) Private Limited, Rishabh Instruments Pvt Ltd and Kalki Communication Technologies Private Limited.

Ramesh Kumar Amudalapalli - *Independent Director*

Ramesh Kumar Amudalapalli is an Independent Director of our Company. He holds a master's degree in technology from Osmania University. He has over 20 years of experience in technology management and software development. Previously, he was associated with ICICI Bank Limited as the Technology Head – Technology Management Group, Software Development Group and Purchase Order Processing & Payments.

Dhandapani T. G. - *Independent Director*

Dhandapani T. G. is an Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Madras and is an associate member of the Institute of Chartered Accountants of India. He has over 35 years of experience in the IT sector. He has completed the global program for management development by Ross School of Business, Michigan and the international seminar on TQC for Top Management organized by the Union of Japanese Scientists and Engineers. He was previously associated with Sundaram-Clayton Limited as their chief information officer. He is also the former chief information officer of TVS Motors.

Uma Manoj Mandavgane - *Independent Director*

Uma Manoj Mandavgane is an Independent Director of our Company. She holds a bachelor's degree in commerce from the University of Bombay and is an associate member of the Institute of Chartered Accountants of India. She has experience in the field of systems audit, control and systems security. Previously, she has worked with companies such as Lupin Laboratories Limited, Jindal Iron & Steel Co. Limited, Blow Past Limited and ANB Consulting Company Private Limited. She is also presently the designated partner of Azzure Advisory & Consulting Services LLP. She is also on the board of Bloom Systems Private Limited, Prince Pipes and Fittings Limited and Quantum Asset Management Company Private Limited.

Pamela Kumar - *Independent Director*

Pamela Kumar is an Independent Director of our Company. She holds a bachelor's degree in engineering from the Panjab University and a master's degree in science from Rutgers The State University. She has completed the Executive General Management Programme conducted by the Indian Institute of Management Bangalore. Previously, she has been associated with AT&T Information Systems, Centre for Development of Telematics, Network Programs (India) Private Limited., Alliance Semiconductor (India) Private Limited, Texas Instruments (India) Limited, IBM India Private Limited, Hewlett-Packard India Software Operation Private Limited, and has previously been appointed as a Director General, India's Telecom Standards Development Organisation. She has over 15 years of experience in the field of systems and technology.

OUR MANAGEMENT TEAM

Dr. Rajeev Papneja

Sandeep Mehta

Darryl Cox

Sameer Redij

Chandra Mauli Dwivedi

Rushikesh Jadhav

Dr. Uday Wad

Advait Aundharkar

Dr. Rajeev Papneja - *Chief Growth Officer*

He joined our Company on March 22, 2011. He holds a master's degree in Computer Science from the University of Pune and a PhD in Business Administration from Frederick Taylor International University. He has experience in the fields of technology. He has also worked at companies such as Pfizer, Inc. He has won several awards and recognitions such as the GEM of India award, Bharat Gaurav Award, Bharat Ratna Dr. A.P.J Abdul Kalam Excellence Award, and was recognised as one of the Eminent 100 CIO's of India at the 18th Infotech Forum 2020.

Sandeep Mehta - *Chief Finance Officer*

Sandeep Mehta has joined ESDS as Chief Finance Officer. Before joining ESDS, Sandeep was associated with Sterlite Power & Transmission Ltd., where he was designated as the CFO. He has also worked with Reliance, Axis Bank, Pratibha Syntex Ltd. He holds an experience of over 24 years in the domain of building and leading finance teams in global companies having significant scale and complexity. He has a wide array of adaptive management style ranging from- a "hands-on" execution to strategic thinking.

Sandeep is a Chartered Accountant, Gold Medallist in Taxation and an MBA holder from the California State, USA. In his career's early phases, Sandeep capitalized on opportunities and rapidly progressed through high growth accounting finance and treasury positions. His career progressed to strategic business CFO roles for businesses ranging in size from $500 million to $3.2 billion covering industries like- Telecom, Banking, Media, Textile, Power covering the leading Fortune 500 companies.

Sandeep has also overseen the tasks of accounting, business support financial planning and analysis, treasury, M&A, investor relations, debt restructuring, fundraising, due diligence, internal audit and tax function. He has been the key growth driver behind large projects of group companies besides maintaining a profitable status for the entire group.

Darryl Cox - *CEO International Market*

Darryl Cox has joined ESDS Software Solution Ltd. as the CEO International Market. Prior to joining ESDS, he was associated with Infor Global Solutions at UAE.

Darryl has a strong global experience and startup mentality, bringing a unique combination of technical and commercial skills to the table. He has a strong ability to understand & identify key levers that are required to create business value.

Darryl is a result-motivated Senior Commercial Leader with more than 20 years of experience in Enterprise Transformation within Technology industries across Europe, India, the Middle East, and Africa. He is passionate about the strategic development and execution of innovative market, entry strategies, balancing risk with reward, and has led regional businesses to deliver aggressive organic SaaS revenue, profitability growth, and customer experience.

In his last stint with Infor Global Solutions, he provided leadership, strategic direction, and sales guidance to meet organizational growth targets. He was accountable for developing, analyzing, and continuously amending regional India, Middle East Africa (IMEA) growth strategy with a laser focus on SaaS revenues, margin, and market position.

Previously, he has also worked with Mubadala Healthcare, iSOFT (CSC), and Egton Medical Information Systems.

Darryl has completed his Master of Business Administration (MBA) from the University of Northampton, UK.

Sameer Redij - *Chief Revenue Officer (CRO)*

He joined our Company on August 4, 2021. He holds a bachelor's degree in engineering from the University of Mumbai and a post-graduate diploma in business management from the Indian Business Academy. He has over 10 years of experience in the field of IT and systems. Prior to joining our Company, he was associated with companies such as Twenty Twenty Media Private Limited, CtrlS Datacenters Limited, Gartner India Research & Advisory Services Private Limited, HCL Infinet Limited and IBM India Private Limited.

As per Wilson Learning's Social Style of Leadership, Sameer Redij is a "Driving Driver". His Strength Finder test result reveals - Focus, Maximiser, Deliberative, Competitive, Ideating, as his top 5 strengths.

Chandra Mauli Dwivedi - *Chief Human Resource Officer*

He joined our Company on June 25, 2019. He holds a bachelor's degree and master's degree in arts from Awadh University. He has 10 years of experience in the field of human resources and has been a president of the HR Infotech Association. Prior to joining our Company, he was associated with Sopariwala Exports Private Limited as a Group Chief Human Resource Officer, and as the President & Global Head – HR & CSR of Datamatics Global Services Limited. He has won several awards and recognitions such as the JRD Tata Award for HR Leadership, has been featured as one of India's Greatest HR Professionals by ITM Business School and has been ranked among the top 30 Most Talented Global HR Leaders in Asia by the World HRD Congress. He has been a keynote speaker and panellist in national conferences such as those held at the School of Management Sciences, Lucknow and international conferences such as the 29th World HRD Congress.

Rushikesh Jadhav - *Chief Technology Officer*

He joined ESDS in the year 2009. Rushikesh is the key architect of ESDS' patented cloud technology - eNlight and is accountable for growth and innovation of the in-house developed cloud, looking after its feature and business enhancements in both Public and Private cloud domain.

Being a forerunner, explorer in cloud technology, he is now at a stage of being a "Cloud Evangelist". With his passion in cloud and automation, Rushikesh has developed remarkable products and services for the world to benefit from. He has tremendous interest in problem solving, as this challenges his skills to produce the best outcomes. The more he automates, he feels like more time he has to take up other things.

For Rushikesh, the journey with ESDS has been sunny and shiny. The journey mostly consisted fighting with the world for a disruptive idea. He has come a long way so far and can perfectly see the future & path to go towards becoming World's No.1 Cloud Hosting Company.

Prior to joining ESDS, Rushikesh worked with Persistent systems for a period of 100 days where he was learning and improving an exchange like email system called as Openwave.

Dr. Uday Wad - *Chief Research and Development Officer*

Dr Uday Wad is a Post Doctorate in the Department of Physics from the University of Maryland. He has completed his Ph.D. Thesis on the title- "Atomistic Simulation of Crystal Growth and Surface Kinetics." He holds an experience of nearly 20 years in the field of Software Development. Prior to joining ESDS, He has held notable positions and undertook multiple Machine Learning Projects. He was also the Founder-Director of CellBeans Healthcare Informatics Pvt. Ltd, where he was involved in several healthcare projects. At SPOCHUB, he is responsible for Product development, Software development, support, Process engineering, and automation using UiPath RPA and line of business, Internal Digital transformation (DX), Research, and Development of the Cloud infrastructure products and emerging technologies. He is also involved in developing IoT projects for SKODA IoT Solutions, Data Center Environmental Condition Monitoring & Famrut IoT Design & Implementation.

Advait Aundharkar - *Chief Strategy Officer*

Advait joined our Company on April 5, 2021. He has passed his master's degree examination in geography from the University of Bombay and has completed the Senior Management Programme by the Indian Institute of Management, Calcutta. He has experience in the field of strategy. Prior to joining our Company, he was associated with KPMG India Services LLP as a Technical Director and has been associated with companies such as Rolta India Limited and Reliance Industries Limited.

PERFORMANCE HIGHLIGHTS

3 years at a Glance (Consolidated Basis) (in millions)

Particulars	2020-21	2019-20	2018-19
Gross Revenue **	1719.27	1585.73	1355.77
EBIDTA	638.05	517.23	471.46
Profit Before Tax	87.66	34.76	180.03
Profit After Tax	54.85	9.35	138.12
Property Plant & Equipment: Net Block	2070.30	1832.67	947.10
Intangible Assets: Net Block	42.07	22.15	29.64
Share Capital	52.22	52.22	52.22
Reserves and surplus	1813.83	1456.77	978.50
Networth	1805.51	1448.48	1038.92
Sundry Debtors	466.24	460.88	500.01
Cash and Bank Balances	151.97	6.57	98.33
Current Assets	1215.88	1023.9	1060.16
Current Liabilities	1614.58	1413.02	1015.19
Working Capital	-398.7	-389.12	44.97
No of Equity Shares ('000)	52221000	52221000	52221000
Earnings Per Share (Basic) (Rs.)	1.03	0.04	2.49

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 16th Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2021.

1. Financial highlights for the year ended March 31, 2021:

(Rs. in Millions)

	Consolidated		Standalone	
	Mar 31, 2021	**Mar 31, 2020**	**Mar 31, 2021**	**Mar 31, 2020**
Revenue from operations	1719.27	1585.73	1719.27	1594.52
Other Income	21.74	19.61	31.00	15.37
Total Income	1741.01	1605.34	1750.27	1609.89
Purchases of Products	-	42.37	-	42.37
Employee benefits expense	590.30	483.17	579.69	438.64
Depreciation and amortization expenses	373.93	369.30	373.75	369.15
General, administrative and other expenses	512.65	562.57	500.48	558.99
Finance cost	176.47	113.17	176.46	112.98
Total expenses	1653.35	1570.58	1630.38	1522.13
Profit/(loss) before exceptional items	87.66	34.76	119.89	87.76
Exceptional items	-	-	-	-
Profit before tax	87.66	34.76	119.89	87.76
Tax expense	32.81	25.41	32.81	23.61
Profit after tax	54.85	9.35	87.08	64.15
Other comprehensive income	0.23	(4.99)	0.23	(4.99)
Total comprehensive income	0.23	(4.99)	0.23	(4.99)
Earnings per equity share				
(par value of Rs.1/- each)				
Basic (Rs.)	1.03	0.04	1.67	1.13
Diluted (Rs.)	0.96	0.04	1.56	1.08

2. Business and Operations Review:

Our revenue from operations increased by 8.42% to ₹ 1,719.27 million in Fiscal 2021 from ₹1,585.73 million in Fiscal 2020, due to increase in sales of cloud hosting and managed services and technical support services. Such increase was offset by sales of cloud hosting related products, from which, during Fiscal 2021, we did not derive any revenue. Increase in sales of (a) cloud hosting and managed services were driven by new contracts and scaling of old contracts and (b) technical support services were driven by an increase in demand of managed services. This signifies an improvement in absolute and percentage terms, both.

3. Purchase of Products:

In Fiscal 2020, the cost of products purchased was ₹ 42.37 million, which predominantly comprised of hardware products such as switches, networking equipment and software licences required for one-time business contracts with certain customers. In Fiscal 2021, we did not incur any expenditure towards purchase of products, as we did not execute such contracts during this period

4. Employee benefit expenses:

Employee benefit expenses increased by 22.17 % to ₹ 590.30 million in Fiscal 2021 from ₹ 483.17 million in Fiscal 2020. Such increase was predominantly due to an increase in the number of employees as well as increase in salaries, wages and bonuses in the ordinary course. The increase in number of employees was predominantly due to expansion in capacities of existing data centers, addition of our new data center in Bengaluru as well as addition in manpower in certain existing business departments.

5. Liquidity:

The Company continues to maintain comfortable cash balances to meet its strategic objectives. The Company's cash balance increased to Rs.146.40 Mn from previous year's Rs.1.70 Mn.

6. Share capital:

At the end of the current financial year, the Company's paid-up Equity Share Capital stood at Rs.52.22 Mn, consisting of 52,22,100 fully paid-up equity shares of Rs.10/- each. The Board of Directors and shareholders of the Company at their meeting held on 26th July 2021 by way of special resolution approved stock split of one equity share having face value of Rs 10 each into 10 equity shares having face value of Rs 1 each. Further in addition to the aforesaid the members agreed to increase the authorised share capital and altered capital clause of Memorandum of Association

Number of Equity Shares (as at 31st March 2021)	52,22,100
Number of Equity Shares post stock split (1 equity share into 10 equity shares)	5,22,21,000
Authorised Share capital (Rs) (as at 31st March 2021)	43,50,00,000
Authorised Share capital (Rs) (post 31st March 2021)	44,50,00,000

7. Networth:

As of March 31, 2021, the Company's net worth stood at Rs.1805.51 Mn against Rs.1448.48 Mn at the end of the previous financial year.

8. Dividend:

The Company has not declared or recommended any dividend during the Financial Year 2020-21.

9. Subsidiaries and branches:

Our Company has four Subsidiaries, as on the March 31, 2021.

(i) ESDS Internet Services Private Limited; (material subsidiary)
(ii) ESDS Cloud FZ LLC;
(iii) ESDS Global Software Solution Inc; and
(iv) Spochub Solutions Private Limited.

The Company's Board of directors reviewed the affairs of the subsidiaries for the financial year 2020-21. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared its Consolidated Financial Statements, which form a part of this Annual Report.

A separate section on the salient features, performance and financial position of each of the subsidiaries can be found in Annexure-I. It includes their contribution to the overall performance of the Company during the period under report as per Section 129(3) of the Companies Act, 2013, read with Rule 5 and Rule 8(1) of the Companies (Accounts) Rules, 2014.

The subsidiaries' audited annual financial statements and related information, wherever applicable, will be made available to shareholders upon request and will also be available for inspection during regular business hours at the registered office of the Company. The audited annual financial statements of material subsidiary shall also be available on the website of the Company.

10. Annual Return:

The Annual Return in Form MGT-7 for the financial year ended March 31, 2021, as prescribed under Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, as amended, is disclosed on the website of the Company https://www.esds.co.in/investors/index - AGM and Annual Report.

11. Number of meetings of the Board:

The Board met twenty two times during the financial year ended March 31, 2021.
The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

12. Corporate governance and management discussion and analysis report:

A separate section on Corporate Governance, which is a part of the Directors' Report, are included in the Annual Report. The Company has taken adequate steps for strict compliance.
A separate Management Discussion and Analysis Report is also attached and forms part of this report.

13. Declaration given by independent directors:

All the Independent Directors of the Company have given their declaration under Section 149(7) of the Companies Act, 2013, confirming that they comply with the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, for being an Independent Director of the Company.

14. Policy on Directors' appointment and remuneration:

The Company has a policy in place on Directors' appointment and remuneration, including criteria for determining qualification, positive attributes, independence of a Director and other matters as required under Section 178(3) of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

15. Particulars of loans, guarantees, or investments:

The Company has not given any loan to any person, given any guarantee or provided security to any other body, corporate, or person in connection with a loan. It has not acquired through subscription, purchase, or otherwise the securities of any other body or corporate. The Company has the following investments in its subsidiaries as specified under Section 186 of the Companies Act, 2013:

(in millions)

Particulars	March 31, 2021	March 31, 2020
Unquoted equity Instruments (in Subsidiaries)		
1000 equity shares (Previous year - 100,000 equity shares) of USD 1/- each in ESDS Global Software Solution INC USA.	0.07	0.07
10 equity shares (Previous year - 10 equity shares) of AED 1000/- each in ESDS Cloud FZ LLC, UAE	0.20	0.20
1,99,800 equity shares (Previous year – nil equity shares) of INR 10/- each in SPOCHUB Solutions Pvt. Ltd., India	0.20	0.00
9,000 equity shares (Previous year – 9,000 equity shares) of INR 10/- each in ESDS Internet Services Pvt Ltd., India	0.09	0.09
Loan to Subsidiaries		
ESDS Cloud FZ LLC	49.13	52.18
ESDS Global Software Solution Inc.	0.00	2.43

16. Particulars of contracts or arrangements with related parties:

Pursuant to the provisions of section 188 of Companies Act, 2013. All the related party transactions entered into during the financial year under review were in ordinary course of business and on an arm's length basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Accordingly, information in form AOC-2 is not annexed.

All Related Party Transactions are placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee and the Board of Directors for their review and approval on a quarterly basis.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and the same can be accessed at https://www.esds.co.in/investors-financial-reports.

The details of the transactions with Related Party are provided in the accompanying financial statements.

17. Material changes and commitments, if any, affecting the financial position of the Company:

There are no significant developments that have occurred or circumstances that have arisen post March 31, 2021 except as mentioned below.

1. Our Board and Shareholders at their meeting held on July 26, 2021 by way of special resolution approved split of one equity share having face value of ₹ 10 each into 10 equity shares having face value of ₹1 each. Accordingly, the cumulative number of equity shares of our Company was changed from 5,222,100 equity shares of ₹ 10 each to 52,221,000 Equity Shares of ₹ 1 each. Further in addition to the aforesaid the Shareholders agreed to increase the authorised share capital and altered the capital clause of the Memorandum of Association;

2. Our Company made a fresh issue of compulsory convertible cumulative preference shares (Class C CCCPS) of ₹10 each issued at a premium of ₹ 285 per share;

3. Sarla Prakashchandra Somani, existing equity shareholder of the Company has diluted 22,00,000 equity shares to ESDS Employee Benefit Trust. Pursuant to the ESOP Plan, duly approved by a resolution of the Board passed at their meeting on August 7, 2021 (as amended on August 26, 2021) and by a special resolution of the Shareholders passed at the extra-ordinary general meeting held on August 9, 2021 (as amended on August 27, 2021), our Company has granted 2,045,000 Equity Shares to the employees of the Company as on the date of Annual Report.

18. Conservation of energy, research and development, technology absorption, foreign exchange earnings, and outgo:

(A) Conservation of energy:

Steps that impact energy conservation: The Company has always actively promoted eco-friendly and green initiatives. It continues to work on reducing its carbon footprint, conserving energy, and using energy generated from alternative sources wherever possible. The austerity of our commitment towards eco-conservation can be observed in our infrastructure itself. From carefully selected building materials to unique power-saving systems, we have ensured that we keep our operations and premises as a contributing factor in maintaining the environmental equilibrium.

- The Data Center structure has been built using Cellular Lightweight Concrete (CLC) Blocks commonly known as Fly-Ash Bricks.
- The building has a well-planned rainwater harvesting architecture contributing towards ground water table recharging.
- We have a dual air-conditioning system deployed on the workstation floor. The conventional central air-conditioner only operates 3-4 months a year. For the rest of the year, a unique concept of fresh air in-take system has been integrated which has 1/6th power consumption compared to the conventional central air-conditioning.
- Our Data Center floor is cushioned between other 2 floors, which has helped us to reduce sensible heat load from top as well as bottom. This floor also has cavity wall from all 4 sides with distance of 4 ft between both the walls. Both walls are made up of Fly Ash Bricks.
- A well designed structure of Sun Louvers across the entire building guarantees minimized direct sun light penetrating into the building, thus reducing the energy required for air-conditioning.

- As charity begins at home, apart from the Tree Plantation Drive by Project Green Connect every year, we also house over 30 fully grown trees around the Data Centre premises.
- As charity begins at home, apart from the Tree Plantation Drive by Project Green Connect every year, we also house over 30 fully grown trees around the Data Centre premises.

(i) Capital investment on energy conservation equipment: Nil

(B) Research & development and technology absorption:

We are an innovation driven company. In our industry, we are one of the few data center and cloud services provider that has its own R&D team . Through our R&D initiatives, we developed our vertically auto scalable cloud, which is patented in the USA and the UK. Our Company was the first company to offer a true Make In India cloud in the nation in 2011 when the nation only knew virtualization . Over the years, our R&D team has developed several products that complement our data center and cloud business, which include (a) "eNlight cloud" – a patented vertical auto scalable cloud, which forms the base of our community cloud, (b) "eMagic" – a comprehensive data center management and monitoring suite, (c) "VTMscan" –a vulnerability scanner, which is a computer program designed to assess computers, networks or applications for known weaknesses, (d) "eNlight WAF" – a web access firewall, (d) Web VPN – for secure connectivity, (e) "eCOS" – for object storage, (f) "eNlight IoT" – an indigenously developed IoT platform running on the eNlight Cloud, (g) "eNlight Meet" – a communications solution for virtual meetings, (h) "eNlight SIEM" – for incident and event management, (i) "AA+" – an artificial intelligence/ machine learning based lung disease detection through X-Ray scan, (j) "eNlight DRM" – a disaster recovery monitoring solution and (k) "eNlight360" –a hybrid cloud orchestration solution. We are committed to innovation and are focused on creating more niche and cost-effective technology products and solutions, which is our contribution towards "Atmanirbhar Bharat".

As of March 31, 2021, our R&D team comprises of 174 members. For Fiscals 2021, 2020 and 2019, our R&D expenses, comprised of 5.34%, 4.98% and 2.40% of our total revenue generated during the respective periods. R&D expenses primarily comprise of employee salaries.

(C) Foreign exchange earnings and outgo:

Foreign exchange earned during the year in terms of actual inflows was Rs.138.13 Mn whereas foreign exchange outgo during the year in terms of actual outflows was Rs.11.74 Mn.

The current year's inflows and outflows are regarding the movement of funds into and outside India in foreign currency.

19. Risk management:

The Company is committed to effectively managing its operational, financial and other risks to achieve a balance between acceptable levels of risk and reward. The Company has a policy on risk assessment and minimisation procedures that describes the risk management methodology, structures and systems involving personnel at all levels of the Company to manage various business uncertainties and arrive at the right decisions pertaining to all business divisions' corporate functions. Risk Management in the Company includes identification, assessing, monitoring and mitigating various risks through a process that comprehensively evolved over the years. This includes:

- Quarterly internal audits by an independent firm;
- Regular process compliance audits for ISO 9001:2015 and ISO 27001:2013, ISO 22301:2019 standards, including SOC audits;
- Periodic audits of compliance to other regulatory frame works;
- Monitoring and tracking of compliances of applicable laws for the Company using Compliance tool, which is updated on real time basis with latest amedments;
- Annual capital and revenue budget planning followed by monthly reviews;
- Annual sales planning with monthly/periodic monitoring;
- Annual perspective and strategic planning exercise with a yearly update;
- A conservative approach in planning funding requirements.

Over the last few years, the Company has developed comprehensive internal financial control processes and procedures that could effectively mitigate the overall organizational risks. As detailed in the following section, these processes and controls form part of the review, verification and improvement by its internal audit and process teams.

20. Adequacy of internal financial controls:

The Company has a proper and adequate internal control system. This ensures that all transactions are authorised, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorised use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of Internal Financial Controls.

An extensive programme of internal audits and management reviews supplement the process of the Internal Financial Control framework. Properly documented policies, guidelines and procedures have been laid down for this purpose. The Internal Financial Control framework has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and maintaining asset accountability. In addition, the Company has identified and documented the risks and controls for each process that links to financial operations and reporting.

The Company also has an Audit Committee, comprising three Directors, who interact with statutory auditors, internal auditors and management to deal with matters within its terms of reference.

The Company Secretary of our Company shall serve as the secretary of the Audit Committee.

This Committee mainly deals with issues of accounting, financial reporting and internal control. The framework for the Internal Financial Controls was made by:

- Defining controls, governance and standards, including policies and procedures, organisational structures and performance objectives;
- Establishing control designs including roles and responsibilities, risk identification and capacity to deliver business objectives;
- Evolving controls including control systems and improvements;
- Compliance and control monitoring through internal resources or audit or a combination of both.

The internal audit team, along with the process team, monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies. Based on the internal audit report, corrective actions, if any, are undertaken and controls strengthened in the respective areas. Significant audit observations and responses/corrective actions, if any, are presented to the Audit Committee of the Board. During the year, an Internal Financial Control (IFC) audit concerning financial statements was done by the Statutory Auditors. Their report is annexed as part of the Independent Auditor's Report.

21. Corporate social responsibility:

ESDS's Corporate Social Responsibility (CSR):

Being able to manage all this on a cross platform level is a great contribution by ESDS. With our humanitarian initiatives focus on creating shared value for our employees, the society & for ESDS as a whole. Getting ESDSians involved in the communities where they work or live definitely has a powerful and positive impact on employee lives, the society & the business.

Our leaders show personal commitments in such activities and take efforts to build the commitment across organizational level.

Our employees have a better view of ESDS because we encourage giving back. This has helped us to drive both employee engagement and employee morale which improves performance and retention. All our CSR activities have huge involvement of our staff. Our CSR efforts range from donating money to nonprofits organizations to implementing environmentally-friendly policies in the workplace. Some of the key initiatives taken by us are as below:

Helping special kids to live up their dreams

Charity is viewed as important in our society, but the true reason for charity isn't always taught. We at ESDS always highlight and emphasize on giving unconditionally. It is hardly possible for individual to donate for the society, but ESDS as a family, supported its employees to give up for the society. This year we climbed one step above in giving charity which included

- **Helping Hands:** We believe that in helping others we are making this world a better place

We at ESDS believe that Education is the first step towards a bright future.

- **The Gift of Knowledge:** Continuous Knowledge Enhancement being one of our values, we - made a difference by offering knowledge to the needy this year. Whatever we are today, is because of our knowledge. At the same time, we believe in sharing it in any possible way. This year each ESDSian donated Gifts of Knowledge i.e. every ESDSian donated an Educational Kit which consisted of a Pen, Pencil, Rubber, Sketch Pens Box, Coloring Book, note book and a personalized note in it having their wish for them to have a better life and success in coming future, this was totally ESDSians decision to gift and wish them luck.

- **The Gift of Life:** 120 blood bags were donated this year.

- **The Gift of Happiness:** We make a living by what we get but we make a life by what we give. While we connected and bonded with 3NGOs during Diwali every ESDSians was so enlightened and touched by their impact so much so that they made conscious decisions to buy Diwali decorations and items from the NGOs instead from the local shop donating towards their happiness in a big way.
- **The Gift of Health:** donation of 150 lunch packages to patients in ESIC hospital. Also We held health checkup camp for all the employees considering the health and fitness first. The joys of sharing & the content of contributing has managed to bring a sense of pride of the face of every ESDSian.
- **Sponsored Events:** We had sponsored several events including the TedX Event, JCI Zonal event and JCI Marathon
- **Tree Plantation:** Since the inception of the Company, ESDS has been conducting Tree Plantation Drives every year in various parts of Northern Maharashtra. With Project Green Connect, we now plan to plant 5,000 trees next year. With Project Green Connect, we strive to help make our company greener, reduce our carbon footprints, and contribute generously towards Ecological Conservation.

Through its CSR initiatives, the Company focuses on promoting education for the differently-abled, under privileged and protecting the environment.

The year 2020-21 saw disruption in all our activities like no other year. The Covid-19 pandemic has left the world grappling with health, economic and humanitarian crisis at an unprecedented scale.

Through its CSR initiatives, the Company focuses on promoting education for the differently-abled, under privileged and protecting the environment.

The year 2020-21 saw disruption in all our activities like no other year. The Covid-19 pandemic has left the world grappling with health, economic and humanitarian crisis at an unprecedented scale.

The Company's CSR activity during the year was all about following its core purpose and philosophy. It also included relief measures to fight Covid-19 which was the need of the hour. We expended Rs 3.70 million during the current year.

22. Directors' responsibility statement as required under Section 134(5) of the Companies Act, 2013:

Under Section 134 (5) of the Companies Act, 2013, the Directors confirm that:

a) For the preparation of the annual Financial Statements, the applicable accounting standards were followed, accompanied by a proper explanation relating to material departures;

b) Accounting policies were selected and applied consistently; fair judgment was used and prudent estimates made to give an accurate view of the Company's state of affairs at the end of the financial year, and it's profit and loss for that period.

c) Proper and sufficient care was taken for maintaining adequate accounting records as per provisions of this Act to safeguard the Company's assets to prevent and detect fraud and other irregularities;

d) Annual Financial Statements were prepared on a going concern basis;

e) The Company laid down Internal Financial Controls and that such internal financial controls are adequate and these were operating effectively; and

f) Proper systems were devised to ensure compliance with all applicable laws and such systems were adequate and operating effectively.

23. Criteria for making payment to non-executive directors:

The Nomination and Remuneration Committee and the Board of Directors considered the following criteria while deciding on the payments to be made to Non-Executive Directors:

- Company performance.
- Maintaining independence and adhering to Corporate Governance laws.
- Contributions during meetings and guidance to the Board on important Company policy matters.
- Active participation in strategic decision-making and informal interaction with the management.

24. Policy for determining material subsidiaries:

Pursuant to Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, a policy for determining material subsidiaries was formulated. The same is updated on the Company's website at https://www.esds.co.in/ and is dealt with elsewhere in the Annual Report.

25. Directors and key management personnel:

Appointment/ change in designation/ cessation to our Board & KMP

Key Management Personnel	Date of appointment/ change in designation/ cessation	Reason
Ramesh Kumar Amudalapalli	July 28, 2021	Appointment as Independent Director*
Dhandapani T. G.	July 28, 2021	Appointment as Independent Director*
Uma Manoj Mandavgane	July 28, 2021	Appointment as Independent Director*
Pamela Kumar	July 28, 2021	Appointment as Independent Director*
Komal Somani	July 28, 2021	Appointment as Whole Time Director**
Sarla Prakashchandra Somani	July 28, 2021	Resignation as Executive Director
Rajesh Ramakant Pai	July 6, 2020	Resignation as Nominee Director
Sandeep Mehta	April 6, 2020	Appointment as CFO
Kantilal Tekne	December 15, 2020	Resignation as CS
Aniket Khandelwal	August 7, 2021	Appointment as CS & CO

**These Directors were originally appointed as additional Directors by our Board on July 28, 2021. Subsequently, the appointment of such Directors was regularized pursuant to resolutions of our Shareholders on August 27, 2021.*

*** Komal Somani was originally appointed as an additional Director by our Board on July 28, 2021. Subsequently, the appointment of Komal Somani was regularized pursuant to a resolution of our Shareholders on August 9, 2021.*

26. Public deposits:

The Company has not accepted or renewed any public deposits and, as such, no amount of principal or interest was outstanding on the Balance Sheet as of date.

27. Statutory Auditors:

Shah Khandelwal Jain & Associated, Chartered Accountants, are the Statutory Auditors of the Company. They were appointed in the 16th Annual General Meeting and will hold office till the 21st Annual General Meeting of the Company. The report issued by the Auditors to the members for the financial year ended March 31, 2021, does not contain any qualification, reservation or adverse remark or disclaimer. Auditors reported no frauds under sub-section (12) of Section 143.

28. Maintenance of cost records:

The maintenance of cost records as specified by the Central Government under Sub-Section (1) of Section 148 of the Companies Act, 2013, does not apply to the Company.

29. Significant and material orders passed by the regulators, courts or tribunals:

There are no significant and material orders passed by the regulators or courts or tribunals that may impact the Company as a going concern and / or Company's operations.

30. Awards, accreditations or recognitions

Our Company has received the following awards, accreditations and recognitions:

Sr.	Award, accreditations, and recognitions	Calendar Year
1.	Recognised as the Best Tech Brand 2020-21 at the Best Tech Brands 2021 by The Economic Times	2021
2.	Best Mid-Segment Data Center Award at the Data Center Industry Awards for Excellence 2021	
3.	Recognized by the Great Place to Work Institute for its 'commitment to being a great place to work'	

Sr.	Award, accreditations, and recognitions	Calendar Year
4.	Ranked 28th amongst India's Best Companies to Work for by Great Place to Work® Institute India and The Economic Times	
5.	Recognised as among India's 50 Best Workplaces for Women 2020 by Great Place to Work® Institute India	2020
6.	Recognised as N 15th Best Small & Medium Workplaces in Asia 2020 by Great Place to Work® Institute	
7.	The Nashik Best Employer Brand Award 2019 awarded at the 14th Employer Branding Awards	2019
8.	Ranked 2nd in the Great Mid-Sized Workplaces of India by Great Place to Work® Institute India	
9.	The award for Best Web Hosting and Data Centre Service Provider in West India conferred at the Global Business & Service Excellence Awards 2014 by Prime Time Research Media Private Limited	2014
10.	Best Web Solution and Data Center Service Provider in Maharashtra conferred at the Global Business & Service Excellence Awards 2013 by Prime Time Research Media Private Limited	2013
11.	Most Promising Banking Technology Solutions & Service Provider in North Maharashtra conferred at the Business & Service Excellence Awards 2012 by Big Research	2012
12.	Outstanding HP Storage Business 2011-2012 conferred by HP	

31. Quality, technology and systems:

The Company has established a Compliance Frame work that follows a phased approach. It starts with establishing legal, contractual and security requirements to be complied with, internal communication and creating awareness on these requirements, integration of requirements with existing security and process frame work for ongoing compliance, monitoring and audit for ensuring compliance, periodic assessment of the maturing level of compliance processes and reporting and improvement of the security framework. The compliance framework is independently assessed and certified by external certification bodies on an annual basis.

ISO 9001:2015 (Quality Management System) & ISO 27001:2013 (Information Security Management System) & ISO 22310:2019 (Business Continuity Management Systems)

All offshore testing centers of the Company are certified for Quality Management System (ISO 9001:2015) ,Information Security Management System (ISO 27001:2013) and Business Continuity Management Systems (ISO 22310:2019)

The Company promotes adopting a process approach when developing, implementing and improving the effectiveness of a quality management system to enhance customer satisfaction by meeting customer requirements. The process approach involves systematic definition and management of processes and their interactions to achieve the intended results by following the top management's quality policy and strategic direction. The Company adopts various form of improvement and correction and continual improvements, such as breakthrough change, innovation and reorganisation.

The Company achieves information security by implementing a suitable set of controls, including policies, processes, procedures, organizational structures and software and hardware functions. These controls are established, implemented, monitored, reviewed and improved to meet the organisation's specific security and business objectives.

General Data Protection Regulation:

Data protection is a significant concern for organisations world wide. The focus is on secure handling to ensure the protection of customer data as well as corporate data. The importance of privacy and data protection is increasingly recognised as more and more social and economic activities become online. When it comes to data protection, different countries have enacted different sets of laws. The European Union (EU) views the privacy of personal information as a fundamental right. With the introduction of the General Data Protection Regulation (GDPR) in 2018, the EU has given its people more control over their personal data. The USA has sector-specific laws on the privacy of customer data such as health and financial information. With its global reach and client base, the Company is expected to adhere to various such data privacy compliance requirements. The Company has designed and implemented a GDPR framework to protect the personal information provided by its customers from engagement until the closure of services. As part of the GDPR framework, the Company ensures that the contractual obligations concerning data protection are adhered to through technical and organisational measures. The Company also analyses the internal and external environment changes, including the contractual customer requirements on privacy and the various alerts (privacy incidents) to draw inputs for annually updating the Privacy Policy.

32. Disclosure as required under Section 22 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,2013:

The Company has a policy on the prevention of sexual harassment at the workplace. It has duly constituted the Internal Complaints Committee (ICC), in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The ICC has been set up to redress any complaints received regarding sexual harassment and meets periodically. The policy covers all employees. The ICC has not received any complaints during the financial year 2020-21.

33. Process of Listing

The Company is in the process of listing its equity shares on BSE & NSE and has filed its DRHP on 2nd September, 2021 which can be viewed on below given link

https://www.sebi.gov.in/filings/public-issues/sep-2021/esds-software-solutions-limited_52398.html

34. Acknowledgments:

The Company thanks its customers, bankers and service providers for their continued support during the year. The Company places on record its appreciation for the contribution made by its employees at all levels. Its success was made possible by their hardwork, loyalty, cooperation and support.

The Company thanks the Government of India, particularly the Ministry of Communication and Information Technology, the Ministry of Commerce, the Ministry of Finance, the Ministry of Corporate Affairs, the Customs and Excise departments, the Income Tax Department, the Reserve Bank of India, the State Governments, Madras Export Processing Zone (MEPZ) and other government agencies for their support, and looks forward to their continued support in the future. The Company also thanks the Governments of the countries where it has operations. The Directors wish to record their appreciation of business constituents like SEBI, NSE, BSE, NSDL, CDSL, etc., for their continued support for the Company's growth. The Directors also thank investors for their continued faith in the Company.

For and on behalf of Board of Directors of ESDS Software Solution Limited

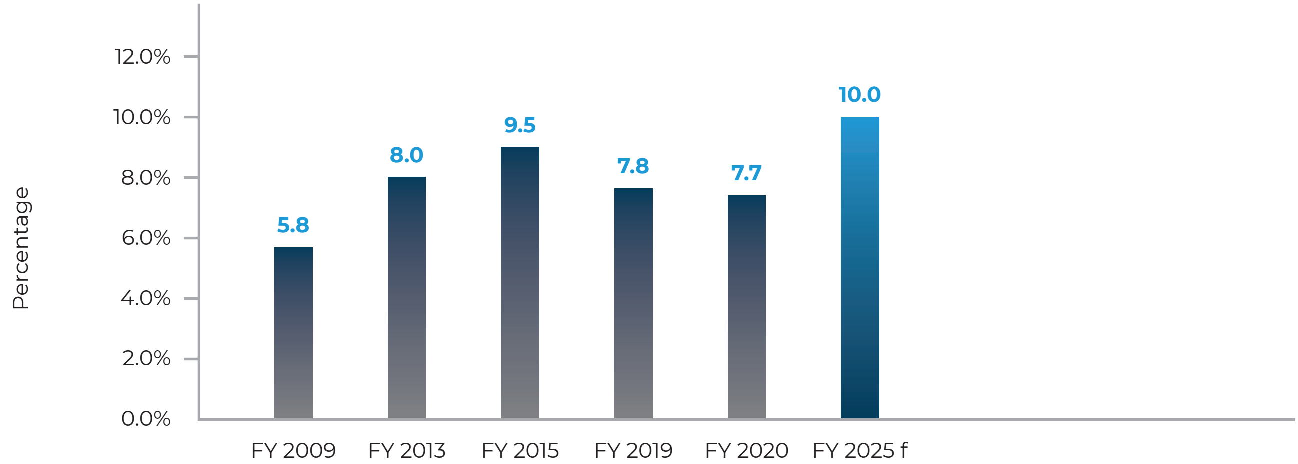
Piyush Prakashchandra Somani
Chairman and Managing Director DIN : 02357582
Place: Nashik, India
Date : November 26,2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

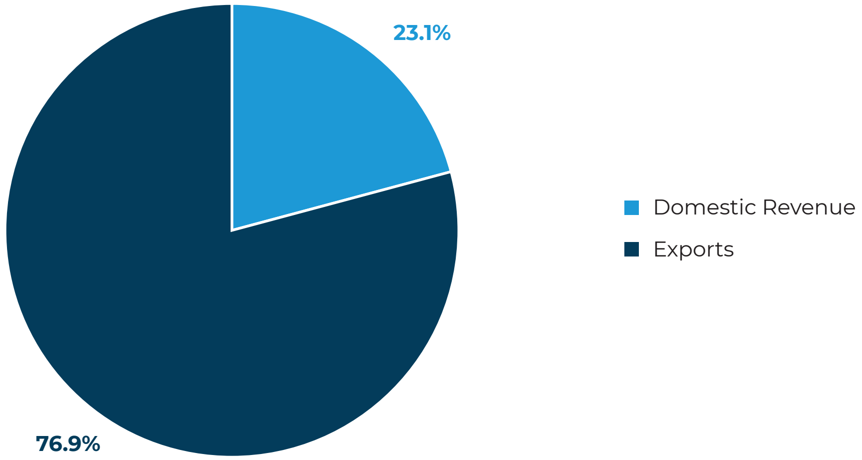
Overview of IT/ITES sector in India

One of the predominant factors that has resulted in the increasing value contributed by the services sector to the GDP is the IT/ITes sector, which is valued at USD 45 billion (domestic revenue) and USD 150 billion (export revenue) as at end of Fiscal 2021. As of 2020, India's IT workforce accounts for 4.36 million employees. It is further expected that IT spending in India could reach US$ 93 billion in 2021 (7.3% growth year on year) and further increase to US$ 98.5 billion in 2022, driven by rapid digitization and the IT industry's timely transition to remote working environments that helped to keep up the industry's growth amid the Covid-19 pandemic. It is forecasted that the contribution of IT industry to India's GDP will reach 10% by Fiscal 2025.

The following illustration demonstrates the contribution of the IT/BPM sector to India's GDP (in %) between Fiscals 2009 and 2020 and the forecast for Fiscal 2025



The following illustration demonstrates the import and export revenue (in %) of the IT/BPM sector during Fiscal 2021



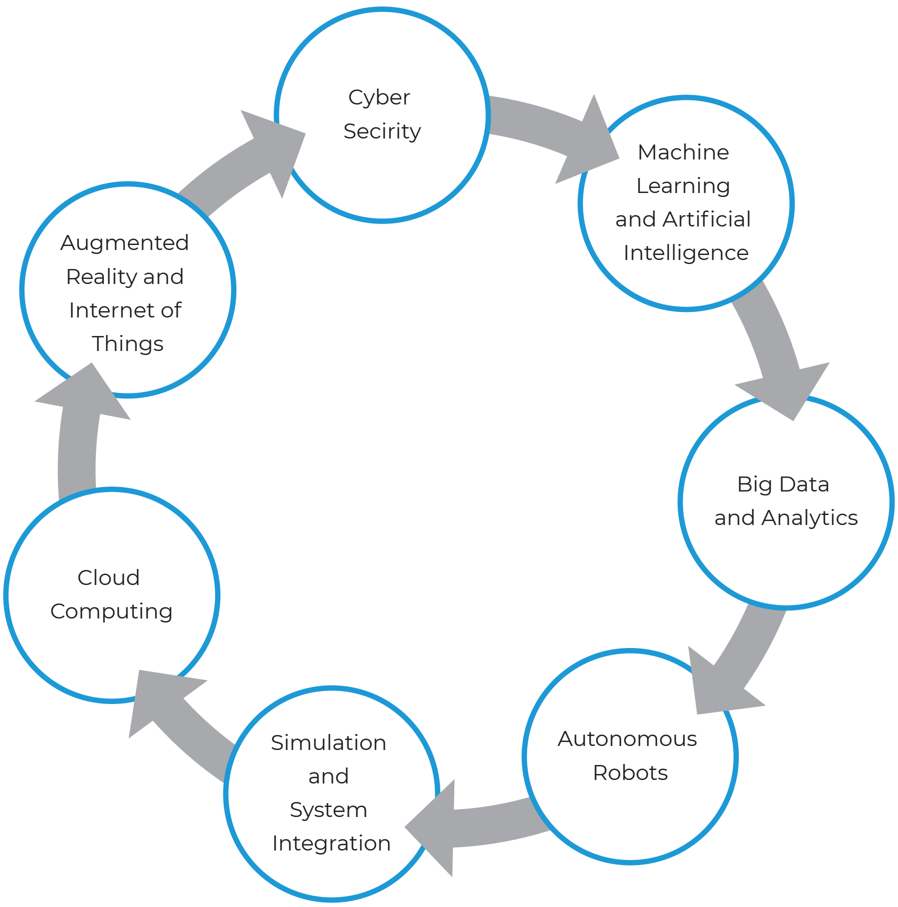
Overview of IT/ITES sector in India

The role of cloud and data center industry in the goal of achieving a USD 5 trillion economy

In July 2015, the Government of India launched a ‘Digital India Programme’, with a vision of propelling the efforts to transform India into a digitally empowered society and knowledge economy. Further, it was envisaged that the digital ecosystem could generate economic value of USD 1 trillion, which would play a crucial role in achieving the USD 5 trillion economy target by 2025. As part of the program, the Government identified 30 digital themes across different sectors such as agriculture, healthcare, education, energy, digital payments etc., which relies on a 21st century IT/ITES, highlighting opportunities for increased adoption of digital technologies.

The wave of IT adoption led by cloud computing, has allowed firms to transform the backend operations, resulting in enhanced value proposition for the customers. Cloud service gives companies of any size access to technological capabilities, which were previously accessible to large enterprises only. In India, the industry has gained momentum with more than 200 data centers and more than 10 cloud operators, targeting an industry market size of USD 3.8 billion in Fiscal 2020.

The following illustration demonstrates the key technologies shaping the "Digital Transformation of India" in 2020



The impact of Covid-19 in the acceleration of the cloud services market

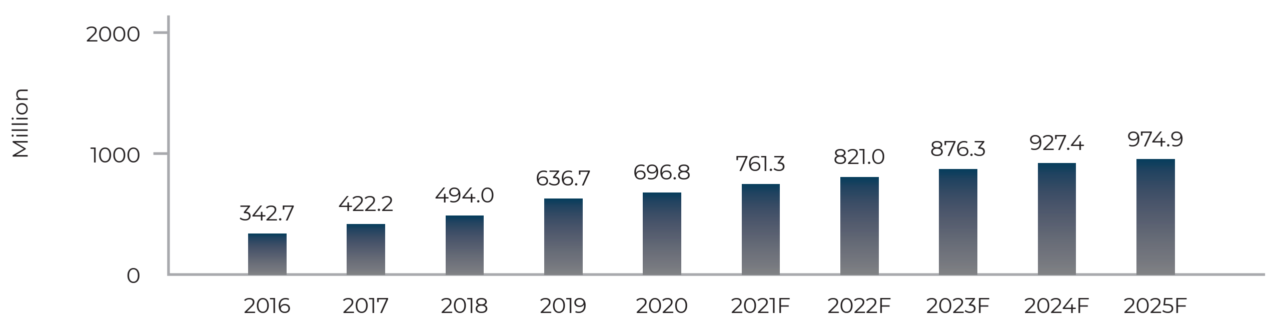
The cloud services market in India was undergoing a cloud transition phase, which got accelerated by the perpetuation of Covid-19 in 2020. During the first quarter of 2020, spending of enterprises on cloud infrastructure increased by ~35%, compared to the fourth quarter of 2019. The shift of work culture from office set-ups to virtual work generated the urgent need of secure, reliable, scalable, and cost-effective technology services across the country. SaaS has been a huge support for the sudden increase in the mobile workforce in 2020. The Indian cloud infrastructure witnessed a y-o-y growth of around 15% by the end of 2020.

The hybrid cloud witnessed the majority investment as compared to public and private cloud model during the pandemic. In accordance with Enterprise Cloud Index report, over 65% of Indian organizations, due to Covid-19, increased their investments in hybrid cloud.

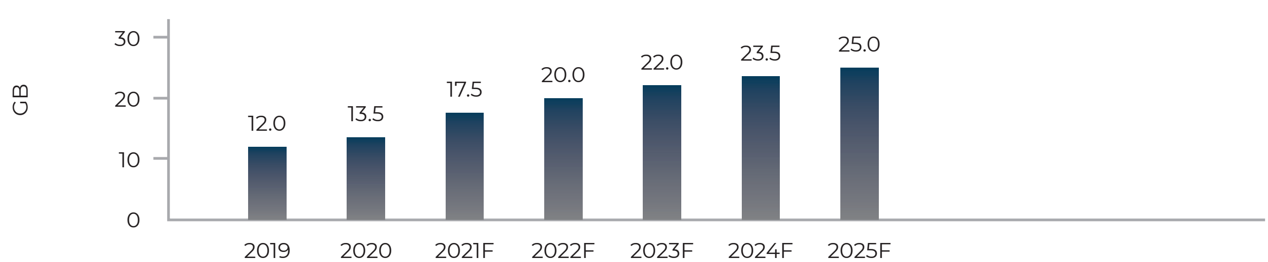
As per the IT spending survey, more than 65% of India's enterprises have realized the benefits of opting for cloud in terms of acquiring new clients, serving the existing customer base and achieving good profitability. ~81% of corporate organizations have adopted cloud services in the wake of the pandemic, with the implementation of work from home culture. Since the outbreak of the pandemic, the Indian organizations have become more data driven in terms of their decision making; thereby leading to the growing use of cloud technology to make optimal utilization of insights from data. The demand for adoption of cloud computing for application by the educational institutions has also gained momentum during the pandemic period.

Factors Driving Growth

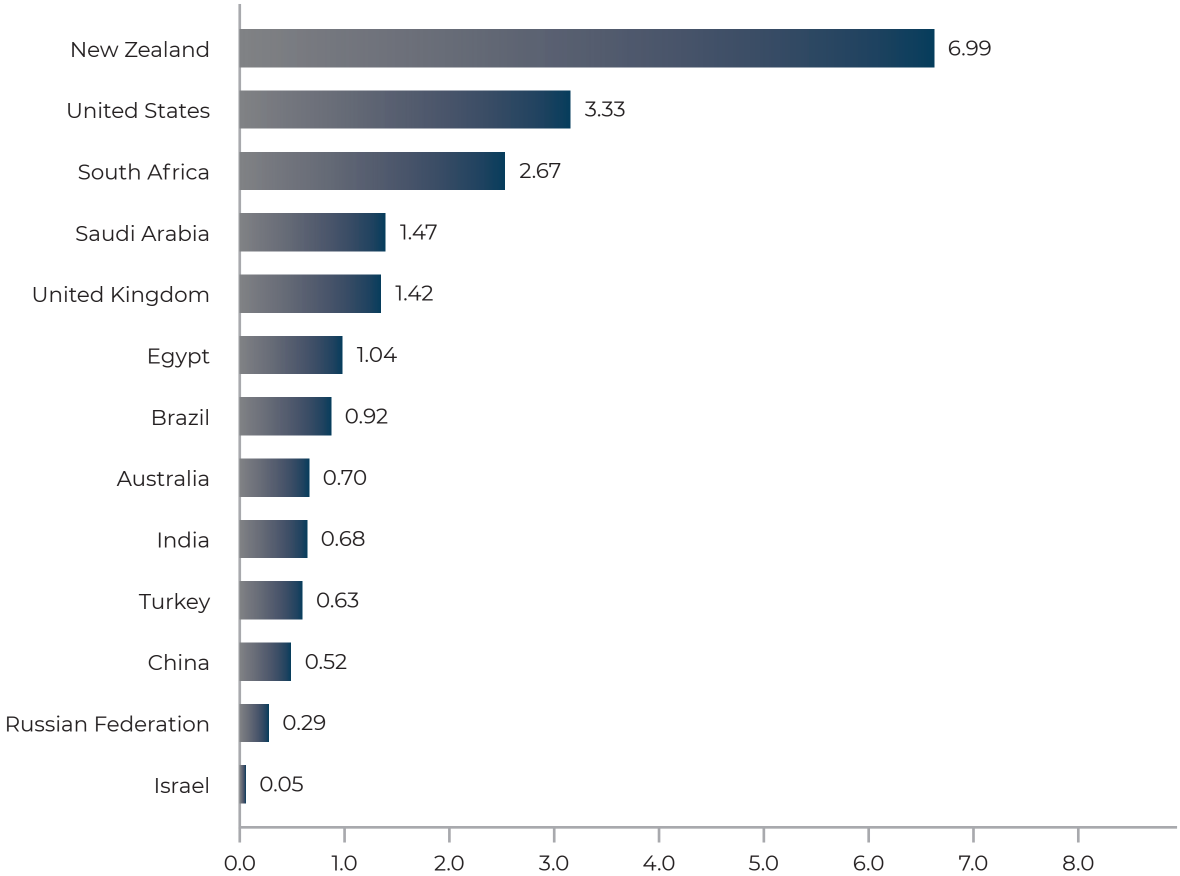
The following illustration demonstrates the number of internet users in India (in million) during 2016-2025 (estimates)



The following illustration demonstrates the average volume of data generated per user - monthly, 2019-2025 (estimated)



The following illustration demonstrates the cost comparison of 1GB data among select countries, 2021



Outlook of IT/ITES sector in India

The IT/ITES sector is the largest employer within India's private sector and its revenue is estimated to reach US$ 194 billion in Fiscal 2021, an increase of 2.3% year on year. In in Indian Budget of 2021, the Government of India allocated USD 7.3 billion to the IT and the telecom sector and has also provided tax holidays to the IT sector for Software Technology Parks of India and Special Economic Zones. As of February 2020, there were 421 SEZs across the country, out of which 276 belonged to the IT/BPM sector.

The push towards cloud services has boosted hyper-scale data center investments, with global investments estimated to exceed ~US$ 200 billion annually by 2025. India is expected to gain a significant share in the global market, with the country's investment expected to hit ~US$ 5 billion annually by 2025. Further, the accounting of revenue expected to be gained from digitally underserved MSMEs of India could further provide a major boost to the IT sector. Even small firms in the unorganized sector are realizing the need to have an all round run time of mission critical applications, digital customer acquisition and servicing tools, which has been further accentuated by COVID-19. Backed on key technologies of artificial intelligence, machine learning, big data and analytics, IoT, the IT/ITes sector in India is expected to benefit immensely from the increased adoption across end-user firms of all types and sizes.

Overview of ESDS Software Solution Limited

We are amongst India’s leading managed cloud service and end to end multi-cloud requirements provider. We have built a comprehensive cloud platform which our customers rely on, consisting of cloud infrastructure, well-architected solutions aimed at reducing cost and providing safety, flexibility, scalability and reliability to enterprises compared with the traditional on-premise IT models. As part of our portfolio, we offer:

(a) Cloud Computing Infrastructure as a Service (IaaS) which includes our patented vertically auto scalable cloud technology platform, “eNlight Cloud”; (image)

(b) Software as a Service (SaaS) and Managed Services, which include, (i) SaaS which is a software distribution model wherein we host applications on cloud platforms and make them available to end users on periodic subscription model, allowing clients to develop, run and manage applications, and (ii) Managed Services, through which we offer several services enabling companies to optimise and modernise their cloud environment, secure their data and migrate their legacy data on cloud environments, and fully manage it on a day to day basis. (image)

We believe such a diversified portfolio positions us as a “one stop shop” for our customer’s cloud adoption. We also serve our customers with differentiated billing models in India such as “pay-per-consumption”, “pay-per-branch” (for BFSI customers) and “pay-per-transaction”, which we believe helps in reducing our clients’ “Total Cost of Operation” (TCO). We operate our business on an asset light model, which comprises of ownership of computing hardware assets only, thereby allowing quicker scalability and reduced capital cost of operations. We offer our products across diversified industries that include government ministries & companies and corporate entities across sectors such as BFSI, manufacturing, IT and ITES, telecom, real estate, pharmaceuticals, retail and education and in several countries across the APAC region, Europe, Middle East, the Americas and Africa.

Our comprehensive IaaS cloud computing services portfolio includes public cloud, private cloud, virtual private cloud, hybrid cloud and various community cloud offerings. Our indigenously developed vertical autoscaling technology, which powers our IaaS “eNlight Cloud”, is patented in the United Kingdom and the United States of America. The eNlight Cloud adheres to international security standards and follows the concept of layered security to provide high level of data protection over hypervisor platforms. A hypervisor is a kind of emulator - a software, hardware or firmware that creates and runs virtual machines and allows one host computer to support multiple guest virtual machines by virtually sharing its resources, such as memory and processing. Our cloud customers are supported by our round the clock services team.

As part of our SaaS offerings, we provide software products and applications, hosted on our cloud platform, on annual, semi-annual, monthly or quarterly subscription model, which allow our clients to develop, run and manage applications and services. Further, we provide both in house and third party developed applications on a digital marketplace developed by us, namely "Spochub". Spochub enables us and our software vendors to offer their solutions with custom packages to enterprise customers.

Our SaaS offerings include, among others, a comprehensive data center management and monitoring suite, vulnerability scanners, which are programs designed to assess computers, networks or applications for known weaknesses, web access firewalls, virtual private network (VPN) – for secure connectivity.

We collaborate with Governmental and public sector organisations to offer SaaS offerings and data center solutions, which we term as "G-SaaS". As part of G-SaaS, we provide services that include document and data migration to cloud, software offerings on Spochub, data center management and back-up servers for disaster management. Smart city applications are software applications that help the Government to optimize their expenses, provide deployment of software services and ensure data confidentiality. Our G-SaaS collaborations include (a) partnering with a Government energy service company (ESCO) for implementing a smart metering project around various states in India, (b) collaborating on e-governance projects of certain ministries of the Government, (c) collaboration with several smart cities in India, to who we provide smart city solutions by hosting their data on our cloud platform.

Our Managed Services portfolio includes a diverse range of services to our customers, to complement day to day data management of IT services and cloud migration. As part of our managed services, we offer 24x7 IT support, data back-up and recovery, migration services database administration services, SAP Basis, SAP HANA administration, security operations center (SOC) services, and disaster recovery services..

We operate our business through three data centers in India, one each in Navi Mumbai, Nashik and Bengaluru. Our data centers cover, in aggregate over, 50,000 sq. feet across the three locations in India. Our data centers are connected on a 10 Gbps backbone network (backbone network is a part of a computer network which interconnects data center locations), providing a secure path for the exchange of information between different local area networks (LANs) or subnetworks) and is backed up with state-of-the-art disaster recovery services. During the last three fiscal years, all our data centers, during their period of operation, have maintained an uptime of at least 99.995%. Our data centers have been granted "Tier III" status by QSA International Limited and have received Green IT Infrastructure Award at the Maharashtra IT Awards, 2010 held by the Department of Industries, Government of Maharashtra.

We offer our products across industries and a diversified customer base, which include clients from BFSI, healthcare, education, energy and utilities, real estate, IT and ITES, agriculture, manufacturing, entertainment and media and government departments. We believe our diversified customer base allows us to insulate ourselves from sector fluctuations and industry concentration risks. We believe we have been able to specifically service co-operative banks, with our unique "pay-per-branch" billing model, which allows a bank to pay a fixed amount per month per branch and we manage their core banking software hosting and other managed services, together with our BFSI technology partners.

We attribute our growth to the strength and experience of our senior management team. Piyush Prakashchandra Somani, who is our Managing Director and Chairman, has over 16 years of experience in the information technology sector. He has been instrumental in expanding the operations of our Company in several international markets. Our Chief Growth Officer, Rajeev Papneja, has experience in the field of technology and has been recognised as one of the "Eminent 100 CIO's of India" award at the 18th Infotech Forum 2020. We were ranked 28th amongst India's Best Companies to Work for in 2020, by Great Place to Work® Institute India and the Economic Times and have consistently been ranked amongst the best places to work by Great Place to Work® Institute India during the last six years across various categories.

The following table sets forth certain key financial and operational metrics for our Company as at/for the periods indicated:

Key Performance Indicators

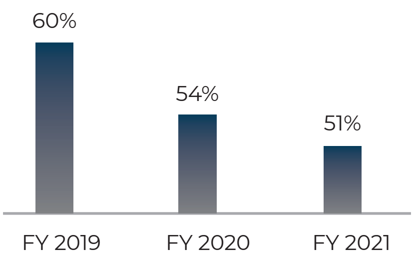
Metrics	Fiscal 2021	Fiscal 2020	Fiscal 2019
Total Income (in million)	1,741.01	1,605.34	1,375.41
EBITDA	638.05	517.23	471.46
EBITDA Margin (%)	36.65	32.22	34.28
Revenue from long term contracts(1) (as a % of the total revenue for that respective year)	92.88	84.38	88.53
Revenue from existing customers (as a % of the total revenue for that respective year)	88.53	74.53	69.22
New customers added during the period (nos.)	406	318	297
Revenue from top 20 customers (as a % of the total revenue for that respective year)	50.90	53.63	59.87
Average revenue per customer (in ` million)(2)	24.39	23.40	20.96
Revenue from IaaS (as a % of the total revenue for that respective year)	51.15	52.99	54.90
Revenue from SaaS & Managed Services (as a % of the total revenue for that respective year)	48.85	47.01	45.10

(1) Long term contracts refer to contracts of more than 12 months duration (including business from customers continuing for more than 12 months after contract renewals)

(2) Calculated for the top 50 customers

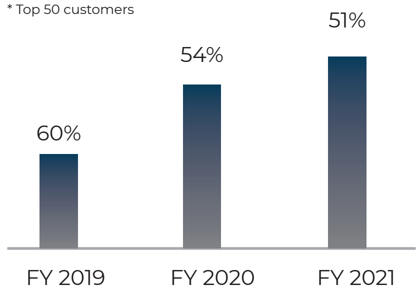
Diversified and Recurring Revenue Streams

% of Revenue from top 20 customers

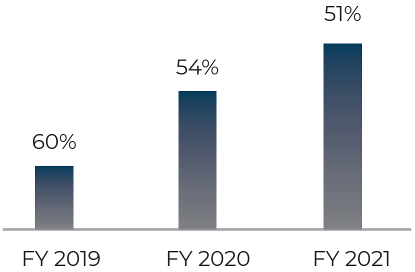


Average revenue per customer (Rs mn)*

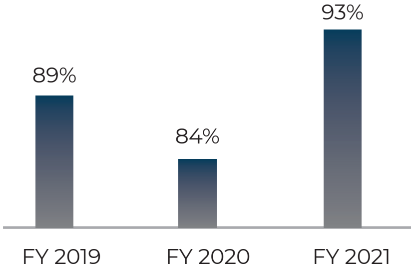
* Top 50 customers



% Revenue from partnerships and tech collaborations

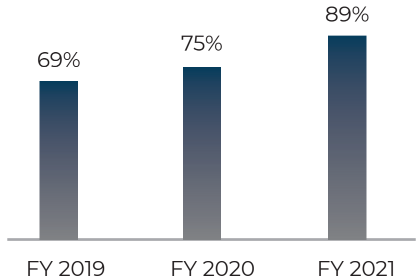


% of Revenue from long term contracts1

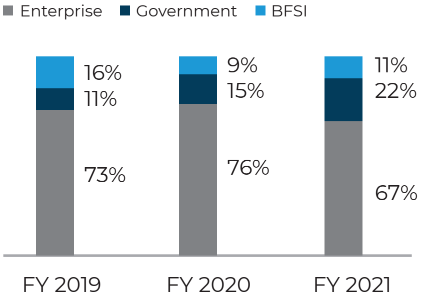


1. Long term contracts refer to contracts of more than 12 months duration (including business from customers continuing for more than 12 months after contract renewals)

% Revenue from existing customers



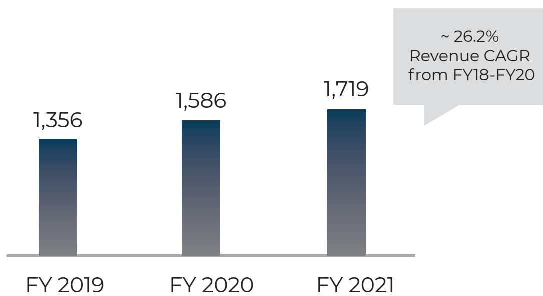
Revenue mix% by industry



Key Financial metrics

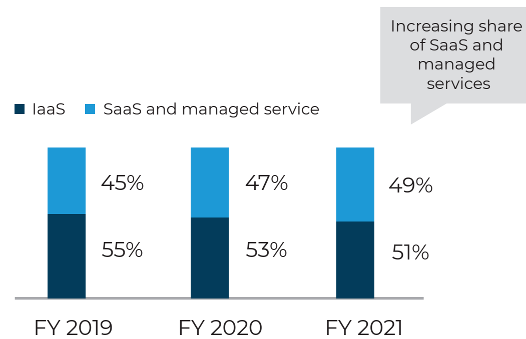
Profitability metrics supported by positive cash generated from operations

Revenue from operations
Rs. mn

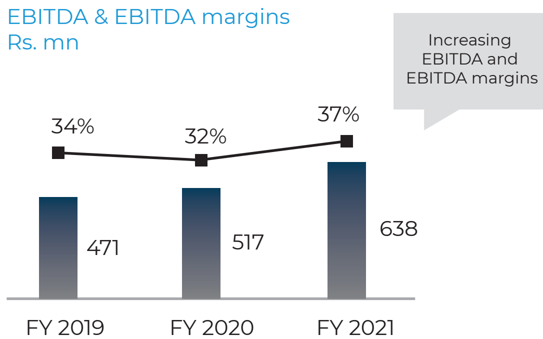


Revenue from international customers between 7-11% during FY19-FY21

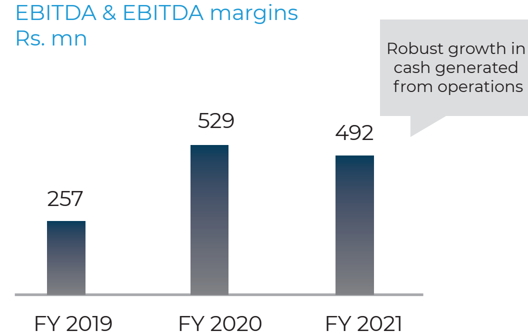
Revenue by cloud service



EBITDA & EBITDA margins
Rs. mn



EBITDA & EBITDA margins
Rs. mn



Driving revenue through multiple cloud offerings and by cross selling

Competitive strengths

We believe that our competitive strengths include:

Comprehensive and integrated range of offerings that provide a "one stop shop" for managed cloud solutions to a diversified and marquee clientele.

Our business offerings provide a comprehensive range of solutions, which we believe provide a "one stop shop" for our customer's cloud adoption, and is an important factor in customer acquisition, retention and sets us apart from our competitors. Our wide range of products include IaaS, SaaS and managed services.

Due to our comprehensive and integrated product range, we are able to provide services to our customers across initiation, implementation and post-delivery stages. At the initiation stage, we design tailored solutions based on our customer business needs and requirements. During the implementation process, we offer customers seamless cloud migration services. After delivery, we have regular client reviews to constantly improve our services. We also have a 24x7 technical support team who can respond to customer inquiries. Our service model allows us to service our customers on a continuous basis by providing support for their entire cloud-adoption and migration life-cycle. Our regular engagement also allows us to market and cross-sell our SaaS products and managed services to our customers. Such service model enables us to understand our customers' needs in a timely manner and identify new business opportunities.

The following table demonstrates the percentage of revenue from customers from the industries mentioned, during Fiscals 2021, 2020 and 2019:

Industry*	Fiscal 2021	Fiscal 2020	Fiscal 2019
BFSI	10.93%	8.73%	16.18%
Enterprise	67.38%	75.77%	72.98%
Government	21.69%	15.50%	10.84%

* Classified basis customer category of our Company

Innovative billing solutions that derive value to customers.

As part of our business model, we have introduced several billing solutions which we believe derive significant value to our customers. Such billing solutions include:

a) The “pay-per-consumption” billing model. Due to our patented vertically autoscaling technology, we are able to scale the resources of our virtual machines automatically, based on the load demand, and invoice our customers specifically for such consumed resources. This billing model is in contrast to the “pay-per-use” billing model adopted by major competitors, pursuant to which the customer is charged for the virtual machines allocated to them by the cloud provider. Our “pay-per-consumption” billing model is aimed at increasing our operational efficiency and allowing us to compete with competitors.

b) The “pay-per-branch” billing model. – This billing model is used specifically by our co-operative banking customers. Under the “pay-per-branch” billing model, a bank pays a fixed amount per month per branch and we provide core banking on SaaS model to these banks bundled with the required managed services, in collaboration with our technology partners.

c) The “pay-per-transaction” billing model – This billing seeks to bill customers per successful transaction.

Companies are under significant pressure to optimize the cost and performance, enhance the operational expectations and maintain high level of cyber security for their business. Consequently, we have observed that such businesses prefer migrating to a predictable cost model, such as our “pay-per-consumption” billing model, bundled with our end-to-end managed services. We believe that such innovative billing models have assisted in customer retention, scaling of operations and cross sell and upsell of services.

Leadership position in the industry with a proven track record

We are amongst India’s leading managed cloud service and end to end multi-cloud requirements provider . We have the largest number of banking customers in India which include more than 400 co-operative banks, district co-operative central banks and small banks. We are a market leader in hosting in Government cloud applications. We have the largest number of customers running SAP ERP system and SAP HANA systems .

We believe that we were able to achieve such leadership position through our patented technology, diversity of product offerings, Government empanelment and most importantly, a proven track record of executed contracts. We were the first company in India to introduce cloud computing, through the introduction of our in-house developed eNlight Cloud. We were one of the first companies in India to provide the vertical scaling facility to our customers. We have executed contracts such as BFSI community cloud contracts, smart city and metering contracts, and contracts with other public sector organisations. Further, we believe that our leadership position and such proved track record has allowed us to increase our customer base consistently over the years. As part of G-SaaS, we have also partnered with a Government ESCO for implementing a smart metering project around various states in India and worked on e-governance projects of certain ministries of the Government. In Fiscal 2021, 2020 and 2019 we serviced, 388, 1,317 and 1,162 clients across all our product and service offerings.

As digital expansion continues to increase, with more companies becoming technology dependent, demand for data storage facilities is anticipated to increase . As a result, we are well poised to offer operators and enterprises future scalable potential of large capacities.

Strategies

The key elements of our business strategy are as follows:

- Capitalise on the rising adoption of cloud in India and across international markets.
- Enhance collaboration with our partner ecosystem.
- Provide a comprehensive suite of offerings on our SaaS digital marketplace “Spochub”.

Products and services

"What is a cloud?"

Cloud computing is the on-demand availability of computer system resources, especially data storage (cloud storage) and computing power, without direct active management by the user. Cloud computing is used to describe data centers that are available to users over the internet. The technology used in cloud computing is the virtualization software, which separates physical computing device into one or more "virtual" devices, each of which can be used and managed to perform computing tasks. Virtualization provides the agility required to speed up IT operations and reduces cost by increasing infrastructure utilization.

IaaS Portfolio

The IaaS model specializes in delivering cloud computing infrastructure as an on demand service. IaaS are self-service models for accessing, monitoring and controlling remote datacenter infrastructures like storage, networking, networking services etc. The role of an IaaS service provider is to provide the basic infrastructure necessary for hosting cloud applications. A subscriber has control over the processing, storage and platform related choices. IaaS solutions are highly flexible, scalable and is accessible by multiple users.

Public cloud

Public cloud is a public, hyperscale, multi-tenant platform where computing services can be reserved or rented on demand. These resources are available over the internet and allow customers to provision and scale services instantly without the time and cost associated with purchasing dedicated infrastructure. Applications, storage and other resources are shared by multiple customers . Our public cloud "eNlight" is based on a technology that we developed inhouse and is patented in the UK and the United States of America. eNlight offers a cloud computing environment that allows vertical autoscaling and bills customers through the "pay-per-consumption" billing model. eNlight is built on multiple layers of security and is therefore able to deliver enterprise-grade security . Through a web-based control panel, customers using our public cloud manage and monitor their cloud infrastructure.

Private cloud

A private cloud is cloud infrastructure operated solely for a single organization and operates on a dedicated infrastructure. We offer private cloud services to customers who propose to migrate their business and corporate data on a secure, customizable and flexible cloud platform, without capital investment required for maintaining a “on premise” cloud environment. Our private cloud platform allows organizations to have full control of their cloud environment, located in a data center which has been granted TIA-942-B Tier 3 compliance status by QSA International Limited. Built on the eNlight cloud platform, we believe that our private cloud is able to offer solutions for any type of workload, with high levels of security and privacy. Our private cloud is aimed at organizations that require a dedicated IT environment with round the clock technical support, which is offered by our managed services team.

Virtual private cloud

A virtual public cloud functions like a private cloud that run on public or shared infrastructure. The virtual private cloud isolates one user’s resources from another’s using an individualized, private IP subnet or a virtual local area network . Our virtual private cloud is a secure, isolated cloud, derived from a public cloud system, providing higher levels of data security and granular control in the hands of our customers. Our virtual private cloud customers have full control over their cloud environment, without going out of our secure internal network, through a layer of virtual network isolation. A feature of our virtual private cloud is “Cloud Burst”, which allows enterprises to deal with peaks in IT demands. Our virtual private cloud is supported by round the clock technical support. Our virtual private cloud is geared towards offering cost benefits to customers, as it is part of a public cloud and therefore seeks to capture the economies of scale.

Hybrid cloud

A hybrid cloud model includes a combination of private and public cloud offerings. It is a composition of a public cloud and a private environment, such as a private cloud or on-premises resources, that remain distinct entities but are bound together, offering the benefits of multiple deployment models . The ESDS eNlight hybrid cloud is a combination of our public cloud and private cloud offering. We believe it provides an intelligently scalable and secure platform by prioritizing workloads between public and private cloud platforms. Like our virtual private cloud, our eNlight hybrid cloud also includes “Cloud Burst”, a feature which permits applications to migrate on our public cloud, when necessary, thereby avoiding interruptions. Applications hosted on a private cloud can “burst” into our public cloud during such peaks, thereby avoiding interruptions. Our hybrid cloud is also supported by round the clock technical support.

Community cloud

A community cloud is a virtual infrastructure which is shared between several organizations from a specific community with common concerns (security, compliance, jurisdiction, etc.). We were the first cloud service provider in India to offer community cloud services, provided on multi-tenant model to a group of organizations that have similar business model and requirements, such as data privacy, security, compliances and regulatory considerations . We offer community clouds for the Government, banking & financial services, SAP/ HANA, smart cities and enterprises.

a. Government community cloud – Government institutions in India are increasingly migrating their workloads on cloud as their existing legacy systems are not scalable and secure . Recognizing such challenges, we built a cloud platform that is used by over 200 Government institutions in India. This platform is empanelled with the MEITY and audited by the STQC.

b. BFSI community cloud – Our BFSI community cloud is a customizable platform, which supports core banking solutions, hosted banking solutions, security services and emerging technologies. As of June 30, 2021, the cloud is used by more than 400 banks and financial institutions across India. The cloud is vertically auto scalable and is managed by round the clock technical support.

c. SAP HANA community cloud - SAP HANA (high-performance analytic appliance) is an in-memory database, developed by SAP SE, whose primary function is to store and retrieve data as requested by the applications. SAP Basis administrators are responsible for ensuring continuous communication between systems, scheduling, upgrading and installing system upgrades, backups, etc. We have developed a community cloud that offers SAP HANA systems on cloud.

Our cloud is certified by SAP SE in SAP HANA operations and cloud and infrastructure operations. As of June 30, 2021, we offer our SAP HANA cloud services to over 150 organisations across multiple industries.

SaaS Portfolio and Managed Services

Our SaaS portfolio includes both in-house and third party developed applications, which are hosted on our cloud platform and our digital marketplace Spochub.

In-house developed SaaS include:

(a) "eMagic" – a comprehensive data center management and monitoring suite,
(b) "VTMscan" –a vulnerability scanner, which is a computer program designed to assess computers, networks or applications for known weaknesses,
(c) "eNlight WAF" – a web access firewall,
(d) Web VPN – for secure connectivity,
(e) "eCOS" – for object storage,
(f) "eNlight IoT" – an indigenously developed IoT platform,
(g) "eNlight Meet" – a communications solution for virtual meetings,
(h) "eNlight SIEM" – for incident and event management,
(i) "AA+" – an artificial intelligent/ machine learning based lung disease detection through X-Ray scan.
(j) "eNlight DRM" – a disaster recovery monitoring solution
(k) "eNlight360" –a hybrid cloud orchestration solution
(l) IPAS ERP developed for governance and planning of budgets for a state.

Our SaaS offerings also include (a) cyber attacks prevention and detection software (b) loan origination platforms, that provide comprehensive customer information analysis to reduce credit and operational risks for loans, tracking of loans, disbursement, recovery and documentation. (c) end to end healthcare management systems, (d) agricultural technology ecosystems, through which farmers are connected to stakeholders, (e) mobile enabled end-to-end education management system, and (f) digitization and archival of documents software.

G-SaaS

Across the world, government departments have initiated automation of business and IT processes through Government SaaS or PaaS initiatives, aimed at digitalization of services. Such digitization initiatives have been accentuated by the COVID-19 pandemic, increase in the use of mobile phones, rapid increase in subscription based cloud services, increase in use of biometric authentication, regulatory enforcement of individual privacy, etc. Government institutions are increasingly also migrating their workloads on cloud because their existing legacy systems are not scalable and secure. This platform is empanelled with the MEITY and audited by the STQC.

We are authorised to offer our products and services on the GEM portal of the Government of India. Such authorisation is a pre-condition, subject to certain exceptions, for a cloud computing and data center management company to offer their products and services to the Government. As part of our offerings to such Governmental agencies, we provide (a) data center and disaster recovery services, (b) software services, and (c) Spochub.

As part of our G-SaaS offering, we provide our smart city cloud, located across our data centers, which allows smart cities to process citizen data for enhanced decision making. We have collaborated with various system integrators to provide solutions and technologies in smart cities for implementing various smart city solutions. Through our GEM portal of the Government of India, we are authorized to serve the Indian Government with our cloud services.

As part of our smart city engagements, we have collaborated with a smart city in Maharashtra and its municipal corporation, in order to migrate the on-premise application on cloud services. We also extend support to the municipal corporation for several civic applications, in collaboration with system integrators. The smart city project is hosting over 40 heterogeneous IT applications on our cloud technology, which include payment of taxes online, obtaining NOCs and participating in online tenders, etc. As part of G-SaaS, we have also partnered with a Government ESCO for implementing a smart metering project around various states in India and worked on E-governance projects by certain ministries of the Government.

As part of our managed services, we offer:

(a) 24×7 IT Support – our network of IT support staff is available round the clock for IT support related to infrastructure, applications, databases, networking and security.

(b) Availability of technical staff and IT infrastructure – we offer the services of technical staff to customers, as well as built-in failover mechanisms to keep solutions operational, in the event of a system failure or disaster.

(c) Data back-up and recovery – we provide various types of managed backup and recovery services including high performance backup, portable backups, multi-point replications of data, file system level backups, disk based for long term archival, object storage, and other related services.

(d) Migration services – we offer services to migrate an organization's data and business on cloud as well as cross platform services, which reduces business costs related to maintaining on-premise servers. A cross-platform or multiplatform software is a type of application, program or software that works on various operating systems or devices.

(e) Database administration services – which include multiple database requirements such as database integration, maintenance, monitoring, optimization, upgrade and performance tuning.

(f) SAP Basis, SAP HANA administration - We offer SAP Basis support for maintenance and lifecycle administration of SAP infrastructure. Our SAP Basis support team focuses on implementation, maintenance, monitoring and upgradation of SAP systems. We also provide support for solution management and disaster recovery setups for SAP HANA and non-HANA landscapes.

(g) SOC services – A security operations center or "SOC" is responsible for detecting, preventing, investigating, and responding to cyber threats. Our SOC service includes (i) providing our customers with a Tier III cloud infrastructure, (ii) "Eagle Eye Services", which is a subscription-based cyber security monitoring service, (iii) VPN solutions for remote access of data, (iv) securing of digital identity of businesses with enhanced web security.

(h) Disaster recovery service – we collaborate with our customers to strategize disaster recovery plans, analyse risks, business impact, and ensure bespoke system recovery. We assume responsibility for implementing the disaster recovery plan in the event of a crisis.

Technology And Business Collaboration Partners

We adopt a "go-to-market" strategy, by collaborating with third party IT companies to deliver customers with bundled solutions. Such collaboration is aimed for both parties to maximize their technologies, align synergies, reduce the time-to-market and be more competitive in terms of pricing as well as innovation. Some of our significant partners include:

STPI – We have partnered with STPI, an autonomous society under the Ministry of Electronics and Information Technology, Government of India to provide digital services, SaaS services and digital platforms to Government entities on a subscription-based payment model. The services are offered through our data center in Bengaluru, which has been jointly developed with STPI on a public-private partnership basis with revenue sharing pursuant to a master services agreement entered into with STPI. The facility provides server co-location, cloud services and managed IT services to various sectors. We also collaborate extensively with multiple technology and business collaboration partners to offer our data center, cloud and managed services, which assists in execution of such Government contracts. Together, with few of these partners such as Larsen and Toubro Limited and EDF India Private Limited we have undertaken a number of smart metering and smart city projects, which include the smart metering project for 5 million smart meters in Uttar Pradesh.

We have formed consortiums with certain companies to cater to clients in the banking sector wherein cloud services have been outsourced to us by such companies. We have also collaborated with certain companies to host SAP HANA (which is an in-memory database, designed to handle transactions and analytics) on our eNlight cloud. Such companies offered implementation and functional aspect of such hosting and we provided the infrastructure and managed services.

We have also partnered with a disaster recovery monitoring & management tool in order to collaborate on disaster recovery services.

IaaS has been our core business and flash storages have been the backbone to our cloud services. Partnering with premium brands such as Dell International Services India Private Limited, allow us an insight to their technologies, develop products collaboratively and also increase our brand visibility and reach.

An important aspect of our managed services portfolio is data back-up. We partner with multiple companies to create flexible models to provide backup solutions.

NASHIK DATA CENTER

BANGALORE DATA CENTER

MUMBAI DATA CENTER

DATA CENTERS

A data center is a dedicated physical infrastructure used to house computer systems, related storage systems and associated components. Data centers serve as the repository for IT equipment such as physical servers, storage subsystems, networking switches, routers and firewalls, as well as the cabling and physical racks used to organize and interconnect the IT equipment. A data center also comprises of supportive infrastructure, such as power distribution and supplemental power subsystems. All of this demands a physical facility with physical security to house the entire collection of infrastructure and equipment .

The location of data center, stability of geography, connectivity to submarine cable networks, level of construction activity, power capacity and water availability are certain crucial factors determining operational efficiency of a data center . In order to effectively provide our service portfolio, we own and operate three data centers in India, one in each in Navi Mumbai, Nashik and Bengaluru. Our data centers cover, in aggregate, over 50,000 sq. feet across the three locations in India.

All our data centers are connected by a 10 Gbps backbone network and is backed up with disaster recovery services. During the last three fiscal years, all our data centers, during their period of operation, have maintained an uptime of at least 99.995%. Our data centers have been granted “Tier III” status by QSA International Limited and have received the Green IT Infrastructure Award at the Maharashtra IT Awards, 2010 held by the Department of Industries, Government of Maharashtra.

Our data centers house the following facilities -

(a) N+N redundant UPS, which is a safeguard to ensure that an uninterruptible power supply. .

(b) Automated multiple diesel generators in N+1 redundancy mode, for onsite power backup for all critical and non-critical appliances.

(c) Power racks ranging from 4KW to 16KW. A data center rack is an organization tool that ensures airflow so that the internal workings of the machine are not damaged by changes in temperature.

(d) Dual power distribution units (PDU) in each rack. A rack PDU is a device that can be fitted with multiple outlets to effectively control and distribute electricity.

(e) Metered PDU for rack level power monitoring and billing.

(f) Precision air conditioning in N+N redundancy mode with power back-up.

(g) Advanced laser-based very early smoke detection system (VESDA) continuously monitors the data center air for the presence of any traces of smoke.

Our data centers in India have the following certification: ISO 9001:2015, ISO/IEC 27001:2013, ISO/IEC 20000-1:2018, ISO/IEC 22301:2019, SAP certified in cloud services and Rated Tier 3 by TIA 942 conducted by QSA International Limited.

INTELLECTUAL PROPERTY

Our in-house developed eNlight cloud suite, which is a vertically auto scalable cloud technology, is patented in the United Kingdom (Patent no - GB2493812) and the United States of America (USPTO patent no: US9176788B2). Our Company has obtained trademark registrations under the Trade Marks Act, 1999 with respect to the word and logo “FAMRUT” (under class 42), logo “ESDS” (under class 42), wordmark SPOCHub (under class 42) and in relation to certain goods and services offered by our Company (under classes 9 and 42).

COMPETITION

Although we do not have any 'like-for-like' competitors, we face competition from varied players across our different product and service offerings. Across the cloud services industry, there are several companies who provide varied offerings. Such companies include companies of Indian origin like STT, Netmagic (NTT), CtrlS, Sify, Nxtgen and also various international companies including Rackspace, Oracle, Microsoft Azure, Amazon Internet Services and Rackbank. In the SaaS segment, some of the large companies in India include Zoho, Druva and Zenoti .

We believe the strength of our brand, end to end and diverse cloud computing product portfolio, unique pricing model, vertically auto scalable capacities and customer experience are important differentiating factors in customers choosing us as their preferred cloud service provider, which helps us in retaining our customers, and **sets us apart** from our competitors.

SALES AND MARKETING

We consider brand visibility to be an important element of the IT industry. Our marketing initiatives include a combination of online as well as offline activities, such as (a) those that increase website visitors, session duration and website page views, (b) virtual meetings with customers, (c) search engine optimization to attract potential customers on our website. We also undertake digital marketing through multiple social media channels.

We believe that most of our business contracts have been awarded due to our consultative approach to sales, during which time our technical teams understand the specific and unique customer requirements and offer commercially viable niche and customized solutions. Our sales teams predominantly focus on selling various cloud solutions and services (IaaS, PaaS and SaaS), security services, software development services, website and mobile application development, delivering emerging technologies, industry solutions and community clouds. Typically, we commence our relationship with customers through our managed services, which we are able to cross-sell and up-sell across our portfolio.

ESDS FUTURE PROSPECTS- 4 BS BY 2024

"Touching Lives of 1B+ people"

It is estimated 915 million Indians will be connected to the internet by 2026. ESDS has managed to connect more than 380 Million Indians, and it is our mission to take this number to 1 Billion Indian Citizens by 2024. We are touching lives of more than a billion people with advanced technologies.

Connecting 1B+ Smart Devices"

ESDS aims to connect more than billion smart devices with its business solutions enabling a digital future. ESDS backs the largest pan-India project of smart meters. We are continuously striving to connect intelligent devices to auto-scalable eNlight cloud.

Raising 1B+ Trees"

We are on a mission to plant and raise more than a billion trees. ESDS is embracing the green revolution by distributing more than one lakh seeds across the nation. Millions of people support our tree planation drives pan-India. ESDSians have been actively contributing to making our motherland greener by giving back more than what we receive.

Unicorn in Make in India Advanced Technology"

Make in India' Advanced Technology has proven to be instrumental in boosting manufacturing and IT sectors in India. Currently, India is the fourth-largest destination in creating unicorns. ESDS aims at delivering tech-advanced services to businesses and get recog-nized as a leading Unicorn from India.

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Code of Corporate Governance:

ESDS Software Solution Limited("the Company") is committed to maintaining high standards of Corporate Governance, protecting Customers', Shareholders', and other Stakeholders' interests. In line with this philosophy, the Company endeavours to maintain transparency at all levels through adoption of best Corporate Governance Practices. The following is a report on the status and progress on the major aspects of Corporate Governance.

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, pertaining to the constitution of the Board and committees thereof.

As on the date of this Annual Report, we have seven Directors on our Board, of whom two are Executive Directors, one is a non-executive Nominee Director and four are Independent Directors including two independent women Directors.

Committees of our Board

Our Board may constitute committees to delegate certain powers as permitted under the Companies Act, 2013.

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following committees:

(a) Audit Committee;
(b) Nomination and Remuneration Committee;
(c) Corporate Social Responsibility Committee;
(d) Stakeholders Relationship Committee; and
(e) Risk Management Committee.

(a) Audit Committee

The Audit Committee was last reconstituted by a resolution of our Board dated August 7, 2021. The current constitution of the Audit Committee is as follows:

Name of Director	Position in the Committee	Designation
Uma Manoj Mandavgane	Chairperson	Independent Director
Dhandapani T.G.	Member	Independent Director
Ramesh Kumar Amudalapalli	Member	Independent Director

The Company Secretary of our Company shall serve as the secretary of the Audit Committee.

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI Listing Regulations and its terms of reference are as follows:

(i) The Audit Committee shall have powers, which should include the following:

(a) To investigate any activity within its terms of reference;
(b) To seek information from any employee of the Company;
(c) To obtain outside legal or other professional advice;
(d) To secure attendance of outsiders with relevant expertise, if it considers necessary; and
(e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

(ii) The role of the Audit Committee shall include the following:

(a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
(b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
(c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;

(d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- **(i)** Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
- **(ii)** Changes, if any, in accounting policies and practices and reasons for the same;
- **(iii)** Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
- **(iv)** Significant adjustments made in the financial statements arising out of audit findings;
- **(v)** Compliance with listing and other legal requirements relating to financial statements;
- **(vi)** Disclosure of any related party transactions; and
- **(vii)** Qualifications / modified opinion(s) in the draft audit report.

(e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;

(i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

(j) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

(k) Scrutiny of inter-corporate loans and investments;

(l) Valuation of undertakings or assets of the company, wherever it is necessary;
(m) Evaluation of internal financial controls and risk management systems;
(n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
(o) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
(p) Discussion with internal auditors of any significant findings and follow up there on;
(q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
(r) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
(s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
(t) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
(u) Reviewing the functioning of the whistle blower mechanism;
(v) Approval of the appointment of the Chief Financial Officer of the Company ("CFO") (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
(w) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws;
(x) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;
(y) Monitoring the end use of funds through public offers and related matters;
(z) Overseeing a vigil mechanism established by the Company, providing for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee for directors and employees to report their genuine concerns or grievances; and
(aa) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(bb) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;

(cc) Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and

(dd) Such roles and functions as may be prescribed under the Companies Act and SEBI Listing Regulations.

(iii) The Audit Committee shall mandatorily review the following information:

(a) Management discussion and analysis of financial condition and results of operations;

(b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;

(c) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;

(d) Internal audit reports relating to internal control weaknesses;

(e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;

(f) Statement of deviations:

i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

ii) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations; and

iii) review the financial statements, in particular, the investments made by any unlisted subsidiary.

(b) Nomination and Remuneration Committee ("NR Committee")

The NR Committee was last reconstituted by a resolution of our Board dated August 7, 2021. The current constitution of the NR Committee is as follows:

Name of Director	Position in the Committee	Designation
Dhandapani T.G.	Chairperson	Independent Director
Uma Manoj Mandavgane	Member	Independent Director
Pamela Kumar	Member	Independent Director

The scope and function of the NR Committee is in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations and its terms of reference are as follows:

(a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

(i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

(b) Formulation of criteria for evaluation of performance of independent directors and the Board;

(c) Devising a policy on Board diversity;

(d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

(e) Analysing, monitoring and reviewing various human resource and compensation matters;

(f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(g) Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);

(h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(i) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(j) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the "SBEB Regulations"), as may be amended from time to time;

(k) For every appointment of an independent director, evaluate the balance of skills, knowledge and experience on the board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the committee may (a) use the services of an external agencies, if required; (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and (c) consider the time commitments of the candidates;

(l) Administering any employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("ESOP Scheme") including the following:

i. Determining the eligibility of employees to participate under the ESOP Scheme;

ii. Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;

iii. Date of grant;

iv. Determining the exercise price of the option under the ESOP Scheme;

v. The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;

vi. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;

vii. The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;

viii. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

ix. Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;

x. The grant, vest and exercise of option in case of employees who are on long leave;

xi. Allow exercise of unvested options on such terms and conditions as it may deem fit;

xii. formulate the procedure for funding the exercise of options;

xiii. The procedure for cashless exercise of options;

xiv. Forfeiture/ cancellation of options granted;

xv. formulate the procedure for buy-back of specified securities issued under the SBEB Regulations, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:

- permissible sources of financing for buy-back;
- any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
- limits upon quantum of specified securities that the Company may buy-back in a financial year.

xvi. Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:

- the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
- for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
- the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.

(m) Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

(n) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

(i) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and

(ii) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended, by the Company and its employees, as applicable.

(o) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

(p) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

(c) Corporate Social Responsibility Committee ("CSR Committee")

The CSR Committee was last reconstituted by a resolution of our Board dated August 7, 2021. The current constitution of the CSR Committee is as follows:

Name of Director	Position in the Committee	Designation
Piyush Prakashchandra Somani	Chairperson	Managing Director and Chairman
Ramesh Kumar Amudalapalli	Member	Independent Director
Alipt Sharma	Member	Nominee Director

The terms of reference of the CSR Committee framed in accordance with Section 135 of the Companies Act, 2013, are as follows:

(a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII To review from time-to-time Corporate Social Responsibility (CSR) policy in the light of emergent situation and statutory frame work;

(b) To recommend the amount of investment to be made on CSR activities;

(c) To monitor the implementation of CSR policy and Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by company;

(d) To do such other acts, deeds, things and matters as are necessary or expedient in complying with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014;

(e) Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

(d) Stakeholders Relationship Committee (“SR Committee”)

The SR Committee was constituted by a resolution of our Board dated August 7, 2021. The current constitution of the SR Committee is as follows:

Name of Director	Position in the Committee	Designation
Ramesh Kumar Amudalapalli	Chairperson	Independent Director
Piyush Prakashchandra Somani	Member	Managing Director and Chairman
Pamela Kumar	Member	Independent Director

The scope and function of the SR committee is in accordance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

(a) Considering and looking into various aspects of interests of shareholders, debenture holders and other security holders;

(b) Redressal of all security holders’ and investors’ grievances such as complaints related to transfer of shares, including non-receipt of share certificates, issue of new/duplicate certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, general meetings, etc., and assisting with quarterly reporting of such complaints;

(c) Reviewing of measures taken for effective exercise of voting rights by shareholders;

(d) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(e) Giving effect to all allotment, transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

(f) Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

(g) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;

(h) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

(e) Risk Management Committee ("RM Committee")

The RM Committee was constituted by a resolution of our Board dated August 7, 2021. The current constitution of the RM Committee is as follows:

Name of Director	Position in the Committee	Designation
Pamela Kumar	Chairperson	Independent Director
Piyush Prakashchandra Somani	Member	Managing Director and
		Chairman
T.G. Dhandapani	Member	Independent Director
Ramesh Kumar Amudalapalli	Member	Independent Director

The scope and function of the RM committee is in accordance with Regulation 21 of the SEBI Listing Regulations and its terms of reference are as follows:

(a) To formulate a detailed risk management policy which shall include:

i. framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;

ii. measures for risk mitigation including systems and processes for internal control of identified risks;

iii. Business continuity plan.

(b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity and recommend for any amendment or modification as necessary;

(e) To keep the board of directors informed about the nature and content of its discussions recommendations and actions to be taken;

(f) To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;

(g) Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;

(h) Review the appointment, removal and terms of remuneration of the Chief Risk Officer, if any;

(i) Framing, implementing, reviewing and monitoring the risk management plan for the Company and such other functions, including cyber security; and

(j) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee.

ESDS SOFTWARE SOLUTION LIMITED

(formerly known as ESDS Software Solution Private Limited)
(CIN : U72200MH2005PLC155433)

CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL YEAR
2020-2021

STATUTORY AUDITORS:
Shah Khandelwal Jain & Associates
Chartered Accountants
Level 3, Riverside Business Bay, Wellesley Road,
Near RTO, Pune 411001, India.

Shah Khandelwal Jain & Associates
Chartered Accountants

T | + 91. 20. 2622 5500
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Level 3, Riverside Business Bay,
Wellesley Road Near RTO,
Pune - 411 001, (MH) India

INDEPENDENT AUDITOR'S REPORT

To the Members of ESDS Software Solution Limited.

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated IND AS financial statements of ESDS Software Solution Limited ("the Holding Company") and its subsidiaries (Holding Company & subsidiaries referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2021, the consolidated Statement of Profit and Loss, including the consolidated statement of Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended , and notes to the Consolidated Financial Statements including a summary of significant accounting policies, and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the Consolidated IND AS 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 consolidated state of affairs of the Group as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and their consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key Audit Matters are those matters which in our professional judgement, were of the most significance in our Audit of the Consolidated IND AS Financial Statements for the financial year ended March 31, 2021. As per our judgement, there are no Key Audit Matters that need to be reported under SA 701.

Information other than the Financial Statements and Auditors’ Report thereon

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

Management’s Responsibility for the Consolidated Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation and presentation of these Consolidated IND AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other consolidated comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated IND AS financial statements based on our audit.

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements. We have taken into account the provisions of the Companies Act 2013, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Consolidated IND AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Other Matters

a)The comparative financial information of the Group for the year ended March 31, 2020 and the transition date opening balance sheet as at April 1, 2019 prepared in accordance with Ind AS, included in these IND AS financial statements, have been audited by us for the relevant periods. The report furnished by us relating to the comparative financial information and the opening balance sheet dated April 1,2019 expressed an unmodified opinion.

b)We have not audited the financial statements/financial information of two subsidiaries, whose financial statements reflect total assets of Rs. 511.89 millions as at 31 March 2021, total Revenues of Rs 26.15 million & net cash inflows amounting to Rs. 26.25 million for the year ended at 31 March 2021. These Financial Statements have been audited by other Auditors whose Reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our Report in terms of sub-sections (3) & (11) of Section 143 of the Act, in so far it relates to the aforesaid subsidiaries, is solely based on the reports of the other auditors.

c) The accompanying Consolidated Financial Statements include unaudited financial statements and other unaudited financial information in respect of two subsidiaries, whose financial statements and other financial information reflect total assets of Rs. 1.79 million as at March 31, 2021, and total revenues Nil and net cash outflows of 1.37 million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other unaudited financial information.

In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries we report, to the extent applicable that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept by the Group so far as it appears from our examination of those books;

(c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including the Consolidated Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

(d) In our opinion, the aforesaid IND AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors of Holding Company as on March 31, 2021, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act of its subsidiaries none of the directors of the Group Companies, incorporated in India, is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated IND AS financial statements of the Holding Company & its subsidiaries, refer to our separate Report in “Annexure 1” to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us

i. The Company has disclosed the impact of pending litigations on its financial position of the Group in its Consolidated IND AS financial statements;

ii. The Company has made provision in the Consolidated Financial Statements, as required if any under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. With respect to the matter to be included in the Auditors' Report under section 197(16):

The Company was a private limited company till 31 March 2021, accordingly the requirements as stipulated by the provisions of section 197(16) of the Act were not applicable to the Company.

For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No. 142740W

Ashish Khandelwal
Partner
Membership No.049278

Place : Pune
Date : August 12, 2021
UDIN : 21049278AAAAJU8638

Annexure 1 referred to in paragraph 1 (f) under the heading "Report on other Legal and Regulatory requirements" of our report of even date

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

We have audited the internal financial controls over financial reporting of ESDS Software Solution Limited ("the Holding Company") and its subsidiaries, as of March 31, 2021 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these Consolidated Financial Statements.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

According to the information and explanations given to us and based on our audit, the Holding Company, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2021, 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, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2021.

In relation to the subsidiaries, which are incorporated in India, please refer Other Matters paragraph below.

Other Matters

As per section 143(3)(i) of the Companies Act, 2013, reporting of internal financial controls over financial reporting is not applicable to two subsidiaries, which incorporated in India, thus our report over the internal financial controls over financial reporting is based on the internal financial controls over financial reporting of the Holding Company.

For Shah Khandelwal Jain & Associates

Chartered Accountants
Firm Registration No: 142740W

Ashish Khandelwal
Partner
Membership No. 049278
Place: Pune
Date: August 12, 2021
UDIN: 21049278AAAAJU8638

ESDS Software Solution Limited
(formerly known as ESDS Software Solution Private Limited)
Consolidated Balance Sheet as at March 31, 2021
(All amounts are in Rupees millions, unless otherwise stated)

Particulars	Notes	March 31, 2021	March 31, 2020	April 1, 2019
ASSETS				
Non-current assets				
Property, plant and equipment	3	2,070.30	1,832.66	947.10
Right-of-use of assets	4	995.01	634.41	558.21
Capital work-in-progress	5	3.70	394.65	43.21
Intangible assets	6	42.07	22.15	29.64
Intangible assets under development	6.a	46.94	-	-
Non-current financial assets	7.a	230.47	193.45	102.86
Other non-current assets	8	-	14.72	105.91
Total non-current assets		**3,388.49**	**3,092.05**	**1,786.93**
Current assets				
Current financial assets				
Trade receivables	9	466.24	460.88	500.01
Cash and cash equivalents	10	143.81	6.42	86.24
Other bank balances	11	8.16	0.15	12.09
Other current financial assets	7.b	350.58	186.84	306.77
Income-tax assets	12	63.79	134.72	79.63
Other current assets	13	183.30	234.90	75.42
Total current assets		**1,215.88**	**1,023.90**	**1,060.16**
Total assets		**4,604.37**	**4,115.96**	**2,847.09**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	52.22	52.22	52.22
Other equity				
Equity component of compound financial instrument	15	1,239.84	940.57	530.57
Reserves and surplus	15	513.20	458.16	456.12
Other reserves	15	65.53	63.93	-
Equity attributable to owners of ESDS Software Solution Limited		**1,870.79**	**1,514.89**	**1,038.91**
Non-controlling interest	41	(4.74)	(5.90)	(8.19)
Total equity		**1,866.05**	**1,508.99**	**1,030.72**
LIABILITIES				
Non-current liabilities				
Non current financial liabilities				
Non-current borrowings	16.a	439.55	265.96	247.83
Lease liabilities	4	578.94	571.07	515.74
Other non-current financial liabilities	17.a	-	290.41	-
Employee benefit obligations	18	72.56	47.28	24.22
Deferred tax liabilities (net)	23	32.68	19.23	13.39
Total non-current liabilities		**1,123.73**	**1,193.95**	**801.18**
Current liabilities				
Current financial liabilities				
Current borrowings	16.b	101.86	150.70	116.47
Lease liabilities	4	455.06	80.86	36.83
Trade payables		-	-	-
Total outstanding dues of micro enterprises and small enterprises	19	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	19	247.55	322.76	231.91
Other current financial liabilities	17.b	684.10	761.83	506.21
Employee benefit obligations	18	4.10	2.63	1.08
Income-tax liabilities	20	0.38	1.00	1.80
Other current liabilities	21	121.53	93.24	120.90
Total current liabilities		**1,614.58**	**1,413.02**	**1,015.19**
Total liabilities		**2,738.31**	**2,606.98**	**1,816.37**
Total equity and liabilities		**4,604.37**	**4,115.96**	**2,847.09**

The above balance sheet should be read in conjunction with the accompanying significant notes

In terms of our report of even date

For Shah Khandelwal Jain & Associates
ICAI Firm Registration Number: 142740W
Chartered Accountants

For and on behalf of the Board of Directors
ESDS Software Solution Limited
CIN : U72200MH2005PLC155433

Ashish Khandelwal
Partner
Membership No.: 049278
Place : Pune
Date : August 12, 2021

Piyush Somani
Chairman and Managing Director
DIN :02357582
Place: Nashik
Date : August 12, 2021

Komal Somani
Whole Time Director
DIN: 08477154
Place: Nashik
Date : August 12, 2021

Sandeep Mehta
Chief Financial Officer
Place: Nashik
Date : August 12, 2021

ESDS Software Solution Limited
(formerly known as ESDS Software Solution Private Limited)
Consolidated Statement of Profit and Loss for the year ended March 31, 2021
(All amounts are in Rupees millions, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	24	1,719.27	1,585.73
Other income	25	21.74	19.61
Total income		**1,741.01**	**1,605.34**
Expenses			
Purchases of products	26	-	42.37
Employee benefit expense	27	590.30	483.17
Finance costs	28	176.47	113.17
Depreciation and amortisation expense	29	373.93	369.30
Other expenses	30	512.65	562.57
Total expenses		**1,653.35**	**1,570.58**
Profit before tax		**87.66**	**34.76**
Income tax expense			
Current tax (MAT)	22	19.28	29.53
Less: MAT credit entitlement	22	(19.28)	(22.11)
Deferred tax	22	32.81	17.99
Total tax expense		**32.81**	**25.41**
Profit for the year [A]		**54.85**	**9.35**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in the fair value of equity instruments at FVOCI			
Remeasurement of post-employment benefit obligations		0.18	(3.90)
Income tax relating to these items		0.05	(1.09)
		0.23	(4.99)
Total other comprehensive income for the year, net of tax [B]		**0.23**	**(4.99)**
Total comprehensive income for the year [A+B]		**55.08**	**4.36**
Profit is attributable to:			
Owners of ESDS Software Solution Limited		53.69	7.07
Non-controlling interest		1.16	2.28
		54.85	**9.35**
Other comprehensive income is attributable to:			
Owners of ESDS Software Solution Limited		0.23	(4.99)
Non-controlling interest		-	-
		0.23	**(4.99)**
Total comprehensive income is attributable to:			
Owners of ESDS Software Solution Limited		53.92	2.08
Non-controlling interest		1.16	2.28
		55.08	**4.36**
Earnings per equity share for profit attributable to owners of ESDS Software Solution Limited	31		
Basic (face value of equity shares : INR 1 per share) [Refer note 40]		1.03	0.04
Diluted		0.96	0.04

The above statement of profit and loss should be read in conjunction with the accompanying notes.

In terms of our report of even date

For Shah Khandelwal Jain & Associates
ICAI Firm Registration Number: 142740W
Chartered Accountants

Ashish Khandelwal
Partner

Membership No.: 049278
Place : Pune
Date : August 12, 2021

For and on behalf of the Board of Directors
ESDS Software Solution Limited
CIN : U72200MH2005PLC155433

Piyush Somani
Chairman and Managing Director
DIN :02357582
Place: Nashik
Date : August 12, 2021

Komal Somani
Whole Time Director
DIN: 08477154
Place: Nashik
Date : August 12, 2021

Sandeep Mehta
Chief Financial Officer
Place: Nashik
Date : August 12, 2021

ESDS Software Solution Limited
(formerly known as ESDS Software Solution Private Limited)
Consolidated Statement of Cashflows for the Year Ended March 31, 2021
(All amounts are in Rupees millions, unless otherwise stated)

	Year Ended March 31, 2021	Year Ended March 31, 2020
A) Cash flows from operating activities		
Profit before tax	87.66	34.76
Adjustments for		
Depreciation and amortisation expense	373.93	369.30
(Gain)/Loss on disposal of property, plant and equipment	2.34	-
Loss allowance	46.48	12.84
Interest income classified as investing activities	(20.73)	(13.85)
Finance costs	176.47	113.17
Unrealised exchange (gain)/loss	6.25	(1.56)
Operating profit before working capital changes	**672.41**	**514.66**
Changes in working capital		
(Increase) / Decrease in trade receivables	(58.09)	27.86
(Increase) / Decrease in other current and non current financial assets	(181.00)	110.11
(Increase) / Decrease in other current assets	54.19	(161.80)
Increase / (Decrease) in trade payables	(75.21)	90.85
Increase / (Decrease) in employee benefit obligations	26.93	20.70
Increase/ (Decrease) in other current and non current financial liabilities	(27.84)	39.42
Increase/ (Decrease) in other current and non current liabilities	29.85	(24.32)
Cash generated from operations	**441.24**	**617.48**
Income taxes paid (net of refunds received)	50.99	(88.78)
Net cash inflow/ (outflow) from operating activities	**492.23**	**528.70**
B) Cash flows from investing activities		
Payments for property, plant and equipment and intangible assets	(691.20)	(779.11)
Proceeds from sale of property, plant and equipment	131.92	
Bank balances not considered as cash and cash equivalents	(31.21)	(74.62)
Interest/ income on investment received	18.05	15.46
Net cash flows from investing activities	**(572.44)**	**(838.27)**
C) Cash flows from financing activities		
Proceeds from issue of shares	299.27	410.00
Increase/ (decrease) of non-current borrowings	173.58	18.11
Increase/ (decrease) of current borrowings	24.78	(28.57)
Principal elements of lease payments	(189.34)	(111.25)
Interest paid on borrowings	(90.80)	(58.40)
Net cash inflows/ (outflow) from financing activities	**217.50**	**229.89**
Net increase / (decrease) in cash and cash equivalents	137.28	(79.69)
Foreign currency translation impact on cash and cash equivalents	0.12	(0.14)
Cash and cash equivalents at the beginning of the financial year	6.42	86.24
Cash and cash equivalents at the end of the financial year	**143.81**	**6.42**

Reconciliation of cash and cash equivalents as per the cash flow statement:

	March 31, 2021	March 31, 2020	April 1, 2019
Cash and cash equivalents (Note 10)	143.81	6.42	86.24
Balances as per statement of cash flows	**143.81**	**6.42**	**86.24**

This is the Cash Flow Statement referred to in our report of even date.

For Shah Khandelwal Jain & Associates
ICAI Firm Registration Number: 142740W
Chartered Accountants

Ashish Khandelwal
Partner

Membership No.: 049278
Place : Pune
Date : August 12, 2021

For and on behalf of the Board of Directors
ESDS Software Solution Limited
CIN : U72200MH2005PLC155433

Piyush Somani
Chairman and Managing Director
DIN :02357582
Place: Nashik
Date : August 12, 2021

Komal Somani
Whole Time Director
DIN: 08477154
Place: Nashik
Date : August 12, 2021

Sandeep Mehta
Chief Financial Officer
Place: Nashik
Date : August 12, 2021

ESDS Software Solution Limited
(formerly known as ESDS Software Solution Private Limited)
Consolidated Statement of Changes in Equity for the year ended March 31, 2021
(All amounts are in Rupees millions, unless otherwise stated)

A. Equity share capital
Equity shares of Rs.10 each issued, subscribed and fully paid up**

Particulars	Note	Total
As at April 1, 2019		**52.22**
Change in equity share capital		-
As at March 31, 2020	14	**52.22**
Change in equity share capital		-
As at March 31, 2021		**52.22**

**Subsequent to year end, the holding company have approved stock split of one equity share having face value of INR 10 each into ten equity shares having face value of INR 1 each (refer note no 40)

B. Other equity

Particulars	Attributable to owners of ESDS Software Solution Limited						Non-controlling interest	Total other equity
	Equity component of compound financial instrument	Reserves and surplus			Other reserves			
		Securities premium account	Capital redemption reserve	Retained earnings	Foreign currency translation reserve	Revalution reserve		
As at April 1, 2019	**530.57**	**6.85**	**3.58**	**445.69**	**-**	**-**	**(8.19)**	**978.50**
Profit for the year		-	-	7.08			2.28	9.36
Currency translation adjustments for subsidiaries					(2.47)			(2.47)
Adjustment on account of fair valuation of land and building as on March 31,2020						75.54		75.54
Other comprehensive income		-	-	(4.99)				(4.99)
Deferred tax impact on above adjustment						(9.14)		(9.14)
Equity component of compound financial instruments issued during the year	410.00							410.00
Total	410.01	0.01	0.01	2.09	(2.47)	66.40	2.28	478.30
Transaction with owners in their capacity as owners:								
Dividends paid		-	-	(0.04)				(0.04)
As at March 31, 2020	**940.58**	**6.85**	**3.59**	**447.74**	**(2.47)**	**66.40**	**(5.91)**	**1,456.75**
Profit for the year		-	-	53.69			1.16	54.85
Currency translation adjustments for subsidiaries					2.72			2.72
Adjustment of additional depreciation on increase in carrying value due to fair valuation transferred to retained earnings				1.13		(1.12)		0.01
Other comprehensive income		-	-	0.23				0.23
Equity component of compound financial instruments issued during the year	299.27							299.27
Total	299.27	-	-	55.05	2.72	(1.12)	1.16	357.08
As at March 31, 2021	**1,239.85**	**6.85**	**3.59**	**502.79**	**0.25**	**65.29**	**(4.75)**	**1,813.84**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

For Shah Khandelwal Jain & Associates
ICAI Firm Registration Number: 142740W
Chartered Accountants

Ashish Khandelwal
Partner

Membership No.: 049278
Place : Pune
Date : August 12, 2021

For and on behalf of the Board of Directors
ESDS Software Solution Limited
CIN : U72200MH2005PLC155433

Piyush Somani
Chairman and Managing Director

DIN :02357582
Place: Nashik
Date : August 12, 2021

Komal Somani
Whole Time Director

DIN: 08477154
Place: Nashik
Date : August 12, 2021

Sandeep Mehta
Chief Financial Officer

Place: Nashik
Date : August 12, 2021

1. Corporate information

The Consolidated Financial Statements comprise financial statements of "ESDS Software Solution Limited" ("the Holding Company" or "The Company") and its subsidiaries (collectively referred to as "the Group") for the year ended 31st March, 2021. [Refer Note 41.a]

The Group is primarily engaged in providing IT enabled services (web hosting services, technical support services, data centre setup and consulting services) and supply of IT enabled products closely connected with the rendering of the IT enabled services.

The Company has its registered office in Nashik and runs its business operations in three cities Nashik, Mumbai and Bengaluru.

2. Summary of significant accounting policies

'This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of ESDS Software Solution Limited (the 'Company') and its subsidiaries.
[Refer note 41.a]

'In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has voluntarily adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. These are the Group's first Ind AS financial statements.

2.1 Basis of preparation

(i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:
• certain financial assets and liabilities (including derivative instruments) and contingent consideration is measured at fair value;
• assets held for sale – measured at fair value less cost to sell; and
• defined benefit plans – plan assets measured at fair value;

The financial statements are presented in "INR" and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

(iii) New and amended standards adopted by the Group

The Group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2020:
• Definition of Material – amendments to Ind AS 1 and Ind AS 8
• COVID-19 related concessions – amendments to Ind AS 116
• Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

Operating cycle of the Group is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Based on the nature of products and the time between the acquisitions of assets for processing and their realization in cash and cash equivalents, the group has ascertained operating cycle of 12 months for the purpose of current and non-current classification of assets and liabilities.

2.2 Principles of consolidation and equity accounting

i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

The financial statements of the subsidiaries have been drawn upto the same reporting date as that of the parent company.

ii) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity [refer note 41.b]
When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

iii) Foreign currency translation

a) Functional and presentation currency
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.
Foreign exchange differences arising on foreign currency borrowings are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as at FVOCI are recognised in other comprehensive income.

c) Group companies
The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

• assets and liabilities are translated at the closing rate at the date of that balance sheet
• income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
• All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

iv)Segmented reporting:

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The group is engaged in the business of "design, development, installation and servicing of information technology related resource which is a single business segment since these are subject to similar risk and returns. Accordingly, Information technology related resource service comprises the primary basis of segmental information as set out in these financial statement, which therefore reflects the information required by Ind AS 108 - Segment Reporting , with respect to primary segment.

Since the entire group's business is design, development, installation and servicing of information technology related resource, there are no other primary reportable segments. Thus, the segment revenue, segment results, total carrying value of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation and amortization during the year are all as reflected in the Financial Statements as at and for the year ended March 31, 2021.

v) Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Group.

2.3 Property, plant and equipment

Transition to Ind AS
On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment (including capital work-in-progess) measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Initial recognition

All items of property, plant and equipment (including capital work-in-progress) are measured at its cost.

The cost of an item of property, plant and equipment comprises:
(a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
(b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
(c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Measurement after recognition

The Group has elected revaluation model for measurement of land and building whose fair value can be measured reliably at each reporting period.

(a) Revaluation model for certain class of property, plant and equipment

Land and buildings are recognised at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.
Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the revaluation reserve to retained earnings.

(b) Cost model for other class of assets
All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Depreciation methods, estimated useful lives and residual value
Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

Type of asset	Useful life w.e.f April 2021 (in years)*	Useful life till March 2020 (in years)
Office building	60	60
Computers and data centre equipments	3/4/5/6/10/15	5/6
Office equipment	3/4/5/8/10/15/20	5
Furniture and fittings	10	10
Vehicles	8	8

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. During the current year, based on the technical evaluation done by management's expert, the useful lives of data center equipments and computers and office equipments have been revised as stated above.
The change in useful life is a change in estimate as per Ind AS 16 and Ind AS 8, and the impact of the same on depreciation and resultant carrying amount has been applied prospectively.

2.4 Intangible assets (including intangibe assets under development)

Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all of its intangible assets (including intangibles under development) measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets

Software:

Intangible assets are recognized at cost. Intangible assets are amortised on a straight line basis over the estimated useful economic life so as to reflect the pattern in which the assets economic benefits are consumed.
Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets where the following criteria are met:

• it is technically feasible to complete the software so that it will be available for use
• management intends to complete the software and use or sell it
• there is an ability to use or sell the software
• it can be demonstrated how the software will generate probable future economic benefits
• adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
• the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Following summarizes the nature of intangible and the estimated useful life:

Asset	Useful life (in years)
Software	10 and 3

An intangible asset is derecognized 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, and are recognized in the profit or loss when the asset is derecognized.

2.5 Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

• fixed payments (including in-substance fixed payments), less any lease incentives receivable
• variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
• amounts expected to be payable by the group under residual value guarantees
• the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
• payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

2.6 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

2.7 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.

2.8 Unbilled revenue

Unbillied revenue relates to unbilled work-in-progress as on each reporting date as per terms of the contracts with customers.

2.9 Other financial assets

(i) Classification

The group classifies its financial assets in the following measurement categories:
• those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
• those to be measured at amortised cost.
The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.
For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.
The group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the group commits to purchase or sale the financial asset.

(iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.
Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

• Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in Other Income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit and loss.

• Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36 details how the group determines whether there has been a significant increase in credit risk.
For trade receivables only, the group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets

A financial asset is derecognised only when
• The group has transferred the rights to receive cash flows from the financial asset or
• retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.
Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.
Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.10 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax

Ind AS 12 defines deferred tax to include carry forward of unused tax credits. MAT credits are in the form of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement should be grouped with deferred tax asset (net) in the Balance Sheet, and a separate note should be provided specifying the nature and amount of MAT credit included as part of deferred tax assets.

2.11 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of an ompulsorily convertible preference is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

2.12 Employee benefit obligations

Post-employment obligations

The group operates the following post-employment schemes:
(a) defined benefit plans such as gratuity;and
(b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

2.13 Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within the agreed credit days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.14 Unearned revenue

Unearned revenue relates to billing done for services/ performance obligations which have not been performed as on the date of reporting. These billings are as per the terms of the contract with customers.

2.15 Revenue from contracts with Customers

Ind AS 115 Revenue from contracts with customers has been issued with effect from April 1, 2018. The new standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

A new five-step process must be applied before revenue can be recognised:
(i) identify contracts with customers
(ii) identify the separate performance obligation
(iii) determine the transaction price of the contract
(iv) allocate the transaction price to each of the separate performance obligations, and
(v) recognise the revenue as each performance obligation is satisfied.

Revenue recognition policy

The Group has following streams of revenue:
(i) Revenue from sale of services
(ii) Revenue from sale of products

The Group accounts for a contract when it has approval and commitment from parties involved, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

Revenue from the sale of goods is recognized at the point in time when control is transferred to the customer - based on delivery terms, payment terms, customer acceptance and other indicators of control as mentioned above.

The Group recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from contract with customers is recognized when the Group satisfies performance obligations by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset. Revenue is measured based on transaction price, which is the fair value of consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/discounts. Accumulated experience is used to estimate and provide for the discounts/right of the return, using the expected value method.

The Group assesses for the timing of revenue recognition in case of each distinct performance obligation. The Group first assesses whether the revenue can be recognized over time as it performs if any of the following criteria is met:

(a) The customer simultaneously consumes the benefits as the Group performs, or
(b) The customer controls the work-in-progress, or
(c) The Group's performance does not create an asset with alternative use to the Group and the Group has right to payment for performance completed till date

If none of the criteria above are met, the Group recognizes revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Group also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred.

(i) Rendering of services (Turnkey revenue and Webhosting revenue)

The Group provides hosting services, design, implementation and support services under fixed-price and variable-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered based on usage. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual man hours spent relative to the total expected man hours. Some contracts (Specially in case of Turnkey projects) include multiple deliverables, such as the sale of hardware and related installation services. However, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. If the contract includes an usage based fee, revenue is recognised in the amount to which group has right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

(ii) Sale of products

Revenue from the sale of goods in the course of ordinary activities is recognised when property in the goods or significant risks and rewards of their ownership are transferred to the customer and significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. The amount recognised as revenue is exclusive of Goods and service tax and is net of discounts.

2.16 Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

2.17 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.18 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

• the profit attributable to owners of the group

• 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 [refer note 31]

(ii) Diluted earnings per share

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

• the after income tax effect of interest and other financing 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.

(All amounts are in Rupees millions, unless otherwise stated)

3 Property, plant and equipment

Particulars	Land	Leasehold land improvements	Buildings	Computers and data centre equipments	Office equipments	Furniture and fixture	Vehicles	Total
Deemed cost as on April 1, 2019 [refer note below]	**22.98**	**53.19**	**48.07**	**726.32**	**50.76**	**33.16**	**12.63**	**947.10**
Additions during the year		-	29.59	791.67	229.91	26.76	10.35	1,088.28
Disposals during the year								-
Adjustment on account of fair valuation as on March 31,2020	42.69		32.85					75.54
Gross carrying amount as on March 31, 2020	**65.67**	**53.19**	**110.51**	**1,517.99**	**280.67**	**59.92**	**22.98**	**2,110.92**
Accumulated depreciation till April 1,2019	-	-	-	-	-	-	-	-
Charge for the year	0.38	0.93	1.24	229.43	36.48	5.66	4.14	278.26
Accumulated depreciation on disposals during the year	-	-	-	-	-	-	-	-
Adjustment on account of fair valuation as on March 31,2020								-
Closing accumulated depreciation as at March 31, 2020	**0.38**	**0.93**	**1.24**	**229.43**	**36.48**	**5.66**	**4.14**	**278.26**
Net carrying amount as on March 31, 2020	**65.29**	**52.26**	**109.27**	**1,288.56**	**244.19**	**54.26**	**18.84**	**1,832.66**

Notes:
Refer note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Particulars	Land	Leasehold land improvements	Buildings	Computers and data centre equipments	Office equipments	Furniture and fixture	Vehicles	Total
Opening gross carrying amount as on April 1, 2020	**65.67**	**53.19**	**110.51**	**1,517.99**	**280.67**	**59.92**	**22.98**	**2,110.93**
Additions during the year				428.98	159.96	7.70	9.48	606.12
Disposals during the year*				142.20	0.42			142.62
Gross carrying amount as on March 31, 2021	**65.67**	**53.19**	**110.51**	**1,804.77**	**440.21**	**67.62**	**32.46**	**2,574.43**
Accumulated depreciation till April 1,2020	**0.38**	**0.93**	**1.24**	**229.43**	**36.48**	**5.66**	**4.14**	**278.26**
Charge for the year	0.73	0.93	2.14	173.23	53.52	6.63	4.58	241.76
Accumulated depreciation on disposals during the year				15.89				15.89
Closing accumulated depreciation as at March 31, 2021	**1.11**	**1.86**	**3.38**	**386.77**	**90.00**	**12.29**	**8.72**	**504.13**
Net carrying amount as on March 31, 2021	**64.56**	**51.33**	**107.13**	**1,418.00**	**350.21**	**55.33**	**23.74**	**2,070.30**

*includes transfer on account of sale and lease back of assets having carrying amount of Rs. 126.31 million.

Deemed cost

Particulars	Land	Leasehold land improvements	Buildings	Computer	Office equipments	Furniture & fixture	Vehicles	Total
Deemed cost exemption availed as per para D7AA of Ind AS 101	22.98	53.19	48.07	726.32	50.76	33.16	12.63	947.10
Deemed cost as on April 1,2019	**22.98**	**53.19**	**48.07**	**726.32**	**50.76**	**33.16**	**12.63**	**947.10**

Particulars	Land	Buildings
Carrying amount as per Ind AS as on March 31,2020 [A]	22.98	77.66
Adjustment on account of fair valuation as on March 31,2020 [B]	42.69	32.85
Fair value as on March 31,2020	65.67	110.51

For all items of property, plant and equipment, the group has elected to continue with the carrying value as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and have used that as deemed costs.

Refer note no.16 : Footnote to borrowings for information on property, plant and equipment pledged as security by the group.

Additions during the year include borrowing cost capitalised of Rs.2.3 million (2020: Rs 11.5 million)

(All amounts are in Rupees millions, unless otherwise stated)

4 Right-of-use of assets

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021

Particulars	Premises	Server	Total
Balance as on April 2019	524.37	33.84	558.21
Addition	26.33	133.42	159.75
Depreciation	58.79	24.76	83.55
Balance as on March 2020	**491.91**	**142.50**	**634.41**
Addition	150.28	332.51	482.79
Depreciation	72.07	50.12	122.19
Balance as on March 2021	**570.12**	**424.89**	**995.01**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit a

The following is the break-up of current and non-current lease liabilities
Lease liabilities

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Non-current	578.94	571.07	515.74
Current	455.06	80.86	36.83
Total	**1,034.00**	**651.93**	**552.57**

(All amounts are in Rupees millions, unless otherwise stated)

5 Capital work in progress

Particulars	Capital work-in-progress
Deemed gross carrying amount as on April 1, 2019	43.21
Additions	403.14
Disposals	51.70
Gross carrying amount as on March 31, 2020	**394.65**

Particulars	Capital work-in-progress
Opening gross carrying amount as on April 1, 2020	394.65
Additions	4.69
Disposals	395.64
Gross carrying amount as on March 31, 2021	**3.70**

Notes:
Refer note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(All amounts are in Rupees millions, unless otherwise stated)

6 Intangible assets

Particulars	Softwares
Deemed cost as on April 1, 2019	**29.64**
Additions during the year	-
Disposals during the year	-
Gross carrying amount as on March 31, 2020	**29.64**
Accumulated amortisation	
Balance as at April 1, 2019	-
Amortisation charge for the year	7.49
Accumulated amortisation on disposals during the year	-
Closing accumulated depreciation as at March 31, 2020	**7.49**
Net carrying value as on March 31, 2020	**22.15**

Particulars	Softwares
Opening gross carrying amount as on April 1, 2020	**29.64**
Additions during the year	29.90
Disposals during the year	-
Gross carrying amount as on March 31, 2021	**59.54**
Accumulated amortisation	
Balance as at April 1, 2020	7.49
Amortisation charge for the year	9.98
Accumulated amortisation on disposals during the year	
Closing accumulated depreciation as at March 31, 2021	**17.47**
Net carrying value as on March 31, 2021	**42.07**

6.a Intangible assets under development

Particulars	Intangible assets under development
Opening gross carrying amount as on April 1, 2020	-
Additions during the year	46.94
Gross carrying amount as on March 31,2021	**46.94**

(All amounts are in Rupees millions, unless otherwise stated)

	Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
7.a	**Non-current financial assets**			
	Term deposits with maturity more than 12 months from reporting date	185.53	161.97	75.42
	Accrued interest on above deposits	0.38	0.22	2.26
	Security deposits			
	Against leased assets	44.56	31.26	25.18
	Total non-current financial assets	**230.47**	**193.45**	**102.86**
7.b	**Other current financial assets**			
	Security deposits			
	Against leased assets	23.78	18.62	12.80
	Other loans and allowances	21.65	33.05	159.34
	Less: Loss allowance	(21.65)	(21.65)	(21.65)
	Unbilled revenue	326.79	156.83	156.29
	Total other current financial assets	**350.57**	**186.84**	**306.77**

8 Other non-current assets

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Capital advances	9.35	24.07	115.26
Less: Loss allowance	(9.35)	(9.35)	(9.35)
Total other non-current assets	**-**	**14.72**	**105.91**

9 Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Trade receivables	585.85	545.14	571.44
Less: Loss allowance	(103.96)	(84.26)	(71.43)
Less: credit impaired	(15.65)	-	-
Total trade receivables	**466.24**	**460.88**	**500.01**
Break-up of security details			
Trade receivables (unsecured)			
Considered good	570.20	545.14	571.44
Significant increase in credit risk	15.65	-	-
Less: Loss allowance	(103.96)	(84.26)	(71.43)
Less: credit impaired	(15.65)	-	-
Total trade receivables	**466.24**	**460.88**	**500.01**

10 Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Balances with banks	142.60	5.00	24.12
Cash on hand	1.21	1.42	2.12
Cheques in hand	-	-	60.00
Total cash and cash equivalents	**143.81**	**6.42**	**86.24**

(All amounts are in Rupees millions, unless otherwise stated)

11 Other bank balances

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Term deposits with original maturity with more than 3 months but due within 12 months from the date of reporting	7.81	0.15	12.09
Accrued interest on above term deposits	0.35	-	-
Total other bank balances	**8.16**	**0.15**	**12.09**

12 Income-tax assets

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Advance tax and tax deducted at source (net of provision)	63.79	134.72	79.63
Total income-tax assets	**63.79**	**134.72**	**79.63**

12.a Movement in income-tax assets

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Opening balance	134.72	79.63	47.44
Tax charge during the year	(19.28)	(29.53)	(58.74)
Tax charge in respect to earlier years	-	(0.57)	(0.93)
Refund of taxes	(112.60)	-	(20.97)
Payment of advance tax/tax deducted at source during the year	60.95	85.19	112.83
Closing balance	**63.79**	**134.72**	**79.63**

13 Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Prepayments	94.42	101.26	46.60
Advances to creditors	7.11	1.28	2.96
Advances to employees[include Rs 8.5 (2020 and 2019:nil) to related parties] [refer note 34]	13.70	1.29	2.58
Balances with statutory/government authorities	62.52	128.72	21.69
Other receivables	5.55	2.34	1.59
Total other current assets	**183.30**	**234.90**	**75.42**

(All amounts are in Rupees millions, unless otherwise stated)

14 Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Authorised share capital:			
1,15,00,000 (2020:1,35,00,000, 2019:1,99,85,000) equity shares of Rs 10 each **	115.00	135.00	199.85
30,00,000 (2020:30,00,000, 2019:23,51,500) 0.01% compulsory convertible preference shares of Rs 100 each	300.00	300.00	235.15
2,00,000 (2020: Nil, 2019: Nil) 16% compulsory convertible preference shares of Rs 100 each	20.00	-	-
Total	**435.00**	**435.00**	**435.00**
Issued, subscribed and paid up :			
Equity share capital			
52,22,100 (2020:52,22,100, 2019:52,22,100) equity shares of Rs 10 each fully paid up**	52.22	52.22	52.22
Total	**52.22**	**52.22**	**52.22**

**Subsequent to year end, the holding company have approved stock split of one equity share having face value of INR 10 each into ten equity shares having face value of INR 1 each (refer note no 40)

(i) Reconciliation of number of equity shares issued, subscribed and paid up

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Shares outstanding at the beginning and end of the year	52,22,100	52,22,100	52,22,100
Shares outstanding at the end of the year	**52,22,100**	**52,22,100**	**52,22,100**

(ii) Reconciliation of equity share capital issued, subscribed and paid up

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Shares outstanding at the beginning and end of the year	52.22	52.22	52.22
Shares outstanding at the end of the year	**52.22**	**52.22**	**52.22**

(iii) Terms/ rights attached to equity shares

The equity shares referred to as 'Ordinary equity shares' have a par value of Rs. 10 each. All Ordinary equity shares rank equally with regard to dividend and share in the Company's residual assets. Equity shares are entitled to receive dividend declared from time to time subject to payment of dividend to preference shareholders. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(iv) Details of shareholders holding more than 5% equity shares is set out below

Name of the shareholder	As at March 31, 2021		As at March 31, 2020		As at April 1, 2019	
	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares
Piyush Somani	47.49%	24,80,000	47.49%	24,80,000	47.49%	24,80,000
Sarla Somani	47.49%	24,80,000	47.49%	24,80,000	47.49%	24,80,000
Global Environment Capital Company	-	-	-	-	5.02%	2,62,100
South Asia Growth Fund II, L.P.	3.67%	1,91,858	3.67%	1,91,858	-	-
GEF ESDS Partners, L.L.C. (GEPL)	1.35%	70,242	1.35%	70,242	-	-

(v) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date: Nil

(All amounts are in Rupees millions, unless otherwise stated)

15 Other equity

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
I. Equity component of Compound Financial Instrument			
Preference share capital			
Compulsory convertible preference shares of Rs 100 each fully paid up			
23,51,477 (2020 : 23,51,477 ; 2019: 23,51,477) 0.01% compulsory convertible preference shares of Rs 100 each fully paid up	530.57	530.57	530.57
5,67,866 (2020 : 5,67,866 ; 2019: NIL) 0.01% class A compulsory convertible preference shares of Rs 100 each fully paid up	410.00	410.00	-
1,62,842 (2020 : NIL ;2019: NIL) 16% class B1 compulsory convertible preference shares of Rs 100 each fully paid up	78.00	-	-
4,61,934 (2020:NIL; 2019: NIL) 16% Compulsory convertible debentures	221.27	-	-
	1,239.84	**940.57**	**530.57**
II. Reserves and surplus			
Retained earnings	502.76	447.73	445.69
Securities premium	6.85	6.85	6.85
Capital redemption reserve	3.58	3.58	3.58
Total reserves and surplus	**513.20**	**458.16**	**456.12**
(i) Retained earnings			
Opening balance	447.73	445.69	317.58
Profit for the year attributable to shareholders of the company	53.69	7.07	217.47
Other comprehensive income attributable to shareholders of the company	0.23	(4.99)	-
Add/Less:			
Transfer to capital redemption reserve	-	-	(3.58)
Proposed dividend on preferences shares	-	(0.04)	(11.94)
Loss Allowance on loans & advances net of deferred tax			
Dividend distribution tax	-	-	(2.45)
Adjustments on account of transition to Ind AS (refer note : 43)	-	-	(71.40)
Adjustment of additional depreciation on increase in carrying value due to fair valuation	1.12	-	-
Total retained earnings	**502.76**	**447.73**	**445.69**
(ii) Securities premium			
Opening balance	6.85	6.85	6.85
Add: Premium on issue of preference shares			
Total securities premium	**6.85**	**6.85**	**6.85**
(iii) Capital redemption reserve			
Opening balance	3.58	3.58	-
Add: Transfer from retained earnings	-	-	3.58
Total capital redemption reserve	**3.58**	**3.58**	**3.58**
III. Other reserves			
i) Foreign currency translation reserve			
Opening balance	(2.47)	-	-
Add : Currency translation adjustments for subsidiaries	2.72	(2.47)	-
Total foreign currency translation reserve	**0.25**	**(2.47)**	**-**
ii) Revaluation reserve			
Opening balance	66.40	-	-
Add : adjustment on account of fair valuation of land and building as on March 31,2021	-	75.54	-
Less: adjustment of additional depreciation on increase in carrying value due to fair valuation transferred to	(1.12)	-	-
Less: deferred tax impact on above adjustments	-	(9.14)	-
Total revaluation reserve	**65.28**	**66.40**	**-**
Total other reserves	**65.53**	**63.93**	**-**
Total equity	**578.72**	**522.09**	**456.12**

I) Rights, preferences and restrictions attached to preference shares

Compulsory convertible cumulative preference shares (CCCPS) of Rs. 100 each were issued on June 4, 2018 carrying a coupon rate of 0.01% p.a. Company has further issued class A compulsory convertible cumulative preference shares of Rs. 100 each on August 6 and 8 2019 carrying a coupon rate of 0.01% p.a. In the event the dividend declared on ordinary equity shares exceeds rate mentioned, then such higher rate shall be applicable to the CCCPS as well.

The company has made a fresh issue of compulsory convertible debentures (CCD) of Rs. 479/- each and compulsory convertible cumulative preference shares (class B1 CCCPS) of Rs. 100/- issued at a premium of Rs. 379/- per share .

These preference shares carry a preferential right as to dividend over equity shareholders. if dividend is not paid in any particular year, the dividend shall accumulate and in the year in which dividends are declared by the company, all unpaid dividends must be first paid to the shareholders, before disbursement of dividends to any other shareholders.

The preference shareholders shall have the right to convert any or all of the subscription shares as the case may be at its sole discretion and at any time within 10 (ten) years from the date of their issuance, into equity shares of the company without any additional payment to the company for such conversion. At the end of the 10th (tenth) year from the date of issuance, the preference shares which are not converted shall stand automatically converted into equity shares of the company.

The holder of subscribed securities shall be entitled to attend all the shareholders meeting and to vote on an as if converted / diluted shareholding basis.

(All amounts are in Rupees millions, unless otherwise stated)

(i) Details of shareholders holding more than 5% preferences shares is set out below:

Name of the shareholder	As at March 31, 2021		As at March 31, 2020		As at April 1, 2019	
	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares
South Asia Growth Fund II, L.P. (SAGF)	73.20%	17,21,281	73.20%	17,21,281	73.20%	17,21,281
GEF ESDS Partners, L.L.C. (GEPL)	26.80%	6,30,196	26.80%	6,30,196	26.80%	6,30,196

(ii) Details of shareholders holding more than 5% Preferences shares (class A) is set out below:

Name of the shareholder	As at March 31, 2021		As at March 31, 2020		As at April 1, 2019	
	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares
SAGF Holdings LLC	99.36%	5,64,232	99.36%	5,64,232	-	-
Orbis Capital Limited Being The Trustee Of South Asia EBT Trust	0.64%	3,634	0.64%	3,634	-	-

(iii) Details of shareholders holding more than 5% preferences shares (class B1) is set out below:

Name of the shareholder	As at March 31, 2021		As at March 31, 2020		As at April 1, 2019	
	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares
SAGF Holdings LLC	99.36%	1,61,800	-	-	-	-
Orbis Capital Limited Being The Trustee Of South Asia EBT Trust	0.64%	1,042	-	-	-	-

(iv) Details of shareholders holding more than 5% of compulsory convertible debentures is set out below:

Name of the shareholder	As at March 31, 2021		As at March 31, 2020		As at April 1, 2019	
	% holding	No. of Debentures	% holding	No. of Debentures	% holding	No. of Debentures
SAGF Holdings LLC	99.36%	4,58,977	-	-	-	-
Orbis Capital Limited Being The Trustee Of South Asia EBT Trust	0.64%	2,957	-	-	-	-

(v) Reconciliation of number compulsory convertible preference shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Issued, subscribed and paid up			
Shares outstanding at the beginning of the year	23,51,477	23,51,477	23,51,477
Shares issued during the year	-		-
Redemption of preference shares	-	-	
Shares outstanding at the end of the year	**23,51,477**	**23,51,477**	**23,51,477**

(vi) Reconciliation of compulsory convertible preference shares (class A) outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Issued, subscribed and paid up			
Shares outstanding at the beginning of the year	5,67,866	-	-
Shares issued during the year	-	5,67,866	-
Redemption of preference shares	-	-	-
Shares outstanding at the end of the year	**5,67,866**	**5,67,866**	**-**

(vii) Reconciliation of compulsory convertible preference shares (class B1) outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Issued, subscribed and paid up			
Shares outstanding at the beginning of the year	-	-	-
Shares issued during the year	1,62,842	-	-
Redemption of preference shares	-	-	-
Shares outstanding at the end of the year	**1,62,842**	**-**	**-**

(viii) Reconciliation of compulsory convertible debtneures outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Issued, subscribed and paid up			
Shares outstanding at the beginning of the year	-	-	-
Shares issued during the year	4,61,934	-	-
Redemption of preference shares	-	-	-
Shares outstanding at the end of the year	**4,61,934**	**-**	**-**

II) Nature and purpose of reserves

a) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

b) Capital Redemption Reserve

Capital Redemption reserve is created on account of redemption of shares. These reserve is utilized in accordance with the provisions of the Companies Act, 2013.

c) Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

d) Revaluation Reserve

Revaluation reserve have been created on account of revaluation of land and building, adjusted with additional depreciaiton and taxes on the same.

(All amounts are in Rupees millions, unless otherwise stated)

16.a Non-current borrowings

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Secured:			
Term loans			
From banks	441.70	197.76	132.37
From financial institutions	140.28	136.95	231.34
Vehicle loans from banks	14.60	10.86	4.83
Unsecured:			
Term loans			
From financial institutions	7.06	10.89	32.61
Liability portion of compound financial instruments			
23,51,477 (2020 : 23,51,477) 0.01% compulsory convertible preference shares of Rs 100 each fully paid up	0.18	0.16	0.15
5,67,866 (2020 : 5,67,866) 0.01% Class A compulsory convertible preference shares of Rs 100 each fully paid up*	-	-	-
1,62,842 (2020 : NIL) 16% Class B1 compulsory convertible preference shares of Rs 100 each fully paid up*	-	-	-
Total	603.82	356.62	401.30
Less : Current maturities of long term debts	(164.27)	(90.66)	(153.47)
Total non - current borrowings	**439.55**	**265.96**	**247.83**

*Amounts are below the rounding off norms of the group

16.b Current borrowings

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Secured:			
Demand loans from banks	99.70	139.21	106.33
Unsecured:			
16% Compulsory convertible debentures	-	-	-
From promoter [Refer note 33]	2.16	11.49	10.14
Total current borrowings	**101.86**	**150.70**	**116.47**

17.a Other non-current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Capital creditors**	-	290.41	-
Total non-current other financial liabilities	**-**	**290.41**	**-**

17.b Other current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Current maturities of long-term debts	164.27	90.66	153.47
Capital creditors**	428.47	551.97	272.97
Unearned revenue	91.36	119.20	79.77
Total other current financial liabilities	**684.10**	**761.83**	**506.21**

** Capital creditors are generally of current nature, but are considered to be non current wherever the group has unconditional right to defer the payment beyond 12 months from the reporting date.

Footnote to note 16: Borrowings

(All amounts are in Rupees millions, unless otherwise stated)

FY 2021

Sr. No	Name of the bank	Type of Facility	Outstanding amount as on FY end	Residual repayment term	Interest Rate	Security
1	Axis Bank Ltd.	Term Loans	333.56	upto 5 years	Ranging from 8.75% to 8.80%	**Primary** – First hypothecation charge on entire movable fixed assets financed by Axis Bank Ltd. (both Present & Future) **Collateral** – Extension of First hypothecation charge on entire current assets of the company (both present & future) on pari pasu basis with SBI, excluding receivables charged to SIDBI. **Common Collateral (for all the facilities)** - Pari Pasu charge with SBI on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007 **Additional Collateral (for all the facilities)** – DSRA of Rs. 4.71 million RD of Rs. 0.5 million per month FD of Rs. 25.00 million with bank's lien, interest accrued on FD not to be released (value as on 31.03.2021 is Rs. 29.12 million) FD of Rs. 50.00 million with bank's lien (value as on 31.03.2021 along with DSRA is Rs. 68.29 million) Charge on patented technology and patented products of the company
2	Axis Bank Ltd.	Short Term Loans	99.70	On demand	8.75%	**Primary -** First hypothecation charge on entire current assets of the company (both present & future) on pari pasu basis with SBI, excluding receivables charged to SIDBI. **Collateral** – Extension of first hypothecation charge on entire movable fixed assets of the company financed by Axis Bank Ltd. **Common Collateral (for all the facilities)** - Pari Pasu charge with SBI on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007 **Additional Collateral (for all the facilities) –** DSRA of Rs. 4.71 million RD of Rs. 0.5 million per month FD of Rs. 25.00 million with bank's lien, interest accrued on FD not to be released (value as on 31.03.2021 is Rs. 29.12 million) FD of Rs. 50.00 million with bank's lien (value as on 31.03.2021 along with DSRA is Rs. 68.29 million) Charge on patented technology and patented products of the company

Footnote to note 16: Borrowings
(All amounts are in Rupees millions, unless otherwise stated)

3	State Bank of India	Term Loans	108.13	upto 5 years	10.20%	**Primary** - Exclusive charge by hypothecation of P&M purchased out of SBI TL **Collateral** - Extension of charge on hypothecation of all current assets of the company 1st pari pasu charge with Axis Bank Ltd. excluding receivables charged to SIDBI. **Common Collateral** - Pari Pasu charge with Axis Bank Ltd. on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007 1st pari pasu RD of Rs. 0.5 million per month 1st pari pasu on FD of Rs. 25.00 million with bank's lien, interest accrued on FD not to be released (value as on 31.03.2021 is Rs. 29.12 million) 1st pari pasu on FD of Rs. 50.00 million with bank's lien (value as on 31.03.2021 along with DSRA is Rs. 68.29 million) Exclusive charge on FD of 0.25 Cr.
4	Clix Finance India Private Limited	Equipment Loan	20.31	32 months	12.50%	Primary: First and exclusive charge on the equipment financed by the lender. Lien on Security Deposits of Rs 2.97 million
5	Hero Fincorp Ltd	Equipment Loan	24.38	upto 21 months	12.00%	Primary: Hypothication lien marked on the assets being funded by Hero Fincorp Limited PG of Piyush Somani & Sarla Somani

Footnote to note 16: Borrowings

(All amounts are in Rupees millions, unless otherwise stated)

6	SIDBI*	RLOC (Long Term Loans)	47.12	upto 4 years	10.60%	**Primary** – 1st charge by way of hypothecation on all the movables of the borrower including P&M, equipment, machinery spares, tools & accessories, office equipment, computers, furniture & fixtures, misc. fixed assets etc. **Collateral** – 1st charge in favors of SIDBI on cash flows generated from orders to be routed through designated escrow account 1st charge in favors of SIDBI on Debt Service Reserve in form of FD to the extent of 5% of the assistance disbursed may be generally kept for meeting debt service during temporary instances of liquidity tightness. Extension of 1st charge by way hypothecation in favor of SIDBI on all movables including movable machinery, machinery spares, tools and accessories required under the previous financial assistance sanctioned to the company by SIDBI 1st charge on escrow account with minimum balance of at least 3 month's debt servicing obligations to be retained. The amount will be used as first loss guarantee and SIDBI at its discretion, would set off over dues (if any) in respect of Interest/principal/FI/PI remaining unpaid POA in favor of SIDBI for creation of residual charge in favor of SIDBI by way of mortgage on its office land & building situated at Plot No. B-24/25, Nice Industrial Area, MIDC, Satpur, Nashik – 422007.
7	Tata Capital Financial Services	Equipment Loan	48.47	upto 39 months	12.65%	Primary: Plant and Machinery purchased out of Term Loan Lien on Fixed Deposits of Rs 7.01 million
8	IDFC First Bank	Equipment Loan	7.06	22 months	16.00%	Unsecured
9	Axis Bank Ltd.	Auto Loan	0.64	21 months	8.90%	Primary: Vehicle Purchased out of Loan
10	Kotak Mahindra Prime Limited	Auto Loan	7.51	upto 56 months	9.19%	Primary: Vehicle Purchased out of Loan
11	ICICI Bank Limited	Auto Loan	6.46	30 months	8.25%	Primary: Vehicle Purchased out of Loan
	Total		**703.34**			

Footnote to note 16: Borrowings
(All amounts are in Rupees millions, unless otherwise stated)

FY 2020

Sr. No	Name of the bank	Type of Facility	Outstanding amount as on FY end	Residual repayment term	Interest Rate	Security
1	Axis Bank Ltd.	Term Loans	96.87	upto 4 years	Ranging from 8.75% to 8.80%	Bank Ltd. (both Present & Future) **Collateral** – Extension of First hypothecation charge on entire current assets of the company (both present & future) on pari pasu basis with SBI, excluding receivables charged to SIDBI. **Common Collateral (for all the facilities)** - Pari Pasu charge with SBI on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007 **Additional Collateral (for all the facilities)** – DSRA of Rs. 4.71 million RD of Rs. 0.5 million per month FD of Rs. 25.00 million with bank's lien, interest accrued on FD not to be released (value as on 31.03.2021 is Rs. 29.12 million) FD of Rs. 50.00 million with bank's lien (value as on 31.03.2021 along with DSRA is Rs. 68.29 million) Charge on patented technology and patented products of the company
2	Axis Bank Ltd.	Short Term Loans	94.45	On demand	8.75%	**Primary -** First hypothecation charge on entire current assets of the company (both present & future) on pari pasu basis with SBI, excluding receivables charged to SIDBI. **Collateral** – Extension of first hypothecation charge on entire movable fixed assets of the company financed by Axis Bank Ltd. **Common Collateral (for all the facilities)** - Pari Pasu charge with SBI on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007 **Additional Collateral (for all the facilities) –** DSRA of Rs. 4.71 million RD of Rs. 0.5 million per month FD of Rs. 25.00 million with bank's lien, interest accrued on FD not to be released (value as on 31.03.2021 is Rs. 29.12 million) FD of Rs. 50.00 million with bank's lien (value as on 31.03.2021 along with DSRA is Rs. 68.29 million) Charge on patented technology and patented products of the company

Footnote to note 16: Borrowings
(All amounts are in Rupees millions, unless otherwise stated)

3	State Bank of India	Term Loans	93.04	4 years	12.25%	**Primary** - Exclusive charge by hypothecation of P&M purchased out of SBI TL **Collateral** - Extension of charge on hypothecation of all current assets of the company 1st pari pasu charge with Axis Bank Ltd. excluding receivables charged to SIDBI. **Common Collateral** - Pari Pasu charge with Axis Bank Ltd. on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007 1st pari pasu RD of Rs. 0.5 million per month 1st pari pasu on FD of Rs. 25.00 million with bank's lien, interest accrued on FD not to be released (value as on 31.03.2021 is Rs. 29.12 million) 1st pari pasu on FD of Rs. 50.00 million with bank's lien (value as on 31.03.2021 along with DSRA is Rs. 68.29 million) Exclusive charge on FD of 0.25 Cr.
4	State Bank of India	Short Term Loans	42.10	On demand	11.25%	**Primary** - Hypothecation charge on entire current assets of the company (both present & future) on pari pasu basis with Axis Bank Ltd, excluding receivables charged to SIDBI. **Collateral** - Extension of exclusive charge by hypothecation of plant & machinery purchased out of SBI TL, for Bengaluru Data Centre and extension of 1st pari pasu charge by hypothecation of P&M purchased out of the project financed from consortium TLs. **Common Collateral** - Pari Pasu charge with Axis Bank Ltd. on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007 1st pari pasu RD of Rs. 0.5 million per month 1st pari pasu on FD of Rs. 25.00 million with bank's lien, interest accrued on FD not to be released (value as on 31.03.2021 is Rs. 29.12 million) 1st pari pasu on FD of Rs. 50.00 million with bank's lien (value as on 31.03.2021 along with DSRA is Rs. 68.29 million)

Footnote to note 16: Borrowings

(All amounts are in Rupees millions, unless otherwise stated)

5	Clix Finance India Private Limited	Equipment Loan	26.60	44 months	12.50%	**Primary:** First and exclusive charge on the equipment financed by the lender. Lien on Security Deposits of Rs 2.97 million
6	Hero Fincorp Ltd	Equipment Loan	35.80	upto 3 years	12.00%	**Primary:** Hypothication lien marked on the assets being funded by Hero Fincorp Limited PG of Piyush Somani & Sarla Somani
7	SIDBI*	RLOC (Long Term Loans)	55.98	1 to 4 years	10.60%	**Primary** – 1st charge by way of hypothecation on all the movables of the borrower including P&M, equipment, machinery spares, tools & accessories, office equipment, computers, furniture & fixtures, misc. fixed assets etc. **Collateral** – 1st charge in favors of SIDBI on cash flows generated from orders to be routed through designated escrow account 1st charge in favors of SIDBI on Debt Service Reserve in form of FD to the extent of 5% of the assistance disbursed may be generally kept for meeting debt service during temporary instances of liquidity tightness. Extension of 1st charge by way hypothecation in favor of SIDBI on all movables including movable machinery, machinery spares, tools and accessories required under the previous financial assistance sanctioned to the company by SIDBI 1st charge on escrow account with minimum balance of at least 3 month's debt servicing obligations to be retained. The amount will be used as first loss guarantee and SIDBI at its discretion, would set off over dues (if any) in respect of Interest/principal/FI/PI remaining unpaid POA in favor of SIDBI for creation of residual charge in favor of SIDBI by way of mortgage on its office land & building situated at Plot No. B-24/25, Nice Industrial Area, MIDC, Satpur, Nashik – 422007.
8	Tata Capital Financial Services Limited	Equipment Loan	18.57	24 months	12.65%	**Primary:** Plant and Machinery purchased out of Term Loan Lien on Fixed Deposits of Rs 7.01 million
9	IDFC First Bank	Equipment Loan	9.98	34 months	16.00%	Unsecured
10	Axis Bank Limited	Auto Loan	0.98	33 months	8.90%	**Primary:** Vehicle Purchased out of Loan

(All amounts are in Rupees millions, unless otherwise stated)

11	Kotak Mahindra Prime Limited	Auto Loan	0.96	21 months	9.19%	**Primary:** Vehicle Purchased out of Loan
12	ICICI Bank Limited	Auto Loan	8.92	42 months	8.25%	**Primary:** Vehicle Purchased out of Loan
13	Bank of Baroda	FDOD	7.86	On demand	7.75%	Fixed Deposit
14	Kotak Mahindra Prime Limited	Equipment Loan	0.51	6 months	18% (Reducing)	**Primary:** Plant and Machinery purchased out of Term Loan
15	Aditya Birla Finance Limited	Equipment Loan	0.40	6 months	20.00%	**Primary:** Plant and Machinery purchased out of Term Loan
	Total		**493.02**			

FY 2019

Sr. No	Name of the bank	Type of Facility	Outstanding amount as on FY end	Residual repayment term	Interest Rate	Security
1	Axis Bank Limited	Term Loans	19.87	upto 5 years	10%	**Primary** – First hypothecation charge on entire movable fixed assets financed by Axis Bank Ltd. (both Present & Future) **Collateral** – Extension of First hypothecation charge on entire current assets of the company (both present & future) on pari pasu basis with SBI, excluding receivables charged to SIDBI. **Common Collateral (for all the facilities)** - Pari Pasu charge with SBI on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007. **Additional Collateral (for all the facilities)** – DSRA of Rs. 4.71 million RD of Rs. 0.5 million per month **PG:** Piyush Somani & Sarla Somani

(All amounts are in Rupees millions, unless otherwise stated)

2	Axis Bank Limited	Short Term Loans	29.74	On demand	9.85%	**Primary -** First hypothecation charge on entire current assets of the company (both present & future) on pari pasu basis with SBI, excluding receivables charged to SIDBI. **Collateral** – Extension of first hypothecation charge on entire movable fixed assets of the company financed by Axis Bank Ltd. **Common Collateral (for all the facilities)** - Pari Pasu charge with SBI on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007. **Additional Collateral (for all the facilities) –** DSRA of Rs. 4.71 million RD of Rs. 0.5 million per month **PG:** Piyush Somani & Sarla Somani
3	State Bank of India	Term Loans	112.50	5 years	10.20%	**Primary** - Exclusive charge by hypothecation of P&M purchased out of SBI TL **Collateral** - Extension of charge on hypothecation of all current assets of the company 1st pari pasu charge with Axis Bank Ltd. excluding receivables charged to SIDBI. **Common Collateral** - Pari Pasu charge with SBI on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007. 1st pari pasu RD of Rs. 0.5 million per month
4	State Bank of India	Short Term Loans	76.59	On demand	7.40%	**Primary** - Hypothecation charge on entire current assets of the company (both present & future) on pari pasu basis with Axis Bank Ltd, excluding receivables charged to SIDBI. **Collateral** - Extension of exclusive charge by hypothecation of plant & machinery purchased out of SBI TL. Present and future. **Common Collateral** - Pari Pasu charge with SBI on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007. 1st pari pasu RD of Rs. 0.5 million per month

Footnote to note 16: Borrowings

(All amounts are in Rupees millions, unless otherwise stated)

5	Clix Finance India Private Limited	Equipment Loan	31.42	56 months	12.50%	Primary: First and exclusive charge on the equipment financed by the lender. Lien on Security Deposits of Rs 2.97 million
6	Hero Fincorp Limited	Equipment Loan	45.83	upto 4 years	12.00%	Primary: Hypothication lien marked on the assets being funded by Hero Fincorp Limited PG of Piyush Somani & Sarla Somani
7	SIDBI*	RLOC (Long Term Loans)	101.98	upto 4 years	10.60%	**Primary** – 1st charge by way of hypothecation on all the movables of the borrower including P&M, equipment, machinery spares, tools & accessories, office equipment, computers, furniture & fixtures, misc. fixed assets etc. **Collateral** – 1st charge in favors of SIDBI on cash flows generated from orders to be routed through designated escrow account 1st charge in favors of SIDBI on Debt Service Reserve in form of FD to the extent of 5% of the assistance disbursed may be generally kept for meeting debt service during temporary instances of liquidity tightness. Extension of 1st charge by way hypothecation in favor of SIDBI on all movables including movable machinery, machinery spares, tools and accessories required under the previous financial assistance sanctioned to the company by SIDBI 1st charge on escrow account with minimum balance of at least 3 month's debt servicing obligations to be retained. The amount will be used as first loss guarantee and SIDBI at its discretion, would set off over dues (if any) in respect of Interest/principal/FI/PI remaining unpaid POA in favor of SIDBI for creation of residual charge in favor of SIDBI by way of mortgage on its office land & building situated at Plot No. B-24/25, Nice Industrial Area, MIDC, Satpur, Nashik – 422007.

Footnote to note 16: Borrowings

(All amounts are in Rupees millions, unless otherwise stated)

8	Tata Capital Financial Services Limited	Equipment Loan	29.16	upto 36 months	12.65%	**Primary:** Plant and Machinery purchased out of Term Loan Lien on Fixed Deposits of Rs 7.01 million
9	Kotak Mahindra Financial Services Limited	Auto Loan	1.44	33 months	9.19%	**Primary:** Vehicle Purchased out of Loan
10	ICICI Bank Ltd	Auto Loan	3.39	upto 32 months	9.25%	**Primary:** Vehicle Purchased out of Loan
11	Kotak Mahindra Prime Limited	Equipment Loan	1.41	18 months	18% (Reducing)	**Primary:** Plant and Machinery purchased out of Term Loan
12	Aditya Birla Finance Limited	Equipment Loan	1.37	18 months	20.00%	**Primary:** Plant and Machinery purchased out of Term Loan
13	Capital First Limited	Equipment Loan	2.42	upto 6 months	18% to 18.5% (Reducing)	**Primary:** Plant and Machinery purchased out of Term Loan
14	Edelweiss Retail Finance	Equipment Loan	0.70	5 months	18.00%	**Primary:** Plant and Machinery purchased out of Term Loan
15	HP Financial Services	Equipment Loan	8.15	upto 10 months	14.42%	**Primary:** Plant and Machinery purchased out of Term Loan
16	IBM India Pvt. Ltd.	Equipment Loan	21.28	12 months	18.00%	**Primary:** Plant and Machinery purchased out of Term Loan
17	Jain Sons Finlease	Equipment Loan	19.38	12 months	16.00%	**Primary:** Plant and Machinery purchased out of Term Loan **Cash Collateral:** of 7% of the facilities
	Total		**507.48**			

(All amounts are in Rupees millions, unless otherwise stated)

18 Employee benefit obligations

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Non-current			
Gratuity [refer note 34]	37.17	26.95	16.61
Compensated absences	35.39	20.33	7.61
Total non-current obligations	**72.56**	**47.28**	**24.22**
Current			
Gratuity [refer note 34]	1.82	1.34	0.69
Compensated absences	2.28	1.29	0.39
Total current obligations	**4.10**	**2.63**	**1.08**

Gratuity

The group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the group makes contributions to recognised funds in India.

19 Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Trade payables			
Related parties [refer note 33]	0.47	-	-
Others	247.08	322.76	231.91
Total trade payables	**247.55**	**322.76**	**231.91**

20 Income-tax liabilities

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Provision for income tax (net of advance taxes)	0.38	1.00	1.80
Total income-tax liabilities	**0.38**	**1.00**	**1.80**

20.a Movement in income-tax liabilities

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Opening balance	1.00	1.80	-
Tax charge during the year	0.38	1.59	1.80
Tax charge in respect to earlier years	-	-	-
Refund of taxes	-	-	-
Payment of advance tax/tax deducted at source during the year	1.00	2.39	-
Closing balance	**0.38**	**1.00**	**1.80**

21 Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Accrued employee benefits			
Related parties [refer note 33]	1.81	-	-
Others	69.52	5.89	24.02
Statutory liabilities	18.23	33.57	32.19
Advance from customers	5.56	27.72	9.45
Provision for expenses	12.38	11.02	8.77
Interest accrued but not due on borrowings	0.99	2.54	5.87
Other payables	13.05	12.50	40.60
Total other current liabilities	**121.54**	**93.24**	**120.90**

(All amounts are in Rupees millions, unless otherwise stated)

22 Income tax expense

Particulars	As at March 31, 2021	As at March 31, 2020
Current tax		
Pertaining to profit for the current year	19.28	29.53
MAT Credit entitlement	(19.28)	(22.11)
Deferred tax	32.81	17.99
Income tax expense	**32.81**	**25.41**
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expenses	87.66	34.76
Tax at the Indian tax rate of 27.82% (FY 2019-20 - 27.82%)	24.39	9.67
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Corporate social responsibility expenditure not allowed under taxation and Donation	0.52	1.01
14A disallowance	0.12	0.27
40a		
Deduction Of education cess		(0.72)
Change in income-tax rate	-	(1.89)
Loss from subsidiaries	8.77	16.58
Others	(0.99)	0.49
Total	**8.42**	**15.74**
Net current tax expenses recognised in Statement of Profit & Loss	**32.81**	**25.41**

23 Deferred tax (net)

(a) Income tax expense

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Net Deferred tax (assets)/liabilities**	**32.68**	**19.23**	**13.39**
Deferred tax assets/liabilities arise from the following:			
Tax credits available:			
MAT credit receivable	**58.02**	**39.12**	**17.01**
Mat credit receivable ESDS Internet Services Private Limited	3.57	3.18	2.93
Deferred tax assets- ESDS Internet Services Private Limited			
Provision for doubtful debts, doubtful loans and advances	4.71	4.71	4.93
Deferred tax assets			
Gratuity & compensated absences	21.33	13.76	7.25
Provision for doubtful debts, doubtful deposits and capital advance	32.83	27.35	24.89
Disallowances under Sec 40(a) of the Income Tax Act 1961	1.01		
Lease liabilities	287.66	184.47	
Income tax business loss setoff	56.62		
IND AS reconcilations		32.55	14.85
	465.75	**305.14**	**71.86**
Deferred tax liability			
PP&E depreciation and intangible amortization	218.74	140.91	85.25
Right use of assets	272.49	183.46	-
Others	7.20		
	498.43	**324.37**	**85.25**

**Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

Movement in deferred tax (assets)/ liabilities:	As at March 31, 2021	As at March 31, 2020
Opening deferred tax (assets) / liabilities	**19.23**	**13.39**
Mat credit entitlement	(19.28)	(22.37)
Gratuity and compensated absences	(7.56)	(6.52)
Provision for doubtful debts, doubtful deposits and capital advance	(5.48)	(2.24)
Disallowances under Sec 40(a) of the Income Tax Act 1961	(1.01)	-
IND AS	32.55	(17.70)
Lease liabilities	(103.19)	(184.47)
Right use of assets	89.03	183.46
Income tax business loss setoff	(56.62)	-
PP&E depreciation and intangible amortization	77.83	55.66
Others	7.20	-
Closing deferred tax liability after set off	**32.68**	**19.23**

(All amounts are in Rupees millions, unless otherwise stated)

24 Revenue from operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of services		
Cloud hosting and managed services	1,622.90	1,418.82
Technical support services	96.37	93.39
Sale of products		
Cloud hosting related products	-	73.52
Total revenue from operations	**1719.27**	**1585.73**

Revenue disaggregation in terms of nature of goods and services has been included above.

A. Reconciliation of revenue recognised with contract price

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contract price		
Adjustments for:	1,483.85	1,548.09
Unbilled revenue	326.79	156.83
Unearned revenue	(91.36)	(119.20)
Revenue from operations	**1,719.27**	**1,585.73**

25 Other income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest:		
Deposits with banks	10.02	11.82
Income tax refunds	8.55	1.59
Others	0.24	4.20
Unwinding of discount on security deposits	2.17	0.44
Foreign exchange fluctuation gain(net)	-	1.56
Miscellaneous income	0.76	-
Total other income	**21.74**	**19.61**

26 Purchases of products

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Purchases of products		
Cloud hosting related products	-	42.37
Total purchases of products	-	**42.37**

27 Employee benefit expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	528.81	436.31
Contribution to provident and other funds	18.49	11.74
Gratuity [refer note 34]	11.83	8.62
Compensated absences	19.96	15.88
Other employee related costs	11.21	10.62
Total employee benefit expense	**590.30**	**483.17**

(All amounts are in Rupees millions, unless otherwise stated)

28 Finance costs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest:		
Borrowings [net of amount capitalised Rs 2.3 (2020: 11.5)]	62.98	47.47
Lease liabilties	87.23	58.10
Others	11.95	-
Dividend on preference share classified as debt	-	-
Other borrowing costs	9.56	3.75
Bank charges	4.75	3.85
Total finance costs	**176.47**	**113.17**

29 Depreciation and amortization expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment	241.76	278.26
Amortisation of intangible assets	9.98	7.49
Amortisation of right-of-use asset	122.19	83.55
Total depreciation and amortisation expense	**373.93**	**369.30**

30 Other expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Project servicing cost	48.61	103.20
Rental charges	11.62	30.35
Office expenses	6.06	11.24
Travel and conveyance	15.59	45.59
Communication charges	93.39	68.81
Contract labour charges	32.05	29.02
Corporate social responsibility expenditure	3.70	4.60
Rates and taxes	3.56	7.11
Legal and professional charges	64.14	49.07
Loss on sale of asset (net)	2.34	-
Sales commission	12.37	21.95
Insurance	4.93	2.50
Advertisement and sales promotion	20.16	82.64
Power and fuel charges	63.20	46.24
Repairs and maintenance:		
Computers	0.41	0.39
Others	2.01	6.84
Membership and subscription charges	65.99	21.81
Expected credit loss allowance [refer note 36]	46.48	12.84
Foreign exchange fluctuation loss(net)	6.25	(0.00)
Payment to auditors [refer note below]	1.66	1.27
Miscellaneous expenses	8.13	17.10
Total other expenses	**512.65**	**562.57**

Payment to auditors

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
As auditor		
Statutory audit fee	1.00	1.00
Tax audit fee	0.25	0.15
Transfer pricing audit fees	0.35	
In other capacity		
Fees for other services	0.06	0.12
Total payment to auditors	**1.66**	**1.27**

(All amounts are in Rupees millions, unless otherwise stated)

31 Earnings per share

a) Earnings per share

Particulars	March 31, 2021	March 31, 2020
(i) Basic earnings per share		
Profit attributable to equity shareholders of the Company	53.92	2.08
Weighted average number of equity shares**	5,22,21,000	5,22,21,000
Basic earnings per share	**1.03**	**0.04**
(ii) Diluted earnings per share		
Profit attributable to equity shareholders of the Company	53.92	2.08
Weighted average number of equity shares (including potential shares)	5,58,79,711	5,49,53,647
Diluted earnings per share	**0.96**	**0.04**

**Subsequent to year end, the holding company have approved stock split of one equity share having face value of INR 10 each into ten equity shares having face value of INR 1 each (refer note no 40)

b)Profit reconciliation

Particulars	March 31, 2021	March 31, 2020
(i) Basic earnings per share		
Profit attributable to equity shareholders of the Company used in calculating basic earnings per share	53.92	2.08
(ii) Diluted earnings per share		
Profit attributable to equity shareholders of the Company used in calculating basic earnings per share:	53.92	2.08
Profit attributable to equity shareholders of the Company used in calculating diluted earnings per share	**53.92**	**2.08**

(c) Weighted average number of shares used as denominator

Particulars	March 31, 2021	March 31, 2020
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	5,22,21,000	5,22,21,000
Adjustments for calculation of diluted earnings per share :		
0.01% compulsory convertible preference shares	23,51,477	23,51,477
0.01% class A compulsory convertible preference shares	7,71,467	3,81,170
16% class B1 compulsory convertible preference shares	1,39,643	
16% Compulsory convertible debentures	3,96,124	-
Weighted average number of equity shares and potential shares used as the denominator in calculating diluted earnings per share	**5,58,79,711**	**5,49,53,647**

(All amounts are in Rupees millions, unless otherwise stated)

32 Contingencies and commitments

i) Capital Commitments

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Estimated amount of contracts remaining to be executed on capital account (net of advances)	-	16.55	138.20

ii) Contingent liabilities (to the extent not provided for)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Claims against the company not acknowledged as debts			
Income tax matters	-	-	2.52
Perfomance bank guarantees given to customers	121.84	164.27	140.65
Total	121.84	164.27	143.17

*In 2019, arbitration proceedings against the suit initiated by Trign Technologies Limited for a claim of Rs. 9442.8 million have commenced and pending as on date. The management, on the basis of legal opinion obtained by them is confident that the claim is frivolous and hence has not been provided for in the financial statements
The Company has received legal opinion to the effect that the claim neither be sustainable nor for any financial claims. The Company does not foresee any probable outflow in the matter and accordingly has not specifically disclosed the quantum under contingent liability.

*In 2020, the Company has enacted Vivad se Vishwas for settlement of disputes whereby certain concessions on the payable amounts offered with waiver of interest & penalty. The Board of Directors of the company has approved the settlement of disputes under VSV Scheme. Accordingly, the Company has opted to settle the disputes under scheme and as against total disputed tax amount of Rs. 0.6 million (as per joint statement of the Company & tax authority) for AY 2013-2014 . Accordingly, the amounts shown under the contingent liabilities has been withdrawn.

(All amounts are in Rupees millions, unless otherwise stated)

33 Related party transactions

Related Party	Relation
Para 9(a)(ii): Individuals having significant influence over reporting entity(RE)	
Piyush Somani	47.49% shares of company
Sarla Somani	47.49% shares of company
Relatives of such individuals:	
Pooja Somani	Sister of Chairman and Managing Director
Prajakta Somani Jadhav	Sister of Chairman and Managing Director
Komal Somani	Wife of Chairman and Managing Director (Whole Time Director w.e.f July 28,2021)
Para 9(a)(iii): Individuals who are KMP of RE or KMP of parent of RE	
Piyush Somani	Chairman and Managing Director
Sarla Somani	Director (till July 28,2021)
Komal Somani	Whole Time Director (w.e.f July 28,2021)
Kantilal Tekne	Company Secretary (till December 15,2020)
Rajesh R Pai (on behalf of GECC)	Nominee Director (till July 6, 2020)
Alipt Sharma (on behalf of GECC)	Nominee Director (from June 4, 2018)
Ravi Ajmera	Chief Financial Officer (Till September 25,2019)
Sandeep Mehta	Chief Financial Officer (From April 6,2020)
Para 9(b)(vi):Individual related parties as per Para 9a has control/JC over another entity	
Great Ideas in Action LLP	Komal Somani: Designated patner
Rasvera Wines Private Limited	Komal Somani: Director

(All amounts are in Rupees millions, unless otherwise stated)

I Nature of transactions and amounts

Nature of transations	KMP			Relatives of KMP			Individuals having control over another entity		
	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19
Salaries and allowances	9.93	5.74	0.16	4.23	4.14	3.43	-	-	-
Director remuneration	8.79	8.72	6.65	-	-	-	-	-	-
Loan given/(recovered)-net	-	-	-	8.50	-	-	-	-	-
Loan taken/(repaid)-net	(1.97)	(6.01)	10.14	-	-	-	-		
Operating and other expenses	-	-	-	-	-	-	0.61	-	-
Sales of services	-	-	-	-	-	-	0.01	-	-
Director sitting fees	-	-	0.06	-	-	-	-	-	-
Total	**16.75**	**8.45**	**17.01**	**12.73**	**4.14**	**3.43**	**0.62**	**-**	**-**

II Outstanding receivable/(payable) balances

Nature of transations	KMP			Relatives of KMP			Individuals having control over another entity		
	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19
Payables towards salary / managerial remuneration	1.81	-	0.44	0.31	-	0.20	-	-	-
Loans payable	2.16	4.13	10.14	-	-	-	-	-	-
Loans and advances	-	-	-	8.50	-	-	-	-	-
Trade payables	-	-	-	-	-	-	0.39	-	-
Reimbursements balances payable	0.07	-	-	0.01	-	-	-	-	-

III Amount written off

Particulars	2020-21	2019-20	2018-19
KMP	0.10	-	-

IV Compensation to KMP

Particulars	2020-21	2019-20	2018-19
a)Short term employee benefits	18.72	14.46	6.81

*Represents contribution to provident and superannuation funds. As Gratuity expense is based on actuarial valuations, the same cannot be computed for individual employees and hence not included.

V Terms and conditions for outstanding balances

All outstanding balances are unsecured and payable in cash.

(All amounts are in Rupees millions, unless otherwise stated)

34 Employee benefit obligations

A. Defined contribution plans :

The group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is defined contribution plan. The group has no obligation other than to make the specified contribution. The contribution is charged to statement of profit and loss as it accrues.

Contribution to Defined Contribution Plans recognised as expense for the year are as under:

Particulars	March 31, 2021	March 31, 2020
Contribution to provident fund	17.04	10.62
Contribution to ESIC	1.45	1.11
Total	**18.49**	**11.73**

B Defined benefit plan

The group provides for gratuity to employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the group makes contributions to recognised funds in India. The group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. These benefits are funded with an insurance company in the form of a qualifying insurance policy.

(a) Movements in the present value of the defined obligation are as follows:

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Obligation at the beginning of the year	**29.05**	**17.74**	**14.59**
Current service cost	9.86	7.18	3.58
Interest expense	1.98	1.21	1.12
Actuarial losses (gains) arising from change in financial assumptions	-	3.43	
Benefits paid	(0.91)	(0.99)	(1.56)
Actuarial losses (gains) arising from experience adjustments	(0.53)	0.48	0.01
Liability at the end of the year	**10.40**	**29.05**	**17.74**

(b) Change in fair value of plan assets

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Fair value of plan assets at the beginning of the year	**0.78**	**0.45**	**0.59**
Interest income	0.05	0.04	0.04
Benefits paid	-	-	(0.18)
Contributions	-	0.28	-
Actuarial gain / (loss) on plan assets	(0.35)	0.01	(0.00)
Fair value of plan assets at the end of the year	**(0.30)**	**0.78**	**0.45**
Actual return on plan assets			

(c) The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Present value of funded obligations	10.40	29.05	17.74
Fair value of plan assets	(0.30)	0.78	0.45
Deficit of funded plans	**10.70**	**28.28**	**17.29**
Unfunded plans	-	-	-
Deficit of gratuity plan	**10.70**	**28.28**	**17.29**

(d) Expenses recognized in the Statement of Profit and Loss under employee benefit expenses.

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Service cost	9.86	7.18	3.58
Net interest (income)/expense	1.92	1.17	1.08
Net actuarial (gain)/loss recognised in the year	(0.18)	3.90	0.01
Net gratuity cost	**11.60**	**12.25**	**4.67**

(All amounts are in Rupees millions, unless otherwise stated)

(e) **Expenses recognized in statement of other comprehensive income:**

Remeasurement	March 31, 2021	March 31, 2020	April 1, 2019
Remeasurement for the year - obligation (Gain)/Loss	(0.53)	3.91	0.01
Return on plan assets excluding amount included in net interest on net defined liability/(asset) above	0.35	(0.01)	0.00
Total Remeasurement Cost/(Credit) for the year recognised in OCI	**(0.18)**	**3.90**	**0.01**

(f) **Significant estimates: actuarial assumptions and sensitivity**
The significant actuarial assumptions were as follows:

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Discount Rate	6.80%	6.80%	7.70%
Rate of growth in compensation level	7.00%	7.00%	7.00%
Expected average remaining working lives of employees (in years)	58 years	58 years	58 years
Attrition Rate	5% to 1%	5% to 1%	5% to 1%

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Change in Assumption	Defined benefit obligation		
	March 31, 2021	March 31, 2020	April 1, 2019
(i) 1% increase in discount rate	34.41	25.28	15.47
(ii) 1% decrease in discount rate	45.57	33.65	20.50
(iii) 1% increase in rate of salary escalation	45.49	33.59	20.49
(iv) 1% decrease in rate of salary escalation	34.38	25.25	15.44
(v) 1% increase in rate of withdrawal	39.41	29.02	17.83
(vi) 1% decrease in rate of withdrawal	39.50	29.10	17.65

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by 1%, keeping all other actuarial assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method(present value of defined benefit obligation calculated with the projected unit credit method at the end of reporting period) has been applied while calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The following payments are expected contributions to the defined benefits plan in future year:

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Year 1	1.82	1.34	0.69
Year 2	1.32	0.93	0.79
Year 3	1.22	0.93	0.63
Year 4	1.17	0.86	0.60
Year 5	1.13	0.83	0.58
Year 6 to 10	3.09	2.61	1.37

(g) **The major categories of plans assets are as follows:**

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Fund Managed by Insurance Company	100%	100%	100%

(All amounts are in Rupees millions, unless otherwise stated)

35 Fair value measurements

Financial instruments by category

Particulars	March 31, 2021		March 31, 2020		April 1, 2019	
	FVPL	Amortised cost	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets						
Non-current financial assets						
Term deposits with maturity more than 12 months from reporting date	-	185.91	-	162.19	-	77.68
Security deposits	-	44.56	-	31.26	-	25.18
Current financial assets						
Trade receivables	-	466.24	-	460.88	-	500.01
Cash and cash equivalents	-	143.81	-	6.42	-	86.24
Other bank balances	-	8.16	-	0.15	-	12.09
Other current financial assets						
Security deposit	-	23.78	-	18.62	-	12.80
Other loans and advance	-	(0.00)	-	11.39	-	137.69
Unbilled revenue	-	326.79	-	156.83	-	156.29
Total financial assets	**-**	**1,199.25**	**-**	**847.74**	**-**	**1,007.98**
Financial liabilities						
Non current financial liabilities						
Non-current borrowings	-	439.55	-	265.96	-	247.83
Lease liabilities	-	578.94	-	571.07	-	515.74
Other non-current financial liabilities						
Capital creditors	-	-	-	290.41	-	-
Current financial liabilities						
Current borrowings	-	101.86	-	150.70	-	116.47
Lease liabilities	-	455.06	-	80.86	-	36.83
Trade payables	-	247.55	-	322.76	-	231.91
Other current financial liabilities						
Current maturities of long-term debts	-	164.27	-	90.66	-	153.47
Capital creditors	-	428.47	-	551.97	-	272.97
Unearned revenue	-	91.36	-	119.20	-	79.77
Total financial liabilities	**-**	**2,507.05**	**-**	**2,443.59**	**-**	**1,654.99**

The management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts, largely due to the short term nature of these balances.

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
The management assessed that the carrying amounts of its financial instruments are reasonable approximations of fair values.

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at amortised cost	Level 1	Level 2	Level 3	Total
At March 31, 2021				
Financial assets				
Non-current financial assets				
Term deposits with maturity more than 12 months from reporting date	-	-	185.91	185.91
Security deposits	-	-	44.56	44.56
Current financial assets				-
Trade receivables	-	-	466.24	466.24
Cash and cash equivalents	-	-	143.81	143.81
Other bank balances	-	-	8.16	8.16
Other current financial assets				-
Security deposit	-	-	23.78	23.78
Other loans and advance	-	-	(0.00)	(0.00)
Unbilled revenue	-	-	326.79	326.79
Total financial assets			**1,199.25**	**1,199.25**
Financial liabilities				
Non current financial liabilities				
Non-current borrowings	-	-	439.55	439.55
Lease liabilities	-	-	578.94	578.94
Other non-current financial liabilities				
Capital creditors	-	-	-	-
Current financial liabilities				
Current borrowings	-	-	101.86	101.86
Lease liabilities	-	-	455.06	455.06
Trade payables	-	-	247.55	247.55
Other current financial liabilities				
Current maturities of long-term debts	-	-	164.27	164.27
Capital creditors	-	-	428.47	428.47
Unearned revenue	-	-	91.36	91.36
Total financial liabilities			**2,507.05**	**2,507.05**

(All amounts are in Rupees millions, unless otherwise stated)

Financial assets and liabilities measured at amortised cost	Level 1	Level 2	Level 3	Total
At March 31, 2020				
Financial assets				
Non-current financial assets				
Term deposits with maturity more than 12 months from reporting date	-	-	162.19	162.19
Security deposits	-	-	31.26	31.26
Current financial assets				
Trade receivables	-	-	460.88	460.88
Cash and cash equivalents	-	-	6.42	6.42
Other bank balances	-	-	0.15	0.15
Other current financial assets				
Security deposit	-	-	18.62	18.62
Other loans and advance	-	-	11.39	11.39
Unbilled revenue	-	-	156.83	156.83
Total financial assets			**847.74**	**847.74**
Financial liabilities				
Non current financial liabilities				
Non-current borrowings	-	-	265.96	265.96
Lease liabilities	-	-	571.07	571.07
Other non-current financial liabilities				
Capital creditors	-	-	290.41	290.41
Current financial liabilities				
Current borrowings	-	-	150.70	150.70
Lease liabilities	-	-	80.86	80.86
Trade payables	-	-	322.76	322.76
Other current financial liabilities				
Current maturities of long-term debts	-	-	90.66	90.66
Capital creditors	-	-	551.97	551.97
Unearned revenue	-	-	119.20	119.20
Total financial liabilities			**2,443.59**	**2,443.59**

Financial assets and liabilities measured at amortised cost	Level 1	Level 2	Level 3	Total
At April 1, 2019				
Financial assets				
Non-current financial assets				
Term deposits with maturity more than 12 months from reporting date	-	-	77.68	77.68
Security deposits	-	-	25.18	25.18
Current financial assets				-
Trade receivables	-	-	500.01	500.01
Cash and cash equivalents	-	-	86.24	86.24
Other bank balances	-	-	12.09	12.09
Other current financial assets			-	-
Security deposit	-	-	12.80	12.80
Other loans and advance	-	-	137.69	137.69
Unbilled revenue	-	-	156.29	156.29
Total financial assets			**1,007.99**	**1,007.99**
Financial liabilities				
Non current financial liabilities				
Non-current borrowings	-	-	247.83	247.83
Lease liabilities	-	-	515.74	515.74
Other non-current financial liabilities			-	-
Capital creditors	-	-	-	-
Current financial liabilities			-	-
Current borrowings	-	-	-	-
Lease liabilities	-	-	116.47	116.47
Trade payables	-	-	231.91	231.91
Other current financial liabilities				
Current maturities of long-term debts	-	-	-	-
Capital creditors	-	-	153.47	153.47
Unearned revenue	-	-	79.77	79.77
Total financial liabilities			**1,345.20**	**1,345.20**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. However the group does not have any financial instruments that are measured using Level 1 inputs.

Level 2: The fair value of derivatives is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:
All of the resulting fair value estimates are included in Level 2 except for unlisted preference shares where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

iii) Fair value of financial assets and liabilities measured at amortised cost

The fair value of all financial instruments carried at amortised cost are not materially different from their carrying amounts, since they are either short-term in nature or the interest rate applicable are equal to the current market rate of interest.

(All amounts are in Rupees millions, unless otherwise stated)

36 Financial risk management

The group's principal financial liabilities comprises of borrowings, lease liabilities, trade and other payables (including capital creditors). The main purpose of these financial liabilities is to finance the group's operations. The group's principal financial assets trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The group is exposed to the following risk from its use of financial instruments:
a) Credit risk,
b) Liquidity risk
c) Market risk
i) Foreign currency exchange rate risk
ii) Interest rate risk
The group's senior management oversees the management of these risks. The group's financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

(a) Credit Risk

The group is exposed to credit risk as a result of risk of counterparties defaulting on their obligations. The group's exposure to credit risk primarily relates to trade receivables. The group monitors and limits it's exposure to credit risks on a reasonable basis. The group's credit risk associated with trade receivables is primarily related to customers not able to settle their obligations as agreed upon. To manage this, tthe group periodically reviews the financial reliability of it's customers, taken into account their financial condition, current economic trends, analysis of historical bad debts and ageing of trade receivables. Financial instruments that are subject to such risks, principally consist of trade receivables, contract assets such as unbilled revenue, security deposits and cash and bank balances. None of the financial instruments of the group results in material concentration of credit risk.

• Trade receivables/contract assets

Customer credit risk is managed by the group subject to the established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients. The group applies the simplified approach to provide for expected credit losses prescibed by Ind AS 109," Financial Instruments" which permits the use of the lifetime expected loss provision for all trade receivables. The group has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the group.
To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.
The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

i) Reconcilation of loss allowance provisions

Particulars	Amount
Loss allowance as at April 1, 2019	**102.43**
Add/(less): changes in loss allowance	
Provision for the year	12.84
Loss allowance as at March 31, 2020	**115.27**
Add/(less): changes in loss allowance	
Bad debts written off during the year	(11.14)
Provision for the year	46.47
Loss allowance as at March 31, 2021	**150.60**

b) Liquidity risk

The group is exposed to liquidity risk related to its ability to fund its obligations as and when they become due. The group monitors and manages the liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The group has access to credit facilities and monitors cash and bank balances on a regular basis. In relation to the group's liquidity risk, the group's policy is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses.
The table below analyzes the group's financial liabilities into relevant maturity groupings based on their contractual maturities.

March 31, 2021	Current	1 year to 3 years	More than 3 years	Total
Non current financial liabilities				
Non-current borrowings	-	307.35	132.20	439.55
Lease liabilities	-	149.08	429.86	578.94
Current financial liabilities				
Current borrowings	101.86	-	-	101.86
Lease liabilities	455.06	-	-	455.06
Trade payables	247.55	-	-	247.55
Other current financial liabilities				
Current maturities of long-term debts	164.27	-	-	164.27
Capital creditors	428.47	-	-	428.47
Proposed dividend on preferences shares	-	-	-	-
Unearned revenue	91.36	-	-	91.36
Total financial liabilities	**1,488.56**	**456.43**	**562.06**	**2,507.05**

March 31, 2020	Current	1 year to 3 years	More than 3 years	Total
Non current financial liabilities				
Non-current borrowings	-	193.31	72.65	265.96
Lease liabilities	-	353.45	217.63	571.08
Other non-current financial liabilities				
Capital creditors	-	290.41	-	290.41
Current financial liabilities				
Current borrowings	150.70	-	-	150.70
Lease liabilities	80.86	-	-	80.86
Trade payables	322.76	-	-	322.76
Other current financial liabilities				
Current maturities of long-term debts	90.66	-	-	90.66
Capital creditors	551.97	-	-	551.97
Unearned revenue	119.20		-	119.20
Total financial liabilities	**1,316.15**	**837.17**	**290.28**	**2,443.60**

(All amounts are in Rupees millions, unless otherwise stated)

April 1, 2019	Current	1 year to 3 years	More than 3 years	Total
Non current financial liabilities				
Non-current borrowings	-	171.42	76.42	247.84
Lease liabilities	-	400.21	115.53	515.74
Current financial liabilities				
Current borrowings	116.47	-	-	116.47
Lease liabilities	36.83	-	-	36.83
Unearned revenue	79.77	-	-	79.77
Trade payables	231.91	-	-	231.91
Other current financial liabilities				
Current maturities of long-term debts	153.47	-	-	153.47
Capital creditors	272.97	-	-	272.97
Proposed dividend on preferences shares	-	-	-	-
Total financial liabilities	**891.42**	**571.63**	**191.95**	**1,655.00**

(c) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(i) Foreign currency exchange rate risk

The group deals with receivables from customers and payables to vendors. It is therefore exposed to foreign exchange risk associated with exchange rate movements. The foreign exchange rate fluctuations do not have any material impact on the profitability of the group as such exports and foreign currency expenditure is negligible

in totality. There are no forward exchange contracts which have been entered into by the group as on the reporting dates.

Details of foreign currency exposures that are not hedged by a derivatives instrument or otherwise:

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Receivables (asset)			
USD	0.87	1.72	0.04
GBP	0.08	-	0.29
EUR		-	0.00
AED	0.33	0.03	-
Payables (liability)			
USD	0.23	0.55	0.01
AED	0.02	0.05	0.00
SGD	-	0.01	-
Loan (asset)			
USD	0.03	0.03	-
AED	5.44	1.57	-
GBP	-	0.12	-

Foreign currency sensitivity

The group's currency exposures in respect of monetary items at March 31, 2021, March 31, 2020 and April 01, 2019 that result in net currency gains and losses in the income statement and equity arise principally from movement in above exchange rates.

The following tables demonstrate the sensitivity to a reasonably possible change in above exchange rates, with all other variables held constant. The impact on the group's profit before tax is due to changes in the fair value of monetary assets and liabilities . The group's exposure to foreign currency changes for all other currencies is not material.

Impact to Statement of Profit and Loss - Expenses/(income)

By 10%	March 31, 2021		March 31, 2020		April 1, 2019	
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
Change in USD rate	(4.97)	4.97	(9.03)	9.03	(0.19)	0.19
Change in GBP rate	(0.76)	0.76	(1.16)	1.16	(2.58)	2.58
Change in EUR rate	-	-	-	-	0.00	(0.00)
Change in AED rate	(11.77)	11.77	(3.20)	3.20	0.01	(0.01)
Change in SGD rate	-	-	0.03	(0.03)	-	-

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's debt obligations with floating interest rates.

Interest rate exposure: The exposure of the group's borrowings to nterest rate changes at the end of the reporting period are as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on variable rate borrowings	46.46	38.04

Sensitivity analysis
Profit or loss to higher/lower interest rate expense from borrowings as a result of changes in interest rates

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
If interest rates:		
Increase by 1%	0.46	0.38
Decrease by 1%	(0.46)	(0.38)

(All amounts are in Rupees millions, unless otherwise stated)

37 Capital Management

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Debt*	705.68	507.32	517.77
Cash and bank balances	(143.81)	(6.42)	(86.24)
Net debt	**561.87**	**500.90**	**431.52**
Shareholders' Funds			
Equity Share Capital	52.22	52.22	52.22
Reserves and Surplus	1,753.04	1,398.73	986.69
Total Equity	**1,805.26**	**1,450.95**	**1,038.91**
Net debt to equity ratio	**0.31**	**0.35**	**0.42**

*** includes current maturity of long term borrowing**

38 Micro, Small and Medium Enterprises Development Act, 2006

As per the information available, the management has not received any information from their supplier confirming that they are covered under Micro, Small and Medium Enterprises Development Act, 2006. In Management's view, the impact of any interest that may be payable (in accordance with the provisions of the Micro, Small and Medium Enterprise Development Act, 2006) on delayed payments to its micro or small suppliers is not expected to be significant.

39 Segment Information

The business segment have been identified on the basis of the nature of products and services, the risks and returns, internal organisation and management structure and the internal performance reporting systems.

The Company has identified business segment as its primary segment. In accordance with Indian Accounting Standard 108 - Segment Reporting, the Company has determined its business segment as "design, development, installation and servicing of information technology related resource". Operating segments are reported in a manner consistent with the internal reporting provided to the board of directors based in India regarded as the Chief Operating Decision Maker ("CODM"). Since the entire Company's business is from Information technology related resource there are no other primary reportable segments. Thus, the segment revenue, segment results, total carrying value of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation and amortisation during the year are all as reflected in the Financial Statements as at and for the year ended March 31, 2021.

The secondary segment by geographical segments is provided below based on location of customers:

The Company has identified India and Rest of the world as geographical segments for secondary segmental reporting. Geographical sales are segregated based on the location of the customer who is invoiced or in relation to which the sale is otherwise recognized. Assets other than receivables used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as these are used interchangeably between segments. All assets other than receivables are located in India. Similarly, capital expenditure is incurred towards fixed assets located in India.

Geographical Segment	Sales and Services		Total Assets	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
India	1,581.15	1,418.41	3,314.83	3,284.63
Outside India	138.13	167.32	294.52	196.91
Total	**1,719.27**	**1,585.73**	**3,609.35**	**3,481.54**

Information about major customers:

There is no single customer which contributes more than 10% to the revenue of the financial year ended on March 31,2021 and March 31, 2020

40 Events occuring after reporting date

i) The Holding company has converted itself from Private Limited to Public Limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on and consequently the name of the Company has changed to "ESDS Software Solutions Limited" pursuant to a fresh certificate of incorporation by the Registrar of Companies on July,8th 2021.

ii) The Board of Directors and shareholders of the Holding company at their meeting held on 26th July 2021 by way of special resolution approved stock split of one equity share having face value of Rs 10 each into 10 equity shares having face value of Rs 1 each. Further in addition to the aforesaid the members agreed to increase the authorised share capital and altered capital clause of Memorandum of Associaition

Number of Equity Shares (as at 31st March 2021)	**52,22,100**
Number of Equity Shares post stock split (1 equity share into 10 equity shares)	**5,22,21,000**
Authorised Share capital (Rs) (as at 31st March 2021)	**43,50,00,000**
Authorised Share capital (Rs) (post 31st March 2021)	**44,50,00,000**

Note: The impact of above mentioned stock split have been considered retrospectively for the purpose of calculation of basic and diluted earnings per share for all periods presented.

(All amounts are in Rupees millions, unless otherwise stated)

41 Interests in other entities

41.a Subsidiaries

The group's subsidiaries at 31 March 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/Country of Incorporation	Ownership interest held by the group		Ownership interest held by the non controlling interest	
		As at March 31,2021	As at March 31,2020	As at March 31,2021	As at March 31,2020
ESDS Internet Services Private Limited	India	50%	50%	50%	50%
ESDS Cloud FZ LLC*	UAE	100%	100%	-	-
Spochub Solutions Private Limited	India	100%	-	-	-
ESDS Global Software Solution Inc*	USA	100%	100%	-	-

*Subsidiary Company having 31st December as reporting date.

41.b Non controlling interests

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet	ESDS Internet Services Private Limited		
	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Current assets	24.49	20.52	163.84
Current liabilities	52.29	50.68	194.84
Net current assets	**(27.80)**	**(30.16)**	**(31.00)**
Non-current assets	453.33	470.64	478.23
Non-current liabilities	435.01	452.29	463.60
Net non-current assets	**18.32**	**18.35**	**14.63**
Net assets	**(9.48)**	**(11.81)**	**(16.37)**
Accumulated NCI	(4.74)	(5.90)	(8.19)

Summarised statement of profit and loss	ESDS Internet Services Private Limited	
	As at March 31, 2021	As at March 31, 2020
Revenue	**26.15**	**24.29**
Profit for the year	2.33	4.56
Total comprehensive income	**2.33**	**4.56**
Profit allocated to NCI	1.16	2.28

Summarised cash flows	ESDS Internet Services Private Limited		
	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Cash flows from operating activities	(0.04)	(12.90)	(157.56)
Cash flows from investing activities	0.19	4.21	9.65
Cash flows from financing activities	(0.01)	(0.03)	157.30
Net increase/ (decrease) in cash and cash equivalents	0.14	(8.72)	9.39

(All amounts are in Rupees millions, unless otherwise stated)

42 Additional Disclosure by Schedule III

	Parent		Subsidiaries									
			Indian				Foreign					
Name of the entities in the Group	**ESDS Software Solution Limited**		**ESDS Internet Services Private Limited**		**Spochub Solutions Private Limited**		**ESDS Cloud FZ LLC**		**ESDS Global Software Solution Inc**		**Total**	
Particulars	**As % of consolidated**	**Amount**	**As % of consolidated**	**Amount**	**As % of consolidated**	**Amount**	**As % of consolidated**	**Amount**	**As % of consolidated**	**Amount**	**As % of consolidated**	**Amount**
Net assets (total assets minus total liabilities)												
March 31, 2021	104.75	1,967.99	0.06	1.19	-	-	(4.24)	(79.59)	(0.58)	(10.86)	100.00	1,878.73
March 31, 2020	104.06	1,582.67	0.01	0.21	-	-	(3.34)	(50.84)	(0.73)	(11.16)	100.00	1,520.88
April 1, 2019	100.21	1,047.19	(0.21)	(2.19)	-	-	-	-	-	-	100.00	1,045.00
Share in profit or (loss)												
March 31, 2021	162.92	87.10	1.46	0.78	-	-	(63.90)	(34.16)	(0.48)	(0.26)	100.00	53.46
March 31, 2020	1010.45	64.13	33.97	2.16	-	-	(770.44)	(48.90)	(173.98)	(11.04)	100.00	6.35
Share in other comprehensive income												
March 31, 2021	100.00	0.23	-	-	-	-	-	-	-	-	100.00	0.23
March 31, 2020	100.00	(4.99)	-	-	-	-	-	-	-	-	100.00	(4.99)
Share in total comprehensive income												
March 31, 2021	162.66	87.32	1.45	0.78	-	-	(63.63)	(34.16)	(0.48)	(0.26)	100.00	53.68
March 31, 2020	3748.56	59.14	150.61	2.38	-	-	(3,099.28)	(48.90)	(699.89)	(11.04)	100.00	1.58

* Above disclosure contains figures prior to intra group transactions

43 First-time adoption

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

As stated in note 2, the consolidated financial statements for the year ended March 31, 2021 are the first annual consolidated financial statements prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2020, the Group has prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 and other relevant provisions of the Act ('previous GAAP').

Accordingly, the Group has prepared consolidated financial statements which comply with Ind AS applicable for periods ending on 31 March 2021, together with the comparative period data as at and for the year ended March 31, 2020, as described in the summary of significant accounting policies. In preparing these consolidated financial statements, the Group's opening balance sheet was prepared as at April 1, 2019, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its previous GAAP consolidated financial statements, including the balance sheet as at 1 April 2019 and the consolidated statement of profit and loss for the year ended March 31, 2020.
This note explains exemptions availed by the Group in restating its Previous GAAP financial statements, including the balance sheet as at 1 April 2019 and the financial statements as at and for the year ended March 31, 2020.

a) Deemed cost: Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment including capital work-in-progress as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets including intangible assets under development covered by Ind AS 38 Intangible assets. Accordingly, the Group has elected to measure its property, plant and equipment and Intangible assets at their previous GAAP carrying value.

b) Leases: Ind AS 101 allows an entity to determine whether an arrangement existing at the date of transition to Ind AS contains a lease in accordance with Ind AS 116, on the basis of facts and circumstances existing at that date. The standard provides an option to apply Ind AS 116 on transition date either using full retrospective method or modified retrospective method along with some available practical expedients Accordingly, the Group has elected to follow full retrospective method for transition to Ind AS 116.

c) Revenue: The Group has applied Ind AS 115 'Revenue from contracts with customers' to contracts that are not completed on transition date. Further, the Group has applied modified retrospective approach on transition date subject to some practical expedients as prescribed by the standard.

e) Business Combinations Ind AS 101 allows a first-time adopter to elect not to apply Ind AS 103 retrospectively to past business combinations (business combinations that occurred before the date of transition to Ind ASs). Accordingly, the Group has elected to use this exemption and not restate the business combination taken place prior to the transition date.

Mandatory exceptions:

a) Estimates:
An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2019 and March 31, 2020 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following item in accordance with Ind AS at the date of transition as this was not required under previous GAAP:
- Impairment of financial assets based on expected credit loss model.
- Incremental borrowing rate for measurement of lease liabilities and corresponding right of use assets.
- Determination of the discounted value for financial instruments carried at amortised cost.

b) Classification and measurement of financial assets
Ind AS 101 requires an entity to assess classification and measurement of financial assets into amortised cost or FVTOCI on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, the standard permits measurement of financial assets accounted at amortised cost based on the facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Group has determined the classification and measurement of financial assets into amortised cost or FVTOCI based on the facts and circumstances that exist on the date of transition.

c) De-recognition of financial assets and liabilities
Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of entity's choosing provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(All amounts are in Rupees millions, unless otherwise stated)

43.I. Reconciliations between Ind AS and previous GAAP for equity and profit or loss are given below:

Particulars	Note	Profit reconciliation	Equity reconciliation	
		Year ended March 31, 2020	As at March 31, 2020	As at April 01, 2019
Profit after tax/ equity as per previous GAAP		**60.55**	**1,570.31**	**1,102.27**
Ind AS adjustments [increase in equity/(decrease in equity)]:				
a) Actuarial gain/ loss in respect of employee benefits schemes transferred to other comprehensive income (net of tax)	i	4.99	4.99	-
b) Ind AS 116 impact	ii	(4.71)	(4.71)	-
c) Ind AS 109 impact	iii/vii	(18.05)	(89.61)	(73.94)
d) Ind As 115 impact	iv	(66.00)	(66.00)	(26.86)
e) Ind As 23 impact	v	11.54	11.54	-
f) Fair valuation as deemed cost for property, plant and equipment (refer note 3)	vii	-	66.40	-
g) Deferred tax impact	viii	21.02	16.03	29.25
Profit after tax/ equity as per Ind AS		**9.34**	**1,508.95**	**1,030.72**
Other comprehensive income -remeasurement of defined benefit obligation (net of tax)		(4.99)		
Total Other comprehensive income as per Ind AS		**4.35**		

II. Reconciliation of cash flow for year ended March 31, 2020:

Particulars	Note	Previous GAAP	Effect of transition to Ind AS	Ind AS
i) Net cash flow from operating activities		317.25	211.30	528.70
ii) Net cash flow from investing activities		(722.16)	(116.11)	(838.27)
iii)Net cash flow from financing activities		325.08	(95.19)	229.89
iv)Net increase/(decrease) in cash and cash equivalents		(79.83)	0.00	(79.68)
v)Opening cash and cash equivalents		86.25	0.00	86.25
vi)Effect of exchange rate change on the balance of cash held in foreign currency				(0.14)
vii)Closing cash and cash equivalents		**6.42**	**0.00**	**6.42**

(All amounts are in Rupees millions, unless otherwise stated)

43.I.a. Notes to first-time adoption

i Remeasurements of post-employment benefit obligations

Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit & Loss. Under Ind AS, remeasurement (comprising of actuarial gains and losses, the effect of the assets ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined liability) are recognised in retained earning through Other Comprehensive Income (OCI). (refer note no. 34)

ii Leases

Under Ind AS, all lease contracts, with limited exceptions for short term and low value leases, are recognized in the consolidated financial statements by way of right-ofuse assets and corresponding lease liabilities. This resulted in recognition of "Right-of-Use asset" (ROU) of Rs. 552.56 millions and a corresponding "lease liability" of Rs 552.56 millions. The rental expenses recognised in statement of profit and loss for the year ended 31 March 2020 under previous GAAP has been replaced by the recognition of depreciation expense on ROU asset and interest expense on lease liability. The related impact on statement of Profit and Loss is as given below

Particulars	Statement of profit and loss For the year ended March 31, 2020	Change in Equity As at March 31,2020
Depreciation and amortisation expenses	83.30	83.30
Finance Cost	58.54	58.54
Other expenses	(137.13)	(137.13)
Total	4.71	4.71

iii Valuation of compound financial instruments

Under the previous GAAP, compound financial instruments were classified under shareholders fund at par value. Under Ind AS, these instruments are required to be reclassified into equity and liability component based on discounted cashflow method. the liability component of these instruments are required to be measured at fair value. The resulting fair value change of the liability component during the year has been recognized in statement of profit and loss.

iv Contract with customers

The Group has elected not restate completed contracts per previous GAAP.As per Ind AS 115, there is change in the revenue recognition as compared to previous standard wherein revenue was recognized once milestones were achieved. Under Ind AS 115, revenue is recognized when entity satisfies a performance obligation by transferring control of a promised goods and service to a customer. As a consequence, revenue with respect to certain contracts is derecognized on the transition.

v Borrowing cost

The group has capitalised the borrowing cost as per Ind AS 23.

vi Property, plant and equipment

All items of property, plant and equipment, the group has elected to continue with the carrying value as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and have used that as deemed costs.

vii Expected credit loss

The group has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the group.
To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

viii Deferred tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

44 Impact of COVID 19:- The Novel Coronavirus (COVID-19), a Global Pandemic, is rapidly spreading throughout the world. Outbreak of COVID - 19 has significantly affected the social and economic activities worldwide and, as a result, could affect the operations and results of the Company. In line with the advisories, orders and directions issued by the local and state government authorities to prevent and contain the spread of Coronavirus, the Management has taken necessary measures. The Management has taken into consideration the impact of the known internal and external events arising from COVID-19 pandemic in the assessment of recoverability of trade receivables & contract assets up to the date of approval of these financial results. The financial impact due to lockdown and other restriction imposed by the government and condition related to COVID-19 pandemic situation is not expected to be significant on the financial results. In this assessment, the Company has performed sensitivity analysis on the key assumptions used. However the impact assessment of COVID-19 is an ongoing process, given the uncertainties associated with its nature and duration. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial statement and the Company will continue to closely monitor any significant impact on the Company's financial position.

45 Previous years figures have been regrouped/ reclassified wherever necessary to conform to current year presentation.

For Shah Khandelwal Jain & Associates
ICAI Firm Registration Number: 142740W
Chartered Accountants

Ashish Khandelwal
Partner

Membership No.: 049278
Place : Pune
Date : August 12, 2021

For and on behalf of the Board of Directors
ESDS Software Solution Limited
CIN : U72200MH2005PLC155433

Piyush Somani	**Komal Somani**	**Sandeep Mehta**
Chairman and Managing Director	Whole Time Director	Chief Financial Officer
DIN :02357582	DIN: 08477154	
Place: Nashik	Place: Nashik	Place: Nashik
Date : August 12, 2021	Date : August 12, 2021	Date : August 12, 2021

ESDS SOFTWARE SOLUTION LIMITED

(formerly known as ESDS Software Solution Private Limited)
(CIN : U72200MH2005PLC155433)

SEPARATE FINANCIAL STATEMENTS

FINANCIAL YEAR

2020-2021

STATUTORY AUDITORS:
Shah Khandelwal Jain & Associates
Chartered Accountants
Level 3, Riverside Business Bay, Wellesley Road,
Near RTO, Pune 411001, India.

To the Members of ESDS Software Solution Limited

Report on the Separate IND AS Financial Statements

Opinion

We have audited the accompanying IND AS financial statements of ESDS Software Solution Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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 a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the IND AS 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, 2021, 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 have conducted the audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters which in our professional judgement, were of the most significance in our Audit of the Separate IND AS Financial Statements. As per our judgement, there are no Key Audit Matters that need to be reported under SA 701.

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these IND AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these IND AS financial statements based on our audit.

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.

We conducted our audit of the IND AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Other Matter

The comparative financial information of the Company for the year ended March 31, 2020 and the transition date opening balance sheet as at April 1, 2019 prepared in accordance with IND AS , included in these IND AS financial statements, have been audited by us for the relevant periods. The report furnished by us relating to the comparative financial information and the opening balance sheet dated April 1, 2019 expressed an unmodified opinion.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, 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 IND AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its IND AS financial statements;

ii. The Company has made provision, as required if any under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. With respect to the matter to be included in the Auditors' Report under section 197(16):

The Company was a Private Limited company till 31 March 2021, accordingly the requirements as stipulated by the provisions of section 197(16) of the Act were not applicable to the Company

For Shah Khandelwal Jain & Associates
Chartered Accountants
ICAI Firm Registration No. 142740W

Ashish Khandelwal
Partner
Membership No.049278

Place : Pune
Date : August 12, 2021
UDIN : 21049278AAAAJX1808

ANNEXURE 1 TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 OF ESDS Software Solution Limited ("the Company")

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

Companies (Auditor's Report) Order, 2016 issued by the Central Government in terms of subsection 11 of section 143 of Companies Act, 2013 ("the Act")

i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us, the Company does not own any immovable property. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company

ii. The company is involved in the business of rendering services. Accordingly the requirements of Para 3(ii) of the order are not applicable to the company.

iii. The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.

v. In our opinion and according to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on 31st March, 2021 and the Company has not accepted any deposits during the year.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the order are not applicable to the Company.

vii. (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Goods and Services Tax and other statutory dues.

(b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, goods and services tax, service tax, value added tax, cess and any other undisputed statutory dues outstanding as at March 31, 2021 for a period of more than six months from the date they become payable are as follows:

Name of the statute	Nature of dues	Period to which the amount relates	Range of Delay
Income Tax Act, 1961	Tax Deducted at Source	April '20 to March '21	1-144
Goods & Services Tax, 2017	GST	April '20 to March '21	1-15

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and no term loans were applied other than purposes for which those were raised.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees during the course of our audit.

xi. The Company was a private limited company till 31 March 2021 and accordingly, the requirements as stipulated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. The Company was a private limited company till 31 March 2021 and accordingly, the requirements as stipulated by the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company. According to the information and explanations given to us, transactions with the related parties are in compliance with section 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.

xiv. According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of cumulative compulsory convertible preference shares and compulsory convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No. 142740W

Ashish Khandelwal
Partner
Membership No.049278

Place : Pune
Date : August 12,2021
UDIN : 21049278AAAAJX1808

Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other Legal and Regulatory requirements" of our report of even date

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

We have audited the internal financial controls over financial reporting of ESDS Software Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

According to the information and explanations given to us and based on our audit, the Company, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2021, 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, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2021.

For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No: 142740W

Ashish Khandelwal
Partner
Membership No. 049278

Place: Pune
Date: 12 August, 2021

UDIN : 21049278AAAAJX1808

ESDS Software Solution Limited (Formerly known as ESDS Software Solution Private Limited)
Separate Financial Statements
Balance Sheet as at March 31, 2021
(All amounts are in Rupees millions, unless otherwise stated)

	Notes	March 31, 2021	March 31, 2020	April 1, 2019
ASSETS				
I. Non-current assets				
Property, plant and equipment	3	2,070.28	1,832.66	947.10
Right -of- use- of- assets	4	994.37	633.58	560.29
Capital work -in -progress	5	3.70	394.65	43.21
Intangible assets	6	42.06	22.15	29.64
Intangible assets under development	6. a	23.12	-	-
Investments	7	0.56	0.36	0.09
Non- current financial assets	8.a	225.58	189.97	100.72
Other non-current assets	9	-	14.72	105.15
Total non-current assets		**3,359.67**	**3,088.09**	**1,786.20**
II. Current assets				
Current financial assets				
Trade receivables	10	470.21	471.65	497.43
Cash and cash equivalents	11	138.24	1.55	76.09
Other bank balances	12	8.16	0.15	12.09
Other current financial assets	8.b	485.53	260.59	344.25
Income-tax assets	13	55.47	123.40	61.32
Other current assets	14	179.34	232.84	80.27
Total current assets		**1,336.95**	**1,090.18**	**1,071.45**
Total assets		**4,696.62**	**4,178.26**	**2,857.65**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	52.22	52.22	52.22
Other equity				
Equity component of compound financial instrument	16	1,239.84	940.57	530.57
Reserves and surplus	16	611.96	523.53	464.41
Other reserves	16	65.28	66.40	-
Total equity		**1,969.30**	**1,582.72**	**1,047.20**
LIABILITIES				
I. Non-current liabilities				
Non-current financial liabilities				
Non-current borrowings	17.a	439.55	265.96	247.83
Lease liabilities	4	578.94	571.07	515.74
Other non-current financial liabilities	18.a	-	290.41	-
Employee benefit obligations	19	72.56	47.28	24.22
Deferred tax liabilities (net)	23	40.97	27.14	21.25
Total non-current liabilities		**1,132.02**	**1,201.87**	**809.04**
II. Current liabilities				
Current financial liabilities				
Current borrowings	17.b	101.86	146.57	106.33
Lease liabilities	4	455.05	80.85	36.83
Trade payables				
Total outstanding dues of micro enterprises and small enterprises	20	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	20	231.86	314.31	237.24
Other current financial liabilities	18.b	684.10	761.83	504.97
Employee benefit obligations	19	4.10	2.63	1.08
Other current liabilities	21	118.32	87.48	114.96
Total current liabilities		**1,595.30**	**1,393.67**	**1,001.41**
Total liabilities		**2,727.32**	**2,595.54**	**1,810.45**
Total equity and liabilities		**4,696.62**	**4,178.26**	**2,857.65**

The above balance sheet should be read in conjunction with the accompanying significant notes.

In terms of our report of even date

For Shah Khandelwal Jain & Associates
ICAI Firm Registration Number: 142740W

Chartered Accountants

Ashish Khandelwal
Partner
Membership No.: 049278
Place : Pune
Date : August 12, 2021

For and on behalf of the Board of Directors
ESDS Software Solution Limited
(Formerly known as ESDS Software Solution Private Limited)
CIN : U72200MH2005PLC155433

Piyush Somani	**Komal Somani**	**Sandeep Mehta**
Chairman and Managing Director	Whole Time Director	Chief Financial Officer
DIN :02357582	DIN: 08477154	
Place: Nashik	Place: Nashik	Place: Nashik
Date : August 12, 2021	Date : August 12, 2021	Date : August 12, 2021

ESDS Software Solution Limited (Formerly known as ESDS Software Solution Private Limited)
Separate Financial Statements
Statement of Profit and Loss for the year ended March 31, 2021
(All amounts are in Rupees millions, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	24	1,719.27	1,594.52
Other income	25	31.00	15.37
Total income		**1,750.27**	**1,609.89**
Expenses			
Purchases of traded goods	26	-	42.37
Employee benefit expense	27	579.69	438.64
Finance costs	28	176.46	112.98
Depreciation and amortisation expense	29	373.75	369.15
Other expenses	30	500.48	558.99
Total expenses		**1,630.38**	**1,522.13**
Profit before tax		**119.89**	**87.76**
Income tax expense			
Current tax (MAT)	22	18.90	27.94
Less: MAT credit entitlement	22	(18.90)	(22.11)
Deferred tax	22	32.81	17.78
Total tax expense		**32.81**	**23.61**
Profit for the year [A]		**87.08**	**64.15**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in the fair value of equity instruments at FVOCI			
Remeasurement of post-employment benefit obligations		0.18	(3.90)
Income tax relating to these items		0.05	(1.09)
		0.23	(4.99)
Total other comprehensive income for the year, net of tax [B]		**0.23**	**(4.99)**
Total comprehensive income for the year [A+B]		**87.31**	**59.16**
Earnings per share	31		
Basic (Face value of equity shares : 1 per share) (refer note 42)		1.67	1.13
Diluted		1.56	1.08

The above statement of profit and loss should be read in conjunction with the accompanying notes.

In terms of our report of even date

For Shah Khandelwal Jain & Associates
ICAI Firm Registration Number: 142740W

Chartered Accountants

Ashish Khandelwal

Partner

Membership No.: 049278
Place : Pune
Date : August 12, 2021

For and on behalf of the Board of Directors
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CIN : U72200MH2005PLC155433

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DIN :02357582
Place: Nashik
Date : August 12, 2021

Komal Somani
Whole Time Director
DIN: 08477154
Place: Nashik
Date : August 12, 2021

Sandeep Mehta
Chief Financial Officer
Place: Nashik
Date : August 12, 2021

ESDS Software Solution Limited (Formerly known as ESDS Software Solution Private Limited)

Separate Financial Statements

Statement of Cashflows for the Year Ended March 31, 2021

(All amounts are in Rupees millions, unless otherwise stated)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
A) Cash flows from operating activities		
Profit before income tax	119.89	87.76
Adjustments for		
Depreciation and amortisation expense	373.76	369.16
(Gain)/loss on sale of property, plant and equipment	2.34	
Expected credit loss allowance	46.48	12.84
Interest income classified as investing cash flow	(20.57)	(13.10)
Finance costs	176.46	112.98
Unrealised exchange (gain)/loss	3.29	(1.56)
Operating profit before working capital changes	**701.65**	**568.06**
Changes in working capital		
(Increase) / decrease in trade receivables	(48.33)	14.50
(Increase)/ decrease in current and non current financial assets	(242.15)	76.19
(Increase) / decrease in other current assets	53.50	(152.57)
Increase / (decrease) in trade payables	(82.45)	77.07
(Increase)/ decrease in other financial liabilities	(27.84)	40.67
Increase / (decrease) in employee benefit obligations	26.93	20.71
Increase/ (decrease) in other current and non current liabilities	32.19	(24.15)
Cash generated from operations	**413.50**	**620.48**
Income taxes paid (net of refunds received)	49.03	(90.02)
Net cash inflow/ (outflow) from operating activities	**462.52**	**530.46**
B) Cash flows from investing activities		
Payments for property, plant and equipment and intangible assets	(667.38)	(779.87)
Proceeds from sale of property, plant and equipment and intangible assets	131.92	-
Bank balances not considered as cash and cash equivalents	(30.23)	(74.62)
Investments in subsidiaries	-	(0.27)
Interest / Income on investment received	18.22	13.66
Net cash flows from investing activities	**(547.46)**	**(841.11)**
C) Cash flows from financing activities		
Proceeds form issue of shares	299.27	410.00
Increase/(Decrease) in non-current borrowings	173.59	18.13
Increase/(Decrease) in current borrowings	28.89	(22.57)
Principal elements of lease payments	(189.34)	(111.25)
Interest paid	(90.79)	(58.20)
Net cash inflows/ (outflow) from financing activities	**221.62**	**236.11**
Net increase / (decrease) in cash and cash equivalents	136.69	(74.54)
Cash and cash equivalents at the beginning of the financial year	1.55	76.09
Cash and cash equivalents at the end of the financial year	**138.24**	**1.55**

Reconciliation of cash and cash equivalents as per the cash flow statement:

	March 31, 2021	March 31, 2020	April 1, 2019
Cash and cash equivalents (Note 11)	138.24	1.55	76.09
Balances as per statement of cash flows	**138.24**	**1.55**	**76.09**

This is the Cash Flow Statement referred to in our report of even date.

For Shah Khandelwal Jain & Associates
ICAI Firm Registration Number: 142740W

Chartered Accountants

Ashish Khandelwal
Partner
Membership No.: 049278
Place : Pune
Date : August 12, 2021

For and on behalf of the Board of Directors
ESDS Software Solution Limited
(Formerly known as ESDS Software Solution Private Limited)
CIN : U72200MH2005PLC155433

Piyush Somani
Chairman and Managing Director
DIN :02357582
Place: Nashik
Date : August 12, 2021

Komal Somani
Whole Time Director
DIN: 08477154
Place: Nashik
Date : August 12, 2021

Sandeep Mehta
Chief Financial Officer
Place: Nashik
Date : August 12, 2021

ESDS Software Solution Limited (Formerly known as ESDS Software Solution Private Limited)

Separate Financial Statements

Statement of Changes in Equity for the year ended March 31, 2021

(All amounts are in Rupees millions, unless otherwise stated)

A. Equity share capital

Equity shares of Rs.10 each issued, subscribed and fully paid up

Particulars	Note	Total
As at April 1, 2019		**52.22**
Change in equity share capital		-
As at March 31, 2020	15	**52.22**
Change in equity share capital		-
As at March 31, 2021		**52.22**

*Subsequent to the year end, the Company have approved a stock split of one equity share having face value of INR 10 per share to ten equity shares having face value of INR 1 each (refer note 42).

B. Other equity

Particulars	Equity component of compoud financial instruments	Reserves and surplus			Other equity	Total other equity
		Securities premium account	Capital redemption reserve	Retained earnings	Revaluation reserve	
As at April 1, 2019	**530.57**	6.85	3.58	453.98	-	994.98
						-
Profit for the year	-	-	-	64.15	-	64.15
Adjustment on account of fair valuation as on March 31,2020	-	-	-	-	75.54	75.54
Adjustment of additional depreciation on increase in carrying value due to fair valuation transferred to retained earnings	-	-	-	-	-	-
Deferred tax impact on above adjustments	-	-	-	-	(9.14)	(9.14)
Other comprehensive income	-	-	-	(4.99)		(4.99)
Equity component of compound financial instruments issued during the year	**410.00**					410.00
Total	**410.00**	-	-	59.17	66.40	535.56
Transaction with owners in their capacity as owners:						
Dividends paid	-	-	-	(0.04)	-	(0.04)
						-
As at March 31, 2020	**940.57**	**6.85**	**3.58**	**513.10**	**66.40**	**1,530.50**
Profit for the year		-	-	87.09		87.09
Adjustment of additional depreciation on increase in carrying value due to fair valuation transferred to retained earnings				1.12	(1.12)	-
Other comprehensive Income	-	-	-	0.23	-	0.23
Equity component of compound financial instruments issued during the year	299.25					299.25
Total	299.25	-	-	88.44	(1.12)	386.57
As at March 31, 2021	**1,239.82**	**6.85**	**3.58**	**601.54**	**65.28**	**1,917.08**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

For Shah Khandelwal Jain & Associates

ICAI Firm Registration Number: 142740W

Chartered Accountants

For and on behalf of the Board of Directors
ESDS Software Solution Limited
(Formerly known as ESDS Software Solution Private Limited)
CIN : U72200MH2005PLC155433

Ashish Khandelwal
Partner
Membership No.: 049278
Place : Pune
Date : August 12, 2021

Piyush Somani
Chairman and Managing Director
DIN :02357582
Place: Nashik
Date : August 12, 2021

Komal Somani
Whole Time Director
DIN: 08477154
Place: Nashik
Date : August 12, 2021

Sandeep Mehta
Chief Financial Officer

Place: Nashik
Date : August 12, 2021

1. Corporate information

ESDS Software Solution Limited (Formerly known as ESDS Software Solution Private Limited) ('ESDS' or the ‘Company’) incorporated on August 18, 2005, is engaged in providing IT enabled services (web hosting services, technical support services, data centre setup and consulting services) and supply of IT enabled products closely connected with the rendering of the IT enabled services.

The Company has its registered office in Nashik and runs its business operations in three cities Nashik, Mumbai and Bengaluru.

2. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these separate financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Company consisting of ESDS Software Solution Limited (Formerly known as ESDS Software Solution Private Limited) (the ‘Company’).

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has voluntarily adopted Indian Accounting Standards (referred to as “Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015. These are the Company’s first Ind AS financial statements.

2.1 Basis of accounting preparation and presentation

(i) Compliance with Ind AS

The separate financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act

(ii) Historical cost convention

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

• certain financial assets and liabilities (including derivative instruments) and contingent consideration is measured at fair value;

• assets held for sale – measured at fair value less cost to sell; and

• defined benefit plans – plan assets measured at fair value;

The financial statements are presented in “INR” and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

(iii) New and amended standards adopted by the Company

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2020:

• Definition of material – amendments to Ind AS 1 and Ind AS 8

• COVID-19 related concessions – amendments to Ind AS 116

• Interest rate benchmark reform – amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

· Expected to be realised or intended to be sold or consumed in the normal operating cycle;

· Held primarily for the purpose of trading;

· Expected to be realised within twelve months after the reporting period; or

· Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

· It is expected to be settled in the normal operating cycle;

· It is held primarily for the purpose of trading;

· It is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

Operating cycle of the Company is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Based on the nature of products and the time between the acquisitions of assets for processing and their realization in cash and cash equivalents, the company has ascertained operating cycle of 12 months for the purpose of current and non-current classification of assets and liabilities.

(iv) Segment reporting:

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Company is engaged in the business of "design, development, installation and servicing of information technology related resource which is a single business segment since these are subject to similar risk and returns. Accordingly, Information technology related resource service comprises the primary basis of segmental information as set out in these financial statement, which therefore reflects the information required by Ind AS 108 - Segment reporting , with respect to primary segment.

Since the entire Company's business is design, development, installation and servicing of information technology related resource, there are no other primary reportable segments. Thus, the segment revenue, segment results, total carrying value of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation and amortization during the year are all as reflected in the Financial Statements as at and for the year ended March 31, 2021.

(v) Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

2.2 Property, plant and equipment

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment (including capital work-in-progress) measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Initial recognition

All items of property, plant and equipment (including capital work-in-progress) are measured at its cost.

The cost of an item of property, plant and equipment comprises:

(a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

(b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Measurement after recognition

The Company has elected revaluation model for measurement of land and building whose fair value can be measured reliably at each reporting period.

(a) Revaluation model for certain class of property, plant and equipment

Land and buildings are recognised at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the revaluation reserve to retained earnings.

(b) Cost model for other class of assets

All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

Type of asset	Useful life w.e.f April 2021 (in years)*	Useful life till March 2020 (in years)
Office building	60	60
Computers and data centre equipments	3/4/5/6/10/15	5/6
Office equipment	3/4/5/8/10/15/20	5
Furniture and fittings	10	10
Vehicles	8	8

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. During the current year, based on the technical evaluation done by management's expert, the useful lives of data center equipments and computers and office equipments have been revised as stated above.

The change in useful life is a change in estimate as per Ind AS 8, Ind As 16 and the impact of the same on depreciation and resultant carrying amount has been applied prospectively.

2.3 Intangible assets (including intangible assets under development)

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets (including intangibles under development) measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets

Software:

Intangible assets are recognized at cost. Intangible assets are amortised on a straight line basis over the estimated useful economic life so as to reflect the pattern in which the assets economic benefits are consumed.

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets where the following criteria are met:

• it is technically feasible to complete the software so that it will be available for use

• management intends to complete the software and use or sell it

• there is an ability to use or sell the software

• it can be demonstrated how the software will generate probable future economic benefits

• adequate technical, financial and other resources to complete the development and to use or sell the software are available, and

• the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Following summarizes the nature of intangible and the estimated useful life:

Asset	Useful life (in years)
Software	10 and 3

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

2.4 Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

• fixed payments (including in-substance fixed payments), less any lease incentives receivable

• variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

• amounts expected to be payable by the Company under residual value guarantees

• the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and

• payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

• where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received

• uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and

• makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Company entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

• the amount of the initial measurement of lease liability

• any lease payments made at or before the commencement date less any lease incentives received

• any initial direct costs, and

• restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Company entities use that rate as a starting point to determine the incremental borrowing rate.

2.5 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

2.6 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.

2.7 Unbilled revenue

Unbilled revenue relates to unbilled work-in-progress as on each reporting date as per terms of the contracts with customers.

2.8 Other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

• those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

• those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the Company commits to purchase or sale the financial asset.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

• **Amortised cost**: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in Other Income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/ (losses). Impairment losses are presented as separate line item in the statement of profit and loss.

• **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/ (losses) and impairment expenses are presented as separate line item in statement of profit and loss.

• **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is derecognised only when

• The Company has transferred the rights to receive cash flows from the financial asset or

• retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.9 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment.

The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax

Ind AS 12 defines deferred tax to include carry forward of unused tax credits. MAT credits are in the form of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement should be grouped with deferred tax asset (net) in the Balance Sheet, and a separate note should be provided specifying the nature and amount of MAT credit included as part of deferred tax assets.

2.10 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates

The fair value of the liability portion of a compulsorily convertible preference is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently re-measured.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

2.11 Employee benefit obligations

Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity; and

(b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

2.12 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within the agreed credit days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Unearned revenue

Unearned revenue relates to billing done for services/ performance obligations which have not been performed as on the date of reporting. These billings are as per the terms of the contract with customers.

2.14 Revenue from contracts with Customers

Ind AS 115 Revenue from contracts with customers has been issued with effect from April 1, 2018. The new standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

A new five-step process must be applied before revenue can be recognised:

(i) identify contracts with customers

(ii) identify the separate performance obligation

(iii) determine the transaction price of the contract

(iv) allocate the transaction price to each of the separate performance obligations, and

(v) recognise the revenue as each performance obligation is satisfied.

Revenue recognition policy

The Company has following streams of revenue:

(i) Revenue from sale of services

(ii) Revenue from sale of products

The Company accounts for a contract when it has approval and commitment from parties involved, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

Revenue from the sale of goods is recognized at the point in time when control is transferred to the customer - based on delivery terms, payment terms, customer acceptance and other indicators of control as mentioned above.

The Company recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from contract with customers is recognized when the Company satisfies performance obligations by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset. Revenue is measured based on transaction price, which is the fair value of consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/discounts. Accumulated experience is used to estimate and provide for the discounts/right of the return, using the expected value method.

The Company assesses for the timing of revenue recognition in case of each distinct performance obligation. The Company first assesses whether the revenue can be recognized over time as it performs if any of the following criteria is met:

(a) The customer simultaneously consumes the benefits as the Company performs, or

(b) The customer controls the work-in-progress, or

(c) The Company's performance does not create an asset with alternative use to the Company and the Company has right to payment for performance completed till date

If none of the criteria above are met, the Company recognizes revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred.

(i) Rendering of services (Turnkey revenue and Webhosting revenue)

The Company provides hosting services, design, implementation and support services under fixed-price and variable-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered based on usage. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual man hours spent relative to the total expected man hours. Some contracts (Specially in case of Turnkey projects) include multiple deliverables, such as the sale of hardware and related installation services.

However, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. If the contract includes an usage based fee, revenue is recognised in the amount to which Company has right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

(ii) Sale of products

Revenue from the sale of goods in the course of ordinary activities is recognised when property in the goods or significant risks and rewards of their ownership are transferred to the customer and significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. The amount recognised as revenue is exclusive of Goods and service tax and is net of discounts.

2.15 Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

2.16 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.17 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

• the profit attributable to owners 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 (refer note : 31).

(ii) Diluted earnings per share

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

• the after income tax effect of interest and other financing 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.

(All amounts are in Rupees millions, unless otherwise stated)

3 Property, plant and equipment

Particulars	Land	Leasehold land improvements	Buildings	Computer	Office equipments	Furniture & fixture	Vehicles	Total
Deemed cost as on April 1, 2019 [refer note below]	**22.98**	**53.19**	**48.07**	**726.32**	**50.76**	**33.15**	**12.63**	**947.10**
Additions during the year	-	-	29.59	791.67	229.91	26.76	10.35	**1,088.28**
Disposals during the year	-	-	-	-	-	-	-	**-**
Adjustment on account of fair valuation as on March 31,2020	42.69	-	32.85	-	-	-	-	**75.54**
Gross carrying amount as on March 31, 2020	**65.67**	**53.19**	**110.51**	**1,517.99**	**280.67**	**59.91**	**22.98**	**2,110.92**
Accumulated depreciation till April 1,2019	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	0.38	0.93	1.24	229.43	36.48	5.66	4.14	**278.26**
Accumulated depreciation on disposals during the year	-	-	-	-	-	-	-	**-**
Adjustment on account of fair valuation as on March 31,2020	-	-	-	-	-	-	-	**-**
Closing accumulated depreciation as at March 31, 2020	**0.38**	**0.93**	**1.24**	**229.43**	**36.48**	**5.66**	**4.14**	**278.26**
Net carrying amount as on March 31, 2020	**65.29**	**52.26**	**109.27**	**1,288.56**	**244.19**	**54.25**	**18.84**	**1,832.66**

Notes:
1 Refer to note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Particulars	Land	Leasehold land improvements	Buildings	Computer and data centre equipment	Office equipments	Furniture & fixture	Vehicles	Total
Opening gross carrying amount as on April 1, 2020	**65.67**	**53.19**	**110.51**	**1,517.99**	**280.67**	**59.91**	**22.98**	**2,110.91**
Additions during the year	-	-	-	428.98	159.96	7.70	9.48	**606.12**
Disposals during the year*	-	-	-	142.20	0.42	-	-	**142.62**
Gross carrying amount as on March 31, 2021	**65.67**	**53.19**	**110.51**	**1,804.77**	**440.21**	**67.61**	**32.46**	**2,574.41**
Accumulated depreciation till April 1,2020	**0.38**	**0.93**	**1.24**	**229.43**	**36.48**	**5.66**	**4.14**	**278.25**
Charge for the year	0.73	0.93	2.14	173.23	53.52	6.64	4.58	241.77
Accumulated depreciation on disposals during the year	-	-	-	15.89	-	-	-	15.89
Closing accumulated depreciation as at March 31, 2021	**1.11**	**1.86**	**3.38**	**386.77**	**90.00**	**12.30**	**8.72**	**504.13**
Net carrying amount as on March 31, 2021	**64.56**	**51.33**	**107.13**	**1,418.00**	**350.21**	**55.31**	**23.74**	**2,070.28**

*includes transfer on account of sale and lease back of assets having carrying amount of Rs. 126.31 million.

Deemed cost

Particulars	Land	Leasehold land improvements	Buildings	Computer	Office equipments	Furniture & fixture	Vehicles	Total
Deemed cost exemption availed as per para D7AA of Ind AS 101	22.98	53.19	48.07	726.31	50.76	33.16	12.63	**947.10**
Deemed cost as on April 1,2019	**22.98**	**53.19**	**48.07**	**726.31**	**50.76**	**33.16**	**12.63**	**947.10**

Particulars	Land	Buildings
Carrying amount as per Ind As as on March 31,2020 [A]	22.98	77.66
Adjustment on account of fair valuation as on March 31,2020 [B]	42.69	32.85
Fair value as on March 31,2020	65.66	110.51

For all items of property, plant and equipment, the Company has elected to continue with the carrying value as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and have used that as deemed costs.

Refer note no. 17 Footnote to borrowings for information on property, plant and equipment pledged as security by the Company.
Additions during the year include borrowing cost capitalised of Rs. 2.3 million (2020: Rs. 11.5 million)

(All amounts are in Rupees millions, unless otherwise stated)

4 Right to use Asset

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021

Particulars	Premises	Server	Amount
Balance as on April 2019	526.45	33.84	560.29
Addition	23.27	133.42	156.69
Depreciation	58.64	24.76	83.40
Balance as on March 2020	**491.08**	**142.50**	**633.58**
Addition	150.28	332.51	482.79
Depreciation	71.89	50.11	122.00
Balance as on March 2021	**569.47**	**424.90**	**994.37**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities :

Lease liabilities

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Non-current	578.94	571.07	515.74
Current	455.05	80.85	36.83
Total	**1,034.00**	**651.93**	**552.57**

(All amounts are in Rupees millions, unless otherwise stated)

5 Capital Work in Progress

Particulars	Capital work-in-progress
Opening gross carrying amount as on April 1, 2019	43.21
Additions	403.14
Disposals	51.70
Gross carrying amount as on March 31, 2020	**394.65**

Particulars	Capital work-in-progress
Opening gross carrying amount as on April 1, 2020	394.65
Additions	4.69
Disposals	395.64
Gross carrying amount as on March 31, 2021	**3.70**

Notes:
Refer to note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(All amounts are in Rupees millions, unless otherwise stated)

6 Intangible assets

Particulars	Softwares
Deemed cost as on April 1, 2019	**29.64**
Additions during the year	-
Disposals during the year	-
Gross carrying amount as on March 31, 2020	**29.64**
Accumulated Amortisation	-
Balance as at April 1, 2019	
Amortisation charge for the year	7.49
Accumulated amortisation on disposals during the year	-
Closing accumulated depreciation as at March 31, 2020	**7.49**
Net carrying value as on March 31, 2020	**22.15**

Particulars	Softwares
Opening gross carrying amount as on April 1, 2020	**29.64**
Additions during the year	29.90
Disposals during the year	-
Gross carrying amount as on March 31, 2021	**59.54**
Accumulated Amortisation	
Balance as at April 1, 2020	7.49
Amortisation charge for the year	9.99
Accumulated amortisation on disposals during the year	-
Closing accumulated depreciation as at March 31, 2021	**17.48**
Net carrying value as on March 31, 2021	**42.06**

6. a Intangible assets under development

Particulars	Intangible assets under development
Opening gross carrying amount as on April 1, 2020	**-**
Additions	23.12
Gross carrying amount as on March 31,2021	**23.12**

(All amounts are in Rupees millions, unless otherwise stated)

7 Investments

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Investments in subsidiaries			
ESDS Internet Services Private Limited 9,000 (31 March, 2020 : 9,000)(April 1, 2019: 9,000) equity shares of Rs. 10 each	0.09	0.09	0.09
Investment In Equity Shares of ESDS Global Software Solution Inc 1,000(31st March 2020: 1000)(April 1, 2019: NIL) equity shares of $1 each	0.07	0.07	-
Investment In Equity Shares of ESDS Cloud FZ LLC 10 (31st March 2020:10)(April 1, 2019: NIL) equity shares of AED 1000 each	0.20	0.20	-
Investment In Equity Shares of Spochub Solutions Private Limited - 1,99,800 (31 March,2020:NIL)(April 1, 2019: NIL) equity shares of Rs 10 each	0.20	-	-
Total investments	**0.56**	**0.36**	**0.09**

	Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
8.a	**Non current financial assets**			
	Term deposits with maturity more than 12 months from reporting date	182.19	159.62	73.07
	Accrued interest on above term deposits	-	-	1.30
	Security deposits			
	Against leased assets [including Rs: (2020: 3.62) (2019:3.13) paid to related parties] Refer note no : 33	43.39	30.35	26.35
	Total non-current financial assets	**225.58**	**189.97**	**100.72**
8.b	**Other current financial assets**			
	Security deposits			
	Against leased assets	23.78	18.62	12.80
	Loan to subsidiaries [refer note no :33]	134.95	75.45	150.00
	Other loans and advances	4.71	14.40	29.88
	Less: loss allowance	(4.71)	(4.71)	(4.71)
	Unbilled revenue	326.80	156.83	156.29
	Total other current financial assets	**485.53**	**260.59**	**344.25**

9 Other non-current assets

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Capital advances	9.35	24.07	114.50
Less: loss allowance	(9.35)	(9.35)	(9.35)
Total other non-current assets	**-**	**14.72**	**105.15**

10 Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Trade receivables from related parties [refer note 33]	3.98	10.77	-
Trade receivables from others	585.84	545.14	568.86
Less: loss allowance	(103.96)	(84.26)	(71.43)
Less: credit impaired	(15.65)	-	-
Total trade receivables	**470.21**	**471.65**	**497.43**
Break-up of security details			
Trade receivables (unsecured)			
Considered good	574.17	555.91	568.86
Signifcant increase in credit risk	15.65	-	-
Less: expected credit loss allowance	(103.96)	(84.26)	(71.43)
Less: credit impaired	(15.65)	-	-
Total trade receivables	**470.21**	**471.65**	**497.43**

(All amounts are in Rupees millions, unless otherwise stated)

11 Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Balances with banks	138.24	1.34	15.00
Cash on hand	-	0.21	1.09
Cheques in hand	-	-	60.00
Total cash and cash equivalents	**138.24**	**1.55**	**76.09**

12 Other bank balances

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Term deposits with original maturity with more than 3 months but due within 12 months from the date of reporting	7.81	0.15	12.09
Accrued Interest on above term deposits	0.35	-	0.00
Total other bank balances	**8.16**	**0.15**	**12.09**

13 Income - tax assets

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Advance tax and tax deducted at source (net of provision)	55.47	123.40	61.32
Total income - tax assets	**55.47**	**123.40**	**61.32**

Movement in income-tax assets

13.a

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Opening balance	123.40	61.32	47.44
Tax charge during the year	(18.90)	(27.94)	(58.74)
Tax charge in respect to earlier years	-	-	(0.93)
Refund of taxes	(112.60)	-	(20.97)
Payment of advance tax/ tax deducted at source during the year	63.57	90.02	94.52
Closing balance	**55.47**	**123.40**	**61.32**

14 Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Prepayments	92.22	99.52	45.44
Advances to creditors	6.96	1.28	9.01
Advances to employees [include Rs.8.5 (2020 and 2019 : Nil) [to related parties refer note: 33]	13.70	1.29	2.58
Balances with statutory / government authorities	62.52	128.72	21.69
Other receivables	3.94	2.03	1.55
Total other current assets	**179.34**	**232.84**	**80.27**

(All amounts are in Rupees millions, unless otherwise stated)

15 Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Authorised share capital:			
1,15,00,000 (2020 : 1,35,00,000 ; 2019 : 1,99,85,000) equity shares of Rs 10 each**	115.00	135.00	199.85
30,00,000 (2020: 30,00,000 ; 2019 : 23,51,500) 0.01% compulsory convertible preference shares of Rs 100 each	300.00	300.00	235.15
2,00,000 (2020: Nil ; 2019 : Nil) 16% compulsory convertible preference shares of Rs 100 each	20.00	-	-
Total	**435.00**	**435.00**	**435.00**
Issued, subscribed and paid up :			
Equity share capital			
52,22,100 (2020 : 52,22,100 ; 2019: 52,22,100)equity shares of Rs 10 each fully paid up**	52.22	52.22	52.22
Total	**52.22**	**52.22**	**52.22**

**Subsequent to the year end, the Company have approved a stock split of one equity share having face value of INR 10 per share to ten equity shares having face value of INR 1 each (refer note 42).

(i) Reconciliation of number of equity shares issued

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Shares outstanding at the beginning and end of the year	52,22,100	52,22,100	52,22,100
Shares outstanding at the end of the year	**52,22,100**	**52,22,100**	**52,22,100**

(ii) Reconciliation of issued equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Shares outstanding at the beginning and end of the year	52.22	52.22	52.22
Shares outstanding at the end of the year	**52.22**	**52.22**	**52.22**

(iii) Terms/ rights attached to equity shares

The equity shares referred to as 'Ordinary equity shares' have a par value of Rs. 10 each. All Ordinary equity shares rank equally with regard to dividend and share in the Company's residual assets. Equity shares are entitled to receive dividend declared from time to time subject to payment of dividend to preference shareholders. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(iv) Details of shareholders holding more than 5% equity shares is set out below

Name of the shareholder	As at March 31, 2021		As at March 31, 2020		As at April 1, 2019	
	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares
Piyush Somani	47.49%	24,80,000	47.49%	24,80,000	47.49%	24,80,000
Sarla Somani	47.49%	24,80,000	47.49%	24,80,000	47.49%	24,80,000
Global Environment Capital Company, L.L.C. (GECC)	-	-	-	-	5.02%	2,62,100
South Asia Growth Fund II, L.P. (SAGF)	3.67%	1,91,858	3.67%	1,91,858	-	-
GEF ESDS Partners, L.L.C. (GEPL)	1.35%	70,242	1.35%	70,242	-	-

(v) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date : Nil

(All amounts are in Rupees millions, unless otherwise stated)

16 Other equity

	Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
I.	**Equity component of compound financial instrument**			
	Preference share capital			
	Compulsory convertible preference shares of Rs 100 each fully paid up			
	23,51,477 (2020 : 23,51,477) (2019 : 23,51,477) 0.01% compulsory convertible preference shares of Rs 100 each fully paid up	530.57	530.57	530.57
	5,67,866 (2020 : 5,67,866) (2019 : NIL) 0.01% class A compulsory convertible preference shares of Rs 100 each fully paid up	410.00	410.00	-
	1,62,842 (2020 : NIL) (2019 : NIL) 16% compulsory convertible preference shares of Rs 100 each fully paid up	78.00	-	-
	4,61,934 (2020 : NIL) (2019 : NIL)16% Compulsory convertible debtenures	221.27	-	-
		1,239.84	**940.57**	**530.57**
II.	**Reserves and surplus**			
	Retained earnings	601.53	513.10	453.98
	Securities premium	6.85	6.85	6.85
	Capital redemption reserve	3.58	3.58	3.58
	Total reserves and surplus	**611.96**	**523.53**	**464.41**
(i)	**Retained earnings**			
	Opening balance	513.10	453.98	330.24
	Profit for the year	87.08	64.15	201.09
	Other comprehensive income	0.23	(4.99)	
	Add/ (Less) :			
	Transfer to capital redemption reserve	-	-	(3.58)
	Proposed dividend on preferences shares	-	(0.04)	(11.94)
	Dividend distribution tax	-	-	(2.45)
	Adjustments on account of transition to Ind AS	-	-	(59.38)
	Adjustment of additional depreciation on increase in carrying value due to fair valuation transferd from revaluation reserve	1.12		
	Total retained earnings	**601.53**	**513.10**	**453.98**
(ii)	**Securities premium**			
	Opening balance	6.85	6.85	6.85
	Add: Premium on issue of preference shares	-	-	-
	Total securites premium	**6.85**	**6.85**	**6.85**
(iii)	**Capital redemption reserve**			
	Opening balance	3.58	3.58	-
	Add: Transfer from retained earnings		-	3.58
	Total capital redemption reserve	**3.58**	**3.58**	**3.58**
III.	**Other reserves**			
(i)	**Revaluation reserve**			
	Opening balance	66.40	-	-
	Add: adjustment on account of transition to Ind AS	-	75.54	-
	Less: adjustment of additional depreciation on increase in carrying value due to fair valuation transferred to retained earnings	(1.12)	-	-
	Less: defered tax impact on above adjustments	-	(9.14)	-
	Total revaluation reserve	**65.28**	**66.40**	**-**
	Total other reserves	**65.28**	**66.40**	**-**
	Total equity	**1,917.08**	**1,530.50**	**994.98**

I) **Rights, preferences and restrictions attached to preference shares**

Compulsory convertible cumulative preference shares (CCCPS) of Rs. 100 each were issued on June 4, 2018 carrying a coupon rate of 0.01% p.a. Company has further issued class A compulsory convertible cumulative preference shares of Rs. 100 each on August 6 and 8 2019 carrying a coupon rate of 0.01% p.a. In the event the dividend declared on ordinary equity shares exceeds rate mentioned, then such higher rate shall be applicable to the CCCPS as well.

The Company has made a fresh issue of compulsory convertible debentures (CCD) of Rs. 479/- each and compulsory convertible cumulative preference shares (Class B1 CCCPS) of Rs. 100/- issued at a premium of Rs. 379/- per share .

These preference shares carry a preferential right as to dividend over equity shareholders. If dividend is not paid in any particular year, the dividend shall accumulate and in the year in which dividends are declared by the Company, all unpaid dividends must be first paid to the shareholders, before disbursement of dividends to any other shareholders.

The preference shareholders shall have the right to convert any or all of the subscription shares as the case may be at its sole discretion and at any time within 10 (ten) years from the date of their issuance, into equity shares of the Company without any additional payment to the Company for such conversion. At the end of the 10th (tenth) year from the date of issuance, the preference shares which are not converted shall stand automatically converted into equity shares of the Company.

The holder of subscribed securities shall be entitled to attend all the shareholders meeting and to vote on an as if converted / diluted shareholding basis.

(All amounts are in Rupees millions, unless otherwise stated)

(i) Details of shareholders holding more than 5% preferences shares is set out below:

Name of the shareholder	As at March 31, 2021		As at March 31, 2020		As at April 1, 2019	
	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares
South Asia Growth Fund II, L.P. (SAGF)	73.20%	17,21,281	73.20%	17,21,281	73.20%	17,21,281
GEF ESDS Partners, L.L.C. (GEPL)	26.80%	6,30,196	26.80%	6,30,196	26.80%	6,30,196

(ii) Details of shareholders holding more than 5% preferences shares (class A) is set out below:

Name of the shareholder	As at March 31, 2021		As at March 31, 2020		As at April 1, 2019	
	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares
SAGF Holdings LLC	99.36%	5,64,232	99.36%	5,64,232	-	-
Orbis Capital Limited being the trustee of South Asia EBT Trust	0.64%	3,634	0.64%	3,634	-	-

(iii) Details of shareholders holding more than 5% preferences shares (class B1) is set out below:

Name of the shareholder	As at March 31, 2021		As at March 31, 2020		As at April 1, 2019	
	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares
SAGF Holdings LLC	99.36%	1,61,800	-	-	-	-
Orbis Capital Limited being the trustee of South Asia EBT Trust	0.64%	1,042	-	-	-	-

(iv) Details of shareholders holding more than 5% of compulsory convertible debentures is set out below:

Name of the shareholder	As at March 31, 2021		As at March 31, 2020		As at April 1, 2019	
	% holding	No. of Debentures	% holding	No. of Debentures	% holding	No. of Debentures
SAGF Holdings LLC	99.36%	4,58,977	-	-	-	-
Orbis Capital Limited being the trustee of South Asia EBT Trust	0.64%	2,957	-	-	-	-

(v) Reconciliation of number compulsory convertible preference shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Issued, subscribed and paid up			
Shares outstanding at the beginning of the year	23,51,477	23,51,477	23,51,477
Shares issued during the year	-	-	-
Redemption of preference shares	-	-	-
Shares outstanding at the end of the year	**23,51,477**	**23,51,477**	**23,51,477**

(vi) Reconciliation of compulsory convertible preference shares (class A) outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Issued, subscribed and paid up			
Shares outstanding at the beginning of the year	5,67,866	-	-
Shares issued during the year	-	5,67,866	-
Redemption of preference shares	-	-	-
Shares outstanding at the end of the year	**5,67,866**	**5,67,866**	**-**

(vii) Reconciliation of compulsory convertible preference shares (class B1) outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Issued, subscribed and paid up			
Shares outstanding at the beginning of the year	-	-	-
Shares issued during the year	1,62,842	-	-
Redemption of preference shares	-	-	-
Shares outstanding at the end of the year	**1,62,842**	**-**	**-**

(viii) Reconciliation of compulsory convertible debtneures outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Issued, subscribed and paid up			
Shares outstanding at the beginning of the year	-	-	-
Shares issued during the year	4,61,934	-	-
Redemption of preference shares	-	-	-
Shares outstanding at the end of the year	**4,61,934**	**-**	**-**

II) Nature and purpose of reserves

a) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

b) Capital Redemption Reserve

Capital Redemption reserve is created on account of redemption of shares. These reserve is utilized in accordance with the provisions of the Companies Act, 2013.

c) Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

d) Revaluation Reserve

Revaluation reserve have been created on account of revaluation of land and building, adjusted with additional depreciaiton and taxes on the same.

(All amounts are in Rupees millions, unless otherwise stated)

Financial Liabilities

17.a Non current borrowings

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Secured:			
Term Loans			
From banks	441.70	197.76	132.37
From financial institutions	140.28	136.95	231.34
Vehicle loans from banks	14.60	10.86	4.83
Unsecured:			
Term loans:			
From financial institutions	7.06	10.89	32.61
From promoter	-	-	-
Liability portion of compound financial instruments			
23,51,477 (2020 : 23,51,477) 0.01% compulsory convertible preference shares of Rs 100 each fully paid up	0.18	0.16	0.15
5,67,866 (2020 : 5,67,866) 0.01% class A compulsory convertible preference shares of Rs 100 each fully paid up*	-	-	-
1,62,842 (2020 : NIL) 16% class B1 compulsory convertible preference shares of Rs 100 each fully paid up*	-	-	-
Total	603.82	356.62	401.30
Less : Current maturities of long term borrowings	(164.27)	(90.66)	(153.47)
Total non - current borrowings	**439.55**	**265.96**	**247.83**

*Amounts below the rounding off norms of the Company

17.b Current borrowings

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Secured:			
Demand loans from banks	99.70	139.21	106.33
Unsecured:			
16% compulsory convertible debentures	-	-	-
From promoter [refer note : 33]	2.16	7.36	-
Total current borrowings	**101.86**	**146.57**	**106.33**

18.a Other non-current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Non current			
Capital creditors**	-	290.41	-
Total non current other financial liabilities	**-**	**290.41**	**-**

18.b Other current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Current			
Current maturities of long term borrowings	164.27	90.66	153.47
Capital creditors**	428.47	551.97	272.97
Unearned revenue	91.36	119.20	78.53
Total current other financial liabilities	**684.10**	**761.83**	**504.97**

** Capital Creditors are generally of current in nature ,but are considered to be non current wherever the company has unconditional right to defer the payment beyond 12 months from the reporting date.

ESDS Software Solution Limited
(formerly known as ESDS Software Solution Private Limited)
Notes forming part of Separate Financial Statements for the year ended March 31, 2021
Footnote to note 17: Borrowings
(All amounts are in Rupees millions, unless otherwise stated)

FY 2021

Sr. No	Name of the bank	Type of Facility	Outstanding amount as on FY end	Residual repayment term	Interest Rate	Security
1	Axis Bank Ltd.	Term Loans	333.56	upto 5 years	Ranging from 8.75% to 8.80%	**Primary** – First hypothecation charge on entire movable fixed assets financed by Axis Bank Ltd. (both Present & Future) **Collateral** – Extension of First hypothecation charge on entire current assets of the company (both present & future) on pari pasu basis with SBI, excluding receivables charged to SIDBI. **Common Collateral (for all the facilities)** - Pari Pasu charge with SBI on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007 **Additional Collateral (for all the facilities)** – DSRA of Rs. 4.71 million RD of Rs. 0.5 million per month FD of Rs. 25.00 million with bank's lien, interest accrued on FD not to be released (value as on 31.03.2021 is Rs. 29.12 million) FD of Rs. 50.00 million with bank's lien (value as on 31.03.2021 along with DSRA is Rs. 68.29 million) Charge on patented technology and patented products of the company
2	Axis Bank Ltd.	Short Term Loans	99.70	On demand	8.75%	**Primary -** First hypothecation charge on entire current assets of the company (both present & future) on pari pasu basis with SBI, excluding receivables charged to SIDBI. **Collateral** – Extension of first hypothecation charge on entire movable fixed assets of the company financed by Axis Bank Ltd. **Common Collateral (for all the facilities)** - Pari Pasu charge with SBI on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007 **Additional Collateral (for all the facilities) –** DSRA of Rs. 4.71 million RD of Rs. 0.5 million per month FD of Rs. 25.00 million with bank's lien, interest accrued on FD not to be released (value as on 31.03.2021 is Rs. 29.12 million) FD of Rs. 50.00 million with bank's lien (value as on 31.03.2021 along with DSRA is Rs. 68.29 million) Charge on patented technology and patented products of the company

Footnote to note 17: Borrowings

(All amounts are in Rupees millions, unless otherwise stated)

3	State Bank of India	Term Loans	108.13	upto 5 years	10.20%	**Primary** - Exclusive charge by hypothecation of P&M purchased out of SBI TL **Collateral** - Extension of charge on hypothecation of all current assets of the company 1st pari pasu charge with Axis Bank Ltd. excluding receivables charged to SIDBI. **Common Collateral** - Pari Pasu charge with Axis Bank Ltd. on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007 1st pari pasu RD of Rs. 0.5 million per month 1st pari pasu on FD of Rs. 25.00 million with bank's lien, interest accrued on FD not to be released (value as on 31.03.2021 is Rs. 29.12 million) 1st pari pasu on FD of Rs. 50.00 million with bank's lien (value as on 31.03.2021 along with DSRA is Rs. 68.29 million) Exclusive charge on FD of 0.25 Cr.
4	Clix Finance India Private Limited	Equipment Loan	20.31	32 months	12.50%	Primary: First and exclusive charge on the equipment financed by the lender. Lien on Security Deposits of Rs 2.97 million
5	Hero Fincorp Ltd	Equipment Loan	24.38	upto 21 months	12.00%	Primary: Hypothication lien marked on the assets being funded by Hero Fincorp Limited PG of Piyush Somani & Sarla Somani

Footnote to note 17: Borrowings

(All amounts are in Rupees millions, unless otherwise stated)

6	SIDBI*	RLOC (Long Term Loans)	47.12	upto 4 years	10.60%	**Primary** – 1st charge by way of hypothecation on all the movables of the borrower including P&M, equipment, machinery spares, tools & accessories, office equipment, computers, furniture & fixtures, misc. fixed assets etc. **Collateral** – 1st charge in favors of SIDBI on cash flows generated from orders to be routed through designated escrow account 1st charge in favors of SIDBI on Debt Service Reserve in form of FD to the extent of 5% of the assistance disbursed may be generally kept for meeting debt service during temporary instances of liquidity tightness. Extension of 1st charge by way hypothecation in favor of SIDBI on all movables including movable machinery, machinery spares, tools and accessories required under the previous financial assistance sanctioned to the company by SIDBI 1st charge on escrow account with minimum balance of at least 3 month's debt servicing obligations to be retained. The amount will be used as first loss guarantee and SIDBI at its discretion, would set off over dues (if any) in respect of Interest/principal/FI/PI remaining unpaid POA in favor of SIDBI for creation of residual charge in favor of SIDBI by way of mortgage on its office land & building situated at Plot No. B-24/25, Nice Industrial Area, MIDC, Satpur, Nashik – 422007.
7	Tata Capital Financial Services	Equipment Loan	48.47	upto 39 months	12.65%	Primary: Plant and Machinery purchased out of Term Loan Lien on Fixed Deposits of Rs 7.01 million
8	IDFC First Bank	Equipment Loan	7.06	22 months	16.00%	Unsecured
9	Axis Bank Ltd.	Auto Loan	0.64	21 months	8.90%	Primary: Vehicle Purchased out of Loan
10	Kotak Mahindra Prime Limited	Auto Loan	7.51	upto 56 months	9.19%	Primary: Vehicle Purchased out of Loan
11	ICICI Bank Limited	Auto Loan	6.46	30 months	8.25%	Primary: Vehicle Purchased out of Loan
	Total		**703.34**			

Footnote to note 17: Borrowings

(All amounts are in Rupees millions, unless otherwise stated)

FY 2020

Sr. No	Name of the bank	Type of Facility	Outstanding amount as on FY end	Residual repayment term	Interest Rate	Security
1	Axis Bank Ltd.	Term Loans	96.87	upto 4 years	Ranging from 8.75% to 8.80%	**Primary** – First hypothecation charge on entire movable fixed assets financed by Axis Bank Ltd. (both Present & Future) **Collateral** – Extension of First hypothecation charge on entire current assets of the company (both present & future) on pari pasu basis with SBI, excluding receivables charged to SIDBI. **Common Collateral (for all the facilities)** - Pari Pasu charge with SBI on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007 **Additional Collateral (for all the facilities)** – DSRA of Rs. 4.71 million RD of Rs. 0.5 million per month FD of Rs. 25.00 million with bank's lien, interest accrued on FD not to be released (value as on 31.03.2021 is Rs. 29.12 million) FD of Rs. 50.00 million with bank's lien (value as on 31.03.2021 along with DSRA is Rs. 68.29 million) Charge on patented technology and patented products of the company
2	Axis Bank Ltd.	Short Term Loans	94.45	On demand	8.75%	**Primary -** First hypothecation charge on entire current assets of the company (both present & future) on pari pasu basis with SBI, excluding receivables charged to SIDBI. **Collateral** – Extension of first hypothecation charge on entire movable fixed assets of the company financed by Axis Bank Ltd. **Common Collateral (for all the facilities)** - Pari Pasu charge with SBI on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007 **Additional Collateral (for all the facilities) –** DSRA of Rs. 4.71 million RD of Rs. 0.5 million per month FD of Rs. 25.00 million with bank's lien, interest accrued on FD not to be released (value as on 31.03.2021 is Rs. 29.12 million) FD of Rs. 50.00 million with bank's lien (value as on 31.03.2021 along with DSRA is Rs. 68.29 million) Charge on patented technology and patented products of the company

(All amounts are in Rupees millions, unless otherwise stated)

3	State Bank of India	Term Loans	93.04	4 years	12.25%	**Primary** - Exclusive charge by hypothecation of P&M purchased out of SBI TL **Collateral** - Extension of charge on hypothecation of all current assets of the company 1st pari pasu charge with Axis Bank Ltd. excluding receivables charged to SIDBI. **Common Collateral** - Pari Pasu charge with Axis Bank Ltd. on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007 1st pari pasu RD of Rs. 0.5 million per month 1st pari pasu on FD of Rs. 25.00 million with bank's lien, interest accrued on FD not to be released (value as on 31.03.2021 is Rs. 29.12 million) 1st pari pasu on FD of Rs. 50.00 million with bank's lien (value as on 31.03.2021 along with DSRA is Rs. 68.29 million) Exclusive charge on FD of 0.25 Cr.
4	State Bank of India	Short Term Loans	42.10	On demand	11.25%	**Primary** - Hypothecation charge on entire current assets of the company (both present & future) on pari pasu basis with Axis Bank Ltd, excluding receivables charged to SIDBI. **Collateral** - Extension of exclusive charge by hypothecation of plant & machinery purchased out of SBI TL, for Bengaluru Data Centre and extension of 1st pari pasu charge by hypothecation of P&M purchased out of the project financed from consortium TLs. **Common Collateral** - Pari Pasu charge with Axis Bank Ltd. on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007 1st pari pasu RD of Rs. 0.5 million per month 1st pari pasu on FD of Rs. 25.00 million with bank's lien, interest accrued on FD not to be released (value as on 31.03.2021 is Rs. 29.12 million) 1st pari pasu on FD of Rs. 50.00 million with bank's lien (value as on 31.03.2021 along with DSRA is Rs. 68.29 million)

Footnote to note 17: Borrowings

(All amounts are in Rupees millions, unless otherwise stated)

5	Clix Finance India Private Limited	Equipment Loan	26.60	44 months	12.50%	**Primary:** First and exclusive charge on the equipment financed by the lender. Lien on Security Deposits of Rs 2.97 million
6	Hero Fincorp Ltd	Equipment Loan	35.80	upto 3 years	12.00%	**Primary:** Hypothication lien marked on the assets being funded by Hero Fincorp Limited PG of Piyush Somani & Sarla Somani
7	SIDBI*	RLOC (Long Term Loans)	55.98	1 to 4 years	10.60%	**Primary** – 1st charge by way of hypothecation on all the movables of the borrower including P&M, equipment, machinery spares, tools & accessories, office equipment, computers, furniture & fixtures, misc. fixed assets etc. **Collateral** – 1st charge in favors of SIDBI on cash flows generated from orders to be routed through designated escrow account 1st charge in favors of SIDBI on Debt Service Reserve in form of FD to the extent of 5% of the assistance disbursed may be generally kept for meeting debt service during temporary instances of liquidity tightness. Extension of 1st charge by way hypothecation in favor of SIDBI on all movables including movable machinery, machinery spares, tools and accessories required under the previous financial assistance sanctioned to the company by SIDBI 1st charge on escrow account with minimum balance of at least 3 month's debt servicing obligations to be retained. The amount will be used as first loss guarantee and SIDBI at its discretion, would set off over dues (if any) in respect of Interest/principal/FI/PI remaining unpaid POA in favor of SIDBI for creation of residual charge in favor of SIDBI by way of mortgage on its office land & building situated at Plot No. B-24/25, Nice Industrial Area, MIDC, Satpur, Nashik – 422007.
8	Tata Capital Financial Services Limited	Equipment Loan	18.57	24 months	12.65%	**Primary:** Plant and Machinery purchased out of Term Loan Lien on Fixed Deposits of Rs 7.01 million
9	IDFC First Bank	Equipment Loan	9.98	34 months	16.00%	Unsecured
10	Axis Bank Limited	Auto Loan	0.98	33 months	8.90%	**Primary:** Vehicle Purchased out of Loan

Footnote to note 17: Borrowings

(All amounts are in Rupees millions, unless otherwise stated)

11	Kotak Mahindra Prime Limited	Auto Loan	0.96	21 months	9.19%	**Primary:** Vehicle Purchased out of Loan
12	ICICI Bank Limited	Auto Loan	8.92	42 months	8.25%	**Primary:** Vehicle Purchased out of Loan
13	Bank of Baroda	FDOD	7.86	On demand	7.75%	Fixed Deposit
14	Kotak Mahindra Prime Limited	Equipment Loan	0.51	6 months	18% (Reducing)	**Primary:** Plant and Machinery purchased out of Term Loan
15	Aditya Birla Finance Limited	Equipment Loan	0.40	6 months	20.00%	**Primary:** Plant and Machinery purchased out of Term Loan
	Total		**493.02**			

FY 2019

Sr. No	Name of the bank	Type of Facility	Outstanding amount as on FY end	Residual repayment term	Interest Rate	Security
1	Axis Bank Limited	Term Loans	19.87	upto 5 years	10%	**Primary** – First hypothecation charge on entire movable fixed assets financed by Axis Bank Ltd. (both Present & Future) **Collateral** – Extension of First hypothecation charge on entire current assets of the company (both present & future) on pari pasu basis with SBI, excluding receivables charged to SIDBI. **Common Collateral (for all the facilities)** - Pari Pasu charge with SBI on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007. **Additional Collateral (for all the facilities)** – DSRA of Rs. 4.71 million RD of Rs. 0.5 million per month **PG:** Piyush Somani & Sarla Somani

Footnote to note 17: Borrowings

(All amounts are in Rupees millions, unless otherwise stated)

2	Axis Bank Limited	Short Term Loans	29.74	On demand	9.85%	**Primary -** First hypothecation charge on entire current assets of the company (both present & future) on pari pasu basis with SBI, excluding receivables charged to SIDBI. **Collateral** – Extension of first hypothecation charge on entire movable fixed assets of the company financed by Axis Bank Ltd. **Common Collateral (for all the facilities)** - Pari Pasu charge with SBI on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007. **Additional Collateral (for all the facilities) –** DSRA of Rs. 4.71 million RD of Rs. 0.5 million per month **PG:** Piyush Somani & Sarla Somani
3	State Bank of India	Term Loans	112.50	5 years	10.20%	**Primary** - Exclusive charge by hypothecation of P&M purchased out of SBI TL **Collateral** - Extension of charge on hypothecation of all current assets of the company 1st pari pasu charge with Axis Bank Ltd. excluding receivables charged to SIDBI. **Common Collateral** - Pari Pasu charge with SBI on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007. 1st pari pasu RD of Rs. 0.5 million per month
4	State Bank of India	Short Term Loans	76.59	On demand	7.40%	**Primary** - Hypothecation charge on entire current assets of the company (both present & future) on pari pasu basis with Axis Bank Ltd, excluding receivables charged to SIDBI. **Collateral** - Extension of exclusive charge by hypothecation of plant & machinery purchased out of SBI TL. Present and future. **Common Collateral** - Pari Pasu charge with SBI on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007. 1st pari pasu RD of Rs. 0.5 million per month

Footnote to note 17: Borrowings
(All amounts are in Rupees millions, unless otherwise stated)

5	Clix Finance India Private Limited	Equipment Loan	31.42	56 months	12.50%	Primary: First and exclusive charge on the equipment financed by the lender. Lien on Security Deposits of Rs 2.97 million
6	Hero Fincorp Limited	Equipment Loan	45.83	upto 4 years	12.00%	Primary: Hypothication lien marked on the assets being funded by Hero Fincorp Limited PG of Piyush Somani & Sarla Somani
7	SIDBI*	RLOC (Long Term Loans)	101.98	upto 4 years	10.60%	**Primary** – 1st charge by way of hypothecation on all the movables of the borrower including P&M, equipment, machinery spares, tools & accessories, office equipment, computers, furniture & fixtures, misc. fixed assets etc. **Collateral** – 1st charge in favors of SIDBI on cash flows generated from orders to be routed through designated escrow account 1st charge in favors of SIDBI on Debt Service Reserve in form of FD to the extent of 5% of the assistance disbursed may be generally kept for meeting debt service during temporary instances of liquidity tightness. Extension of 1st charge by way hypothecation in favor of SIDBI on all movables including movable machinery, machinery spares, tools and accessories required under the previous financial assistance sanctioned to the company by SIDBI 1st charge on escrow account with minimum balance of at least 3 month's debt servicing obligations to be retained. The amount will be used as first loss guarantee and SIDBI at its discretion, would set off over dues (if any) in respect of Interest/principal/FI/PI remaining unpaid POA in favor of SIDBI for creation of residual charge in favor of SIDBI by way of mortgage on its office land & building situated at Plot No. B-24/25, Nice Industrial Area, MIDC, Satpur, Nashik – 422007.

Footnote to note 17: Borrowings

(All amounts are in Rupees millions, unless otherwise stated)

8	Tata Capital Financial Services Limited	Equipment Loan	29.16	upto 36 months	12.65%	**Primary:** Plant and Machinery purchased out of Term Loan Lien on Fixed Deposits of Rs 7.01 million
9	Kotak Mahindra Financial Services Limited	Auto Loan	1.44	33 months	9.19%	**Primary:** Vehicle Purchased out of Loan
10	ICICI Bank Ltd	Auto Loan	3.39	upto 32 months	9.25%	**Primary:** Vehicle Purchased out of Loan
11	Kotak Mahindra Prime Limited	Equipment Loan	1.41	18 months	18% (Reducing)	**Primary:** Plant and Machinery purchased out of Term Loan
12	Aditya Birla Finance Limited	Equipment Loan	1.37	18 months	20.00%	**Primary:** Plant and Machinery purchased out of Term Loan
13	Capital First Limited	Equipment Loan	2.42	upto 6 months	18% to 18.5% (Reducing)	**Primary:** Plant and Machinery purchased out of Term Loan
14	Edelweiss Retail Finance	Equipment Loan	0.70	5 months	18.00%	**Primary:** Plant and Machinery purchased out of Term Loan
15	HP Financial Services	Equipment Loan	8.15	upto 10 months	14.42%	**Primary:** Plant and Machinery purchased out of Term Loan
16	IBM India Pvt. Ltd.	Equipment Loan	21.28	12 months	18.00%	**Primary:** Plant and Machinery purchased out of Term Loan
17	Jain Sons Finlease	Equipment Loan	19.38	12 months	16.00%	**Primary:** Plant and Machinery purchased out of Term Loan **Cash Collateral:** of 7% of the facilities
	Total		**507.48**			

(All amounts are in Rupees millions, unless otherwise stated)

19 Employee benefit obligations

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Non-current			
Gratuity [refer note:34]	37.17	26.95	16.61
Compensated absences	35.39	20.33	7.61
Total non -current obligations	**72.56**	**47.28**	**24.22**
Current			
Gratuity [refer note:34]	1.82	1.34	0.69
Compensated absences	2.28	1.29	0.39
Total current obligations	**4.10**	**2.63**	**1.08**

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

20 Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Trade payables			
Related parties [refer note:33]	12.65	4.69	13.80
Others	219.21	309.62	223.44
Total trade payables	**231.86**	**314.31**	**237.24**

21 Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Accrued employee liabilities			
Related parties [refer note:33]	1.81	-	-
Others	69.52	5.89	24.02
Statutory liabilities	17.86	30.50	26.90
Advance from customers	5.56	27.32	9.05
Provision for expenses	9.32	8.73	8.51
Interest accrued but not due on borrowings	0.99	2.54	5.87
Share allotment money payable	0.20	-	-
Other payables	13.06	12.50	40.61
Total other current liabilities	**118.32**	**87.48**	**114.96**

(All amounts are in Rupees millions, unless otherwise stated)

22 Income tax expense

Particulars	As at March 31, 2021	As at March 31, 2020
Current tax		
Pertaining to profit for the current year	18.90	27.94
MAT credit entitlement	(18.90)	(22.11)
Deferred tax	32.81	17.78
Income tax expense	**32.81**	**23.61**
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expenses	119.89	87.76
Tax at the Indian tax rate of 27.82% (FY 2019-20 - 27.82%)	33.35	24.42
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Corporate social responsibility expenditure not allowed under taxation and donation	0.52	1.01
14A disallowance	0.12	0.27
40a		
Deduction of education cess		(0.72)
Change in income-tax rate	-	(1.71)
Others	(1.18)	0.33
Total	**(0.54)**	**(0.82)**
Net current tax expenses recognised in statement of profit & loss	**32.81**	**23.61**

23 Deferred Tax (Net)

(a) Income tax expense

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Net Deferred tax (assets)/liabilities**	**40.97**	**27.14**	**21.25**
Deferred tax assets/liabilities arise from the following:			
Tax credits available:			
MAT credit receivable	**58.02**	**39.12**	**17.01**
Deferred tax assets			
Gratuity & compensated absences	21.33	13.76	7.25
Provision for doubtful debts, doubtful deposits and capital advance	32.83	27.35	24.89
Disallowances under Sec 40(a) of the Income Tax Act 1961	1.01	-	-
Lease liabilities	287.66	184.47	-
Income tax business loss setoff	56.62	-	-
Ind AS reconcilations	-	32.55	14.85
	457.47	**297.25**	**64.00**
Deferred tax liability			
PP&E depreciation and intangible amortization	218.75	140.94	85.25
Right of use of assets	272.49	183.46	-
Others	7.20	-	-
	498.44	**324.40**	**85.25**

**Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

Movement in deferred tax (assets)/ liabilities:	As at March 31, 2021	As at March 31, 2020
Opening deferred tax (assets) / liabilities	**27.14**	**21.25**
Mat credit entitlement	(18.90)	(22.11)
Gratuity & compensated absences	(7.56)	(6.52)
Provision for doubtful debts, doubtful deposits and capital advance	(5.48)	(2.46)
Disallowances under sec 40(a) of the Income Tax Act 1961	(1.01)	-
Ind AS assets	32.55	(17.70)
Lease liabilities	(103.19)	(184.47)
Right of use of assets	89.03	183.46
Income tax business loss setoff	(56.62)	-
PP&E depreciation and intangible amortization	77.81	55.69
Others	7.20	-
Closing deferred tax liability after set off	**40.97**	**27.14**

(All amounts are in Rupees millions, unless otherwise stated)

24 Revenue from operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of services		
Cloud hosting and managed services	1,622.90	1,418.82
Technical support services	96.37	114.13
Sale of products		
Cloud hosting related products	-	61.57
Total revenue from operations	**1,719.27**	**1,594.52**

Revenue disaggregation in terms of nature of goods and services has been included above.

A. Reconciliation of revenue recognised with contract price

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contract price		
Adjustments for:	1,483.83	1,556.89
Unbilled revenue	326.80	156.83
Unearned revenue	(91.36)	(119.20)
Revenue from continuing operation	**1,719.27**	**1,594.52**

25 Other income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest :		
Deposits with banks	10.02	11.82
Income tax refund	8.55	0.54
Others	10.42	0.70
Unwinding of discount on security deposits	2.01	0.75
Foreign exchange fluctuation gain (net)	-	1.56
Total other income	**31.00**	**15.37**

26 Purchases of products

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Purchases of products		
Cloud hosting related products	-	42.37
Total purchases of products	-	**42.37**

27 Employee benefit expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	518.19	391.78
Contribution to provident and other funds	18.49	11.74
Gratuity [refer note:34]	10.70	7.09
Compensated absences	19.96	15.88
Other employee related costs	12.35	12.15
Total employee benefit expense	**579.69**	**438.64**

(All amounts are in Rupees millions, unless otherwise stated)

28 Finance costs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense:		
Borrowings [net of amount capitalisatised of Rs : 2.3 (2020:11.5)]	62.98	47.47
Lease liabilites	87.23	58.10
Others	11.95	-
Other borrowing costs	9.55	3.56
Bank charges	4.75	3.85
Total finance costs	**176.46**	**112.98**

29 Depreciation and amortization expense

Particulars	Year ended March 31, 2021	March 31, 2020
Depreciation of property, plant and equipment	241.77	278.26
Amortisation of intangible assets	9.98	7.49
Amortisation of right-of-use asset	122.00	83.40
Total depreciation and amortization expense	**373.75**	**369.15**

30 Other expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Project servicing cost	48.61	103.20
Rental charges	8.99	30.05
Office expenses	6.06	11.24
Travel and conveyance	15.59	45.59
Communication expenses	95.78	72.60
Contract labour charges	32.05	29.02
Corporate social responsibility expenditure [Refer note no:40]	3.70	4.60
Rates and taxes	3.55	7.10
Legal and professional charges	58.20	48.40
Loss on sale of asset (net)	2.34	-
Sales commission	12.37	21.95
Insurance	4.93	2.50
Advertisement and sales promotion	20.16	82.64
Power and fuel charges	63.20	46.24
Repairs and maintenance:		
Computers	0.41	0.39
Others	2.01	6.84
Membership and subscription charges	65.99	21.79
Expected credit loss allowance [refer note no : 36]	46.48	12.84
Foreign exchange fluctuation loss (net)	3.29	-
Payment to auditors [refer note below]	1.66	1.27
Miscellaneous expenses	5.11	10.73
Total other expenses	**500.48**	**558.99**

Payment to auditors

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
As auditor		
Statutory audit	1.00	1.00
Tax audit fee	0.25	0.15
Transfer pricing audit fees	0.35	-
In other capacity		
Fees for other services	0.06	0.12
Total payment to auditors	1.66	1.27

(All amounts are in Rupees millions, unless otherwise stated)

31 Earnings per share

(a) Earnings per share

Particulars	March 31, 2021	March 31, 2020
(i) Basic earnings per share		
Profit attributable to equity shareholders of the Company	87.31	59.16
Weighted average number of equity shares**	5,22,21,000	5,22,21,000
Basic earnings per share	**1.67**	**1.13**
(ii) Diluted earnings per share		
Profit attributable to equity shareholders of the Company	87.31	59.16
Weighted average number of equity shares (including potential shares)	5,58,79,711	5,49,53,647
Diluted earnings per share	**1.56**	**1.08**

**Subsequent to the year end, the Company have approved a stock split of one equity share having face value of INR 10 per share to ten equity shares having face value of INR 1 each (refer note 42).

(b) Profit reconciliation

Particulars	March 31, 2021	March 31, 2020
(i) Basic earnings per share		
Profit attributable to equity shareholders of the Company used in calculating basic earnings per share	87.31	59.16
(ii) Diluted earnings per share		
Profit attributable to equity shareholders of the Company used in calculating basic earnings per share:	87.31	59.16
Add:		
Interest on compound financial intruments		
Profit attributable to equity shareholders of the Company used in calculating diluted earnings per share	**87.31**	**59.16**

(c) Weighted average number of shares used as denominator

Particulars	March 31, 2021	March 31, 2020
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	**5,22,21,000**	**5,22,21,000**
Adjustments for calculation of diluted earnings per share :		
Compulsory convertible preference shares	23,51,477	23,51,477
Class A - Compulsory convertible preference shares	7,71,467	3,81,170
Class B1 Compulsory convertible preference shares	1,39,643	-
16% Debentures	3,96,124	-
Weighted average number of equity shares and potential shares used as the denominator in calculating diluted earnings per share	**5,58,79,711**	**5,49,53,647**

(All amounts are in Rupees millions, unless otherwise stated)

32 Contingencies and commitments

i) Capital commitments

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Estimated amount of contracts remaining to be executed on capital account (net of advances)	-	16.55	138.20

ii) Contingent liabilities (to the extent not provided for)

	Particulars	March 31, 2021	March 31, 2020	April 1, 2019
	Claims against the company not acknowledged as debts			
i	Income tax matters	-	-	2.52
ii	Perfomance Bank guarantees given to customers	121.84	164.27	140.65
	Total	121.84	164.27	143.17

*In 2019, arbitration proceedings against the suit initiated by Trign Technologies Limited for a claim of Rs. 9442.8 million have commenced and pending as on date. The management, on the basis of legal opinion obtained by them is confident that the claim is frivolous and hence has not been provided for in the financial statements.
The company has received legal opinion to the effect that the claim neither be sustainable nor for any financial claims. The company does not foresee any probable outflow in the matter and accordingly has not specifically disclosed the quantum under contingent liability.

*In 2020, the company has enacted Vivad se Vishwas for settlement of disputes whereby certain concessions on the payable amounts offered with waiver of interest & penalty. The Board of Directors of the company has approved the settlement of disputes under VSV Scheme. Accordingly, the company has opted to settle the disputes under scheme and as against total disputed tax amount of Rs. 0.6 millon (as per joint statement of the company & tax authority) for AY 2013-2014 . Accordingly, the amounts shown under the contingent liabilities has been withdrawn.

(All amounts are in Rupees millions, unless otherwise stated)

33 Related party transactions

Related Party	Relation
Para 9(a)(ii): Individuals having Significant influence over Reporting Entity(RE)	
Piyush Somani	47.49% shares of company
Sarla Somani	47.49% shares of company
Relatives of such individuals:	
Pooja Somani	Sister of Chairman and Managing Director
Prajakta Somani Jadhav	Sister of Chairman and Managing Director
Komal Somani	Wife of Chairman and Managing Director (Whole Time Director w.e.f July 28, 2021)
Para 9(a)(iii): Individuals who are KMP of RE or KMP of Parent of RE	
Piyush Somani	Chairman and Managing Director
Sarla Somani	Director (till July 28, 2021)
Komal Somani	Whole Time Director (from July 28, 2021)
Kantilal Tekne	Company Secretary (till December 15,2020)
Rajesh R Pai (on behalf of GECC)	Nominee Director (till July 6, 2020)
Alipt Sharma (on behalf of GECC)	Nominee Director (from June 4, 2018)
Ravi Ajmera	Chief Financial Officer (till September 25,2019)
Sandeep Mehta	Chief Financial Officer (from April 6,2020)
Para 9(b)(i): Entities that are parent, subsidiary, fellow subsidiary of RE	
ESDS Internet Services Private Limited	Subsidiary Company
ESDS Global Software Solution Inc	Wholly Owned Subsidiary Company
ESDS Cloud FZ LLC	Wholly Owned Subsidiary Company
Spochub Solutions Private Limited	Wholly Owned Subsidiary Company
Para 9(b)(vi):Individual RP as per Para 9a has control/JC over another entity	
Great Ideas in Action LLP	Komal Somani: Designated patner
Rasvera Wines Private Limited	Komal Somani: Director

(All amounts are in Rupees millions, unless otherwise stated)

33 Related party transactions

I Nature of transactions and amounts

Nature of transactions	KMP			Relatives of KMP			Subsidiary			Individuals having control over another entity		
	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19
Salaries and allowances	9.93	5.74	0.16	4.23	4.14	3.43	-	-	-	-	-	-
Director's remuneration	8.79	8.72	6.65	-	-	-	-	-	-	-	-	-
Loan given/(recovered)-net	-	-	-	8.50	-	-	49.13	(74.55)	150.00	-	-	-
Loan taken/(repaid)-net	(5.20)	7.36	-	-	-	-	-	-	-	-	-	-
Operating and other expenses	-	-	-	-	-	-	132.23	120.79	80.34	0.61	-	-
Sales of services	-	-	-	-	-	-	-	20.74		0.01	-	-
Director sitting fees	-	-	0.06	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	10.37	0.26	-	-	-	-
Investment in share capital	-	-	-	-	-	-	0.20	0.27	-	-	-	-
Total	**13.52**	**21.82**	**6.87**	**12.73**	**4.14**	**3.43**	**191.93**	**67.51**	**230.34**	**0.62**	**-**	**-**

II Outstanding receivable/(payable) balances

Nature of transactions	KMP			Relatives of KMP			Subsidiary			Individuals having control over another entity		
	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19
Payables towards salary / Managerial remuneration	1.81	-	0.44	0.31	-	0.20	-	-	-	-	-	-
Loans payable	2.16	-	-	-	-	-	-	-	-	-	-	-
Loans and advances (including interest accured)	-	-	-	-	-	-	134.95	75.45	150.00	-	-	-
Advance to employees	-	-	-	8.50	-	-	-	-	-	-	-	-
Trade payables	0.07	-	-	0.01	-	-	12.57	4.30	13.80	0.39	-	-
Accounts due from	-	-	-	-	-	-	3.98	10.77	-	-	-	-
Security deposits	-	-	-	-	-	-	10.00	10.00	10.00	-	-	-

III Amount Written Off

Particulars	2020-21	2019-20	2018-19
KMP	0.10	-	-

IV Compensation to KMP

Particulars	2020-21	2019-20	2018-19
a)Short term employee benefits	18.72	14.46	6.81
b)Long term employee benefits	-	-	-
c) Retirement benefits*	-	-	-
d)Termination benefits	-	-	-
e)Employee stock options plan	-	-	-

*Represents contribution to provident and superannuation funds. As Gratuity expense is based on actuarial valuations, the same cannot be computed for individual employees and hence not included.

V Terms and conditions for outstanding balances

All outstanding balances are unsecured and payable in cash.

(All amounts are in Rupees millions, unless otherwise stated)

34 Employee benefit obligations

A. Defined contribution plans :

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is defined contribution plan. The Company has no obligation other than to make the specified contribution. The contribution is charged to Statement of Profit and Loss as it accrues. The amount recognised as an expense towards contribution to Provident Fund for the year aggregated to Rs. 15.73 (2020:9.81 2019: 7.54) and other funds to Rs. 1.45 (2020: Rs. 1.36 2019 : Rs 1.33).

Contribution to Defined Contribution Plans recognised as expense for the year are as under:

Particulars	March 31, 2021	March 31, 2020
Employers contribution to provident and other funds	18.49	11.17
Total	**18.49**	**11.17**

B Defined benefit plan

The Company provides for gratuity to employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. These benefits are funded with an insurance company in the form of a qualifying insurance policy.

(a) Movements in the present value of the defined obligation are as follows:

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Obligation at the beginning of the year	**29.05**	**17.74**	**14.59**
Current service cost	9.86	7.18	3.58
Interest expense	1.98	1.21	1.12
Actuarial losses (gains) arising from change in financial assumptions	-	3.43	-
Benefits paid	(0.91)	(0.99)	(1.56)
Actuarial losses (gains) arising from experience adjustments	(0.53)	0.48	0.01
Liability at the end of the year	**39.45**	**29.05**	**17.74**

(b) Change in fair value of plan assets

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Fair value of plan assets at the beginning of the year	**0.77**	**0.45**	**0.59**
Interest income	0.05	0.03	0.04
Benefits paid	-	-	(0.18)
Contributions	-	0.28	-
Actuarial Gain / (Loss) on plan assets	(0.35)	0.01	(0.00)
Fair value of plan assets at the end of the year	**0.47**	**0.77**	**0.45**
Actual return on plan assets	-	-	-

(c) The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Present value of funded obligations	39.45	29.05	17.74
Fair value of plan assets	0.47	0.77	0.45
Deficit of funded plans	**38.99**	**28.29**	**17.29**
Unfunded plans	-	-	-
Deficit of Gratuity Plan	**38.99**	**28.29**	**17.29**

(All amounts are in Rupees millions, unless otherwise stated)

(d) Expenses recognized in the Statement of Profit and Loss under employee benefit expenses.

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Service cost	8.95	5.92	3.58
Net interest (income)/expense	1.92	1.17	1.08
Past Service Cost	-	-	-
Expected return on plan assets	-	-	-
Settlement cost/(credit)	-	-	-
Net actuarial (Gain)/loss recognised in the year			0.01
Net gratuity cost	**10.87**	**7.09**	**4.67**

(e) Expenses recognized in statement of other comprehensive income:

Remeasurement	March 31, 2021	March 31, 2020	April 1, 2019
Remeasurement for the year - obligation (Gain)/Loss	(0.53)	3.91	0.01
Return on plan assets excluding amount included in net interest on net defined liability/(asset) above	0.35	(0.01)	0.00
Total Remeasurement Cost/(Credit) for the year recognised in OCI	**(0.18)**	**3.90**	**0.01**

(f) Significant estimates: actuarial assumptions and sensitivity
The significant actuarial assumptions were as follows:

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Discount rate	6.80%	6.80%	7.70%
Rate of growth in compensation level	7.00%	7.00%	7.00%
Expected average remaining working lives of employees (in years)	58 years	58 years	58 years
Attrition rate	5% to 1%	5% to 1%	5% to 1%

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

Sensitivity analysis
The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Change in Assumption	Defined benefit obligation		
	March 31, 2021	March 31, 2020	April 1, 2019
(i) 1% increase in discount rate	34.41	25.28	15.47
(ii) 1% decrease in discount rate	45.57	33.65	20.50
(iii) 1% increase in rate of salary escalation	45.49	33.59	20.49
(iv) 1% decrease in rate of salary escalation	34.38	25.25	15.44
(v) 1% increase in rate of withdrawal	39.41	29.02	17.83
(vi) 1% decrease in rate of withdrawal	39.50	29.10	17.65

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by 1%, keeping all other actuarial assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method(present value of defined benefit obligation calculated with the projected unit credit method at the end of reporting period) has been applied while calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The following payments are expected contributions to the defined benefits plan in future year:

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Year 1	1.82	1.34	0.69
Year 2	1.32	0.93	0.79
Year 3	1.22	0.93	0.63
Year 4	1.17	0.86	0.60
Year 5	1.13	0.83	0.58
Year 6 to 10	3.09	2.61	1.37

(g) The major categories of plans assets are as follows:

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Fund managed by insurance company	100%	100%	100%

(All amounts are in Rupees millions, unless otherwise stated)

35 Fair value measurements

Financial instruments by category

Particulars	March 31, 2021		March 31, 2020		April 1, 2019	
	FVPL	Amortised cost	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets						
Non- current financial assets						
Term deposits with maturity more than 12 months from reporting date	-	182.19	-	159.62	-	74.36
Security deposits	-	43.39	-	30.35	-	26.35
Current financial assets						
Trade receivables	-	470.21	-	471.65	-	497.43
Cash and cash equivalents	-	138.24	-	1.55	-	76.09
Other bank balances	-	8.16	-	0.15	-	12.09
Unbilled revenue	-	326.80	-	156.83	-	156.29
Other current financial assets						
Security deposits	-	23.78	-	18.62	-	12.80
Loan to subsidiaries	-	134.95	-	75.45	-	150.00
Other loans and advances	-	-	-	9.69	-	25.17
Total financial assets	**-**	**1,327.72**	**-**	**923.90**	**-**	**1,030.57**
Financial liabilities						
Non-current financial liabilities						
Non-current borrowings	-	439.55	-	265.96	-	247.83
Lease liabilities	-	578.94	-	571.07	-	515.74
Other non-current financial liabilities						
Capital creditors	-	-	-	290.41	-	-
Debt component of compound financial instruments	-	-	-	-	-	-
Current financial liabilities						
Current borrowings	-	101.86	-	146.57	-	106.33
Lease liabilities	-	455.05	-	80.85	-	36.83
Trade payables	-	231.86	-	314.31	-	237.24
Unearned revenue	-	91.36	-	119.20	-	78.53
Other current financial liabilities						
Current maturities of long term borrowings	-	164.27	-	90.66	-	153.47
Capital creditors	-	428.47	-	551.97	-	272.97
Proposed dividend on preferences shares	-	-	-		-	
Total financial liabilities	**-**	**2,491.37**	**-**	**2,431.01**	**-**	**1,648.94**

The management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts, largely due to the short term nature of these balances.

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
The management assessed that the carrying amounts of its financial instruments are reasonable approximations of fair values.

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

ESDS Software Solution Limited (Formerly known as ESDS Software Solution Private Limited)

Notes Forming Part of Separate Financial Statements for the year ended March 31, 2021

(All amounts are in Rupees millions, unless otherwise stated)

As at 31 March, 2021

Financial assets and liabilities measured at amortised cost	Level 1	Level 2	Level 3	Total
Financial assets				
Non- current financial assets				
Term deposits with maturity more than 12 months from reporting date	-	-	182.19	**182.19**
Security deposits	-	-	43.39	**43.39**
Current financial assets				
Trade receivables	-	-	470.21	**470.21**
Cash and cash equivalents	-	-	138.24	**138.24**
Other bank balances	-	-	8.16	**8.16**
Unbilled revenue	-	-	326.80	**326.80**
Other current financial assets				
Security deposits	-	-	23.78	**23.78**
Loan to subsidiaries	-	-	134.95	**134.95**
Other loans and advances	-	-	-	**-**
Total financial assets	**-**	**-**	**1,327.72**	**1,327.72**
Financial liabilities				
Non-current financial liabilities				
Non-current borrowings	-	-	439.55	**439.55**
Lease liabilities	-	-	578.94	**578.94**
Other non-current financial liabilities				
Capital creditors	-	-	-	**-**
Debt component of compound financial instruments	-	**-**		**-**
Current financial liabilities				
Current borrowings	-	-	101.86	**101.86**
Lease liabilities	-	-	455.05	**455.05**
Trade payables	-	-	231.86	**231.86**
Unearned revenue	-	-	91.36	**91.36**
Other current financial liabilities				
Current maturities of long term borrowings	-	-	164.27	**164.27**
Capital creditors	-	-	428.47	**428.47**
Proposed dividend on preferences shares	-	-	-	**-**
Total financial liabilities			**2,491.37**	**2,491.37**

As at 31 March, 2020

Financial assets and liabilities measured at amortised cost	Level 1	Level 2	Level 3	Total
Financial assets				
Non- current financial assets				
Term deposits with maturity more than 12 months from reporting date	-	-	159.62	159.62
Security deposits	-	-	30.35	30.35
Current financial assets				
Trade receivables	-	-	471.65	471.65
Cash and cash equivalents	-	-	1.55	1.55
Other bank balances	-	-	0.15	0.15
Unbilled revenue	-	-	156.83	156.83
Other current financial assets				
Security deposits	-	-	18.62	18.62
Loan to subsidiaries	-	-	75.45	75.45
Other loans and advances	-	-	9.69	9.69
Total financial assets			**923.90**	**923.90**
Financial liabilities				
Non-current financial liabilities				
Non-current borrowings	-	-	265.96	265.96
Lease liabilities	-	-	571.07	571.07
Other non-current financial liabilities				
Capital creditors	-	-	290.41	290.41
Debt component of compound financial instruments	-	-		-
Current financial liabilities				-
Current borrowings	-	-	146.57	146.57
Lease liabilities	-	-	80.85	80.85
Trade payables	-	-	314.31	314.31
Unearned revenue	-	-	119.20	119.20
Other current financial liabilities				
Current maturities of long term borrowings	-	-	90.66	90.66
Capital creditors	-	-	551.97	551.97
Proposed dividend on preferences shares	-	-	-	-
Total financial liabilities			**2,431.01**	**2,431.01**

(All amounts are in Rupees millions, unless otherwise stated)

As at 1 April, 2019

Financial assets and liabilities measured at amortised cost	Level 1	Level 2	Level 3	Total
Financial assets				
Non- current financial assets				
Term deposits with maturity more than 12 months from reporting date	-	-	74.36	**74.36**
Security deposits	-	-	26.35	**26.35**
Current financial assets			-	**-**
Trade receivables	-	-	497.43	**497.43**
Cash and cash equivalents	-	-	76.09	**76.09**
Other bank balances	-	-	12.09	**12.09**
Unbilled revenue	-	-	156.29	**156.29**
Other current financial assets				
Security deposits	-	-	12.80	**12.80**
Loan to subsidiaries	-	-	150.00	**150.00**
Other loans and advances	-	-	25.17	**25.17**
Total financial assets			**1,030.57**	**1,030.57**
Financial liabilities				
Non-current financial liabilities				
Non-current borrowings	-	-	247.83	247.83
Lease liabilities	-	-	515.74	515.74
Other non-current financial liabilities				
Capital creditors	-	-	-	-
Debt component of compound financial instruments	-	-		-
Current financial liabilities				
Current borrowings	-	-	106.33	106.33
Lease liabilities	-	-	36.83	36.83
Trade payables	-	-	237.24	237.24
Unearned revenue	-	-	78.53	78.53
Other current financial liabilities				
Current maturities of long term borrowings	-	-	153.47	153.47
Capital creditors	-	-	272.97	272.97
Proposed dividend on preferences shares	-	-	-	-
Total financial liabilities			**1,648.94**	**1,648.94**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. However the Company does not have any financial instruments that are measured using Level 1 inputs.

Level 2: The fair value of derivatives is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.
This is the case for unlisted preference shares included in Level 3.

ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:
All of the resulting fair value estimates are included in Level 2 except for unlisted preference shares where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

iii) Fair value of financial assets and liabilities measured at amortised cost

The fair value of all financial instruments carried at amortised cost are not materially different from their carrying amounts, since they are either short-term in nature or the interest rate applicable are equal to the current market rate of interest.

(All amounts are in Rupees millions, unless otherwise stated)

36 Financial risk management

The Company’s principal financial liabilities comprises of borrowings, lease liabilities , trade and other payables (including capital creditors). The main purpose of these financial liabilities is to finance the Company’s operations. The Company’s principal financial assets include loans given, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Company is exposed to the following risks from the use of financial instruments:
(a)credit risk,
(b) liquidity risk, and
(c) market risk,
(i)foreign currency exchange risk, and
(ii) interest rate risk.
The Company’s senior management oversees the management of these risks. The Company’s financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company’s policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

(a) Credit Risk

The Company is exposed to credit risk as a result of counterparties defaulting their obligations. The Company's exposure to credit risk primarily relates to trade receivables. The Company monitors and limits its exposure to credit risks on a reasonable basis. The Company's credit risk is associated with Trade Receivables is primarily related to customers not able to settle their obligations as agreed upon. To manage this, the Company periodically reviews the financial reliability of its customers, taken into account their financial conditions, current economic trends, analysis of historical bad debts and ageing of trade receivables.
Financial instruments that are subject to such risks, principally consist of trade receivables,contract assets such as unbilled revenue, loans to subsidiaries, security deposits and cash and bank balances. None of the financial instruments of the Company results in material concentration of credit risk.

• Trade receivables/contract assets

Customer credit risk is managed by the Company subject to the established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.
An impairment analysis is performed at each reporting date on an individual basis for major clients. The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, "Financial Instruments" which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company.
To measure the expected credit loss, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.The contract assets have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Company has therefore concluded that the expected credit loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.
The historical rates are adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables.

Reconcilation of loss allowance and credit impairment provisions

Particulars	Amount
Loss allowance as at April 1, 2019	**85.49**
Add/(less): Changes in Loss Allowance	
Provision for the year	12.84
Loss allowance as at March 31, 2020	**98.33**
Add/(less): Changes in Loss Allowance	
Bad debts written off during the year	(11.14)
Provision for the year	46.48
Loss allowance on March 31, 2021	**133.67**

(All amounts are in Rupees millions, unless otherwise stated)

(b) Liquidity Risk

The Company is exposed to liquidity risk related to its ability to fund its obligations as and when they become due. The Company monitors and manages the liquidity risk to ensure acces to sufficient fund to meet operational and financial requirements. The Company has access to credit facilities and monitors cash and bank balances on a regular basis. In relation to the Company's liquidity risk , the Company's policy is to ensure that it will have sufficient liquidity to meet its liabilities when due , under both normal and stressed conditions without incurring unacceptable losses.

. The table below analyzes the Company's financial liabilities into relevent maturity groupings based on their contractual maturities.

March 31, 2021	Current	1 year to 3 years	More than 3 years	Total
Non-current financial liabilities				
Non-current borrowings	-	307.54	132.01	439.55
Lease liabilities	-	149.08	429.86	578.94
Other non-current financial liabilities				-
Capital creditors	-	-	-	-
Debt component of compound financial instruments	-	-	-	-
Current financial liabilities				
Current borrowings	101.86	-	-	101.86
Lease liabilities	455.05	-	-	455.05
Trade payables	231.86	-	-	231.86
Unearned revenue	91.36	-	-	91.36
Other current financial liabilities				
Current maturities of long term borrowings	164.27	-	-	164.27
Capital creditors	428.47	-	-	428.47
Proposed dividend on preferences shares	-	-	-	-
Total	**1,472.87**	**456.62**	**561.87**	**2,491.37**

March 31, 2020	Current	1 year to 3 years	More than 3 years	Total
Non-current financial liabilities				
Non-current borrowings	-	193.46	72.50	265.96
Lease liabilities	-	353.45	217.63	571.07
Other non-current financial liabilities				
Capital creditors	-	290.41	-	290.41
Debt component of compound financial instruments	-	-	-	-
Current financial liabilities				
Current borrowings	146.57	-	-	146.57
Lease liabilities	80.85	-	-	80.85
Trade payables	314.31	-	-	314.31
Unearned revenue	119.20	-	-	119.20
Other current financial liabilities				-
Current maturities of long term borrowings	90.66	-	-	90.66
Capital creditors	551.97	-	-	551.97
Proposed dividend on preferences shares	-	-	-	-
Total	**1,303.56**	**837.31**	**290.13**	**2,431.01**

April 1, 2019	Current	1 year to 3 years	More than 3 years	Total
Non-current financial liabilities				
Non-current borrowings	-	171.56	76.27	247.83
Lease liabilities	-	400.21	115.53	515.74
Other non-current financial liabilities				
Capital creditors	-	-	-	-
Debt component of compound financial instruments	-	-	-	-
Current financial liabilities				
Current borrowings	106.33	-	-	106.33
Lease liabilities	36.83	-	-	36.83
Trade payables	237.24	-	-	237.24
Unearned revenue	78.53	-	-	78.53
Other current financial liabilities				
Current maturities of long term borrowings	153.47	-	-	153.47
Capital creditors	272.97	-	-	272.97
Proposed dividend on preferences shares	-	-	-	-
Total	**885.37**	**571.77**	**191.80**	**1,648.94**

(All amounts are in Rupees millions, unless otherwise stated)

(c) Market risk

Market risk is the risk of any loss in the future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change due to change in interest rates, foreign currency exchange rates, liquidity, and other market changes. Future specific market movements cannot be market predicted with reasonable accuracy.

(i) Foreign currency exchange rate risk

The Company deals with receivables from customers and payables to vendors. It is therefore exposed to foreign exchange risk associated with exchange rate movements.The foreign exchange rate fluctuations do not have any material impact on the profitability of the Company as such exports and foreign currency expenditure is negligible in totality.

There are no forward exchange contracts which have been entered into by the Company as on the reporting dates.

Details of foreign currency exposures that are not hedged by a derivatives instrument or otherwise:

Particulars	March 31, 2021	March 31, 2020
Receivables (asset)		
USD	0.87	1.70
GBP	0.08	-
EUR		-
Payables (liability)		
USD	0.10	0.55
AED	-	0.00
SGD	-	0.01
Loan (given)		
USD	0.03	0.03
AED	5.44	1.57
GBP	-	0.12

Foreign currency sensitivity

The Company's currency exposures in respect of monetary items at March 31, 2021, March 31, 2020 and April 01, 2019 that result in net currency gains and losses in the income statement and equity arise principally from movement in above exchange rates.

The following tables demonstrate the sensitivity to a reasonably possible change in above exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities . The Company's exposure to foreign currency changes for all other currencies is not material.

	Impact to Statement of Profit and Loss - Expenses/(income)				
By 10%	March 31, 2021		March 31, 2020		April 1, 2019
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%	Increase by 10%
Change in USD rate	(7.32)	7.32	(8.65)	8.65	(0.30)
Change in GBP rate	(1.92)	1.92	-	-	(2.58)
Change in EUR rate	-	-	-	-	(0.00)
Change in AED rate	(11.14)	11.14	0.01	(0.01)	(0.01)
Change in SGD rate	-	-	0.03	(0.03)	-

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's debt obligations with floating interest rates.

Interest rate exposure : The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on variable rate borrowings	46.46	38.04

Sensitivity analysis
Profit or loss to higher/lower interest rate expense from borrowings as a result of changes in interest rates

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
If interest rates -		
Increase by 1%	0.46	0.38
Decrease by 1%	(0.46)	(0.38)

(All amounts are in Rupees millions, unless otherwise stated)

37 Capital Management

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Debt*	705.67	503.19	507.63
Cash and bank balances	(138.24)	(1.55)	(76.09)
Net debt	**567.43**	**501.64**	**431.54**
Shareholders' funds			
Equity share capital	52.22	52.22	52.22
Reserves and surplus	1,851.80	1,464.10	994.98
Total equity	**1,904.02**	**1,516.32**	**1,047.20**
Net debt to equity ratio	**0.30**	**0.33**	**0.41**

*** includes current maturity of long term borrowing**

38 Micro, Small and Medium Enterprises Development Act, 2006

As per the information available, the management has not received any information from their supplier confirming that they are covered under Micro, Small and Medium Enterprises Development Act, 2006. In management's view, the impact of any interest that may be payable (in accordance with the provisions of the Micro, Small and Medium Enterprise Development Act, 2006) on delayed payments to its micro or small suppliers is not expected to be significant.

39 Segment Information

The business segment have been identified on the basis of the nature of products and services, the risks and returns, internal organisation and management structure and the internal performance reporting systems.

The Company has identified business segment as its primary segment. In accordance with Indian Accounting Standard 108 - Segment Reporting, the Company has determined its business segment as "design, development, installation and servicing of information technology related resource". Operating segments are reported in a manner consistent with the internal reporting provided to the board of directors based in India regarded as the Chief Operating Decision Maker ("CODM"). Since the entire Company's business is from information technology related resource there are no other primary reportable segments. Thus, the segment revenue, segment results, total carrying value of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation and amortisation during the year are all as reflected in the financial statements as at and for the year ended March 31, 2021.

The secondary segment by geographical segments is provided below based on location of customers:

The Company has identified India and Rest of the world as geographical segments for secondary segmental reporting. Geographical sales are segregated based on the location of the customer who is invoiced or in relation to which the sale is otherwise recognized. Assets other than receivables used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as these are used interchangeably between segments. All assets other than receivables are located in India. Similarly, capital expenditure is incurred towards fixed assets located in India.

Geographical	Sales and Services		Total Assets	
Segment	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
India	1,581.14	1,439.15	6,167.32	5,875.15
Outside India	138.13	155.37	264.13	194.63
Total	**1,719.27**	**1,594.52**	**6,431.46**	**6,069.78**

Information about major customers:

There is no single external customer which contributes more than 10% to the revenue of the financial year ended on March 31, 2021 and March 31, 2020

40 CSR Expenditure

As per provisions of section 135 of the Companies Act, 2013, the company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013.

The Company has contributed a sum of Rs. 3.70 (March 31, 2020: Rs. 4.60) towards this cause and charged the same to the Statement of Profit And Loss.

The gross amount required to be spent during the year was Rs 3.78

Particulars	March 31, 2021	March 31, 2020
Contribution	3.70	4.60
Total	**3.70**	**4.60**
Amount required to be spent as per Section 135 of the Act*	3.79	3.24
Amount spent during the year on		
(i) COVID 19 relief measures	1.10	-
(ii) Education trust	2.60	4.60

(All amounts are in Rupees millions, unless otherwise stated)

Details of ongoing CSR projects under Section 135(6) of the Act

Balance as at April 1, 2020		Amount required to be spent during the year	Amount spent during the year		Balance as at 31 March 2021	
With the Company	In Separate CSR Unspent account		From the Company's bank account	From Separate CSR Unspent account	With the Company	In Separate CSR Unspent account
NIL	-	-	-	-	-	-

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance unspent as at 1 April 2020	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 March 2021
-	-	3.79	3.70	0.08

Details of excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as at 1 April 2020	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at 31 March 2021
-	3.79	3.70	-0.08

41 FEMA

i. The company has exported services for which repatriation is not made to India within required timelines. The management of the company represented that it will make an application to Authorised Dealer in due course.
ii.The company has not made remittance against imports within six months from the date of expenditure/shipment.The management of the company represented that it will make an application to Autorised Dealer in due course for condoning of non-compliances and breaches.
iii.The company has received the exports proceeds from the third party for which an application has been made to Authorised dealer and such application is still in process

42 Events after the reporting period

The Company has converted itself from Private Limited to Public Limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on and consequently the name of the Company has changed to "ESDS Software Solutions Limited" pursuant to a fresh certificate of incorporation by the Registrar of Companies on July, 8th 2021.

The Board of Directors and shareholders of the Company at their meeting held on 26th July 2021 by way of special resolution approved stock split of one equity share having face value of Rs 10 each into 10 equity shares having face value of Rs 1 each. Further in addition to the aforesaid the members agreed to increase the authorised share capital and altered capital clause of Memorandum of Associaition.

Number of Equity Shares (as at 31st March 2021)	**52,22,100**
Number of Equity Shares post stock split(1 equity share into 10 equity shares)	**5,22,21,000**
Authorised Share capital (Rs) (as at 31st March 2021)	**43,50,00,000**
Authorised Share capital (Rs)(post 31st March 2021)	**44,50,00,000**

Note: The impact of above mentioned stock split have been considered retrospectively for the purpose of calculation of basic and diluted earnings per share for all periods presented.

43 First-time adoption

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

As stated in note 2, the separate financial statements for the year ended March 31, 2021 are the first annual separate financial statements prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2020, the Company has prepared its separate financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 and other relevant provisions of the Act ('previous GAAP').

Accordingly, the Company has prepared consolidated financial statements which comply with Ind AS applicable for periods ending on 31 March 2021, together with the comparative period data as at and for the year ended March 31, 2020, as described in the summary of significant accounting policies. In preparing these consolidated financial statements, the Company's opening balance sheet was prepared as at April 1, 2019, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP separate financial statements, including the balance sheet as at 1 April 2019 and the separate statement of profit and loss for the year ended March 31, 2020.

This note explains exemptions availed by the Company in restating its Previous GAAP financial statements, including the balance sheet as at 1 April 2019 and the financial statements as at and for the year ended March 31, 2020.

a) Deemed cost: Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment including capital work-in-progress as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets including intangible assets under development covered by Ind AS 38 Intangible assets.
Accordingly, the Company has elected to measure its property, plant and equipment and Intangible assets at their previous GAAP carrying value.

b) Leases: Ind AS 101 allows an entity to determine whether an arrangement existing at the date of transition to Ind AS contains a lease in accordance with Ind AS 116, on the basis of facts and circumstances existing at that date. The standard provides an option to apply Ind AS 116 on transition date either using full retrospective method or modified retrospective method along with some available practical expedients Accordingly, the Company has elected to follow full retrospective method for transition to Ind AS 116.

c) Revenue: The Company has applied Ind AS 115 'Revenue from contracts with customers' to contracts that are not completed on transition date. Further, the Company has applied modified retrospective approach on transition date subject to some practical expedients as prescribed by the standard.

e) Business Combinations Ind AS 101 allows a first-time adopter to elect not to apply Ind AS 103 retrospectively to past business combinations (business combinations that occurred before the date of transition to Ind ASs). Accordingly, the Company has elected to use this exemption and not restate the business combination taken place prior to the transition date.

Mandatory exceptions:

a) Estimates:
An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2019 and March 31, 2020 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following item in accordance with Ind AS at the date of transition as this was not required under previous GAAP:
- Impairment of financial assets based on expected credit loss model.
- Incremental borrowing rate for measurement of lease liabilities and corresponding right of use assets.
- Determination of the discounted value for financial instruments carried at amortised cost.

b) Classification and measurement of financial assets
Ind AS 101 requires an entity to assess classification and measurement of financial assets into amortised cost or FVTOCI on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, the standard permits measurement of financial assets accounted at amortised cost based on the facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification and measurement of financial assets into amortised cost or FVTOCI based on the facts and circumstances that exist on the date of transition.

c) De-recognition of financial assets and liabilities
Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of entity's choosing provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(All amounts are in Rupees millions, unless otherwise stated)

44 Reconciliations between Ind AS and previous GAAP for equity and profit or loss are given below:

I.

Particulars	Note	Profit Reconciliation	Equity Reconciliation	
		Year Ended March 31, 2020	As at March 31, 2020	As at April 01, 2019
Profit after tax/ Equity as per previous GAAP		**115.09**	**1,631.77**	**1,106.73**
Ind AS adjustments [Increase in Equity/(Decrease in Equity)]:				
a) Actuarial gain/ loss in respect of employee benefits schemes transferred to other comprehensive income (Net of Tax)	i	4.99		-
b) Ind AS 116 impact	ii	(3.61)	(3.61)	
c) Ind AS 109 impact	iii/vii	(18.05)	(77.58)	(56.99)
d) Ind As 115 impact	iv	(65.99)	(65.99)	(26.86)
e) Borrowing cost impact	v	11.57	11.57	
f) Revaluation of PPE	vii		75.54	-
g) Deferred tax impact on above adjustments	viii	20.15	11.03	24.33
Profit after tax/ Equity as per Ind AS		**64.15**	**1,582.72**	**1,047.20**
Other comprehensive income -remeasurement of defined benefit obligation (net of tax)		(4.99)		
Total Other comprehensive income as per Ind AS		**59.16**		

II. Reconciliation of cash flow for year ended March 31, 2020:

	Particulars	Note	Previous GAAP	Effect of transition to Ind AS	Ind AS
i	Net cash flow from operating activities		418.80	111.67	530.46
ii	Net cash flow from investing activities		(828.39)	(12.72)	(841.11)
iii	Net cash flow from financing activities		335.06	(98.95)	236.11
iv	Net increase/(decrease) in cash and cash equivalents		(74.54)	(0.00)	(74.54)
v	Opening cash and cash equivalents		76.08	0.00	76.09
vi	Effect of exchange rate change on the balance of cash held in foreign currency				
vii	**Closing cash and cash equivalents**		**1.55**	**0.00**	**1.55**

(All amounts are in Rupees millions, unless otherwise stated)

45 Notes to first-time adoption

i Remeasurements of post-employment benefit obligations

Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit & Loss. Under Ind AS, remeasurement (comprising of actuarial gains and losses, the effect of the assets ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined liability) are recognised in retained earning through Other Comprehensive Income (OCI). (refer note no. 34)

ii Leases

Under Ind AS, all lease contracts, with limited exceptions for short term and low value leases, are recognized in the consolidated financial statements by way of right-of use assets and corresponding lease liabilities. This resulted in recognition of "Right-of-Use asset" (ROU) of Rs. 552.56 millions and a corresponding "lease liability" of Rs 552.56 millions. The rental expenses recognised in statement of profit and loss for the year ended 31 March 2020 under previous GAAP has been replaced by the recognition of depreciation expense on ROU asset and interest expense on lease liability. The related impact on statement of Profit and Loss is as given below

	Statement of profit and loss	Change in Equity
Particulars	**For the year ended March 31, 2020**	**As at March 31,2020**
Depreciation and amortisation expenses	83.40	83.40
Finance Cost	58.10	58.10
Other expenses	(137.13)	(137.13)
Total	4.37	4.37

iii Valuation of compound financial instruments

Under the previous GAAP, compound financial instruments were classified under shareholders fund at par value. Under Ind AS, these instruments are required to be reclassified into equity and liability component based on discounted cashflow method. the liability component of these instruments are required to be measured at fair value. The resulting fair value change of the liability component during the year has been recognized in statement of profit and loss.

iv Contract with customers

The Company has elected not restate completed contracts per previous GAAP.As per Ind AS 115, there is change in the revenue recognition as compared to previous standard wherein revenue was recognized once milestones were achieved. Under Ind AS 115, revenue is recognized when entity satisfies a performance obligation by transferring control of a promised goods and service to a customer. As a consequence, revenue with respect to certain contracts is derecognized on the transition.

v Borrowing cost

The Company has capitalised the borrowing cost as per Ind AS 23.

(All amounts are in Rupees millions, unless otherwise stated)

vi Property, plant and equipment

All items of property, plant and equipment, the group has elected to continue with the carrying value as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and have used that as deemed costs.

vii Expected credit loss

The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company.
To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

viii Deferred tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

46 Impact of COVID 19:- The Novel Coronavirus (COVID-19), a Global Pandemic, is rapidly spreading throughout the world. Outbreak of COVID - 19 has significantly affected the social and economic activities worldwide and, as a result, could affect the operations and results of the Company. In line with the advisories, orders and directions issued by the local and state government authorities to prevent and contain the spread of Coronavirus, the Management has taken necessary measures. The Management has taken into consideration the impact of the known internal and external events arising from COVID-19 pandemic in the assessment of recoverability of trade receivables & contract assets up to the date of approval of these financial results. The financial impact due to lockdown and other restriction imposed by the government and condition related to COVID-19 pandemic situation is not expected to be significant on the financial results. In this assessment, the Company has performed sensitivity analysis on the key assumptions used. However the impact assessment of COVID-19 is an ongoing process, given the uncertainties associated with its nature and duration. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial statement and the Company will continue to closely monitor any significant impact on the Company's financial position.

47 Previous years figures have been regrouped/ reclassified wherever necessary to conform to current years presentation.

For Shah Khandelwal Jain & Associates
ICAI Firm Registration Number: 142740W

Chartered Accountants

For and on behalf of the Board of Directors
ESDS Software Solution Limited
(Formerly known as ESDS Software Solution Private Limited)
CIN : U72200MH2005PLC155433

Ashish Khandelwal
Partner
Membership No.: 049278
Place : Pune
Date : August 12, 2021

Piyush Somani	**Komal Somani**	**Sandeep Mehta**
Chairman and Managing Director	Whole Time Director	Chief Financial Officer
DIN :02357582	DIN: 08477154	
Place: Nashik	Place: Nashik	Place: Nashik
Date : August 12, 2021	Date : August 12, 2021	Date : August 12, 2021

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