

## INDEPENDENT AUDITOR'S REPORT

To the Members of ESDS Software Solution Private Limited  
Report on the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of ESDS Software Solution Private Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated Statement of Profit and Loss and the consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (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, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2020, of consolidated profit/loss and its consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our 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 Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there-under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 that, in our professional judgement, were of most significance in our audit of Financial Statements of current period. As per our judgement, there are no Key Audit Matters that need to be reported under SA 701.





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

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the entities included in the Group are responsible for overseeing the financial reporting process of each entity.

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

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.



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

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



We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statement of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

#### Scope of Limitation due to COVID 19

1. Due to the phase wise Lockdown imposed by Central / State Governments and the resulting travel restrictions, it was not possible to physically visit the Company and carry out the audit function. I have carried out the Audit Process using various techniques of Online Auditing. I have verified the records / documents / statements received by me through electronic media. I have also received Management Representation Letters where ever necessary. Using such techniques I have ensured reasonable assurance that the information / record / statements provided to me are free from material misstatement and adhere to the relevant standards.

2. In light of the restrictions in physical movement and visits to the company offices, the Company had given me access to their Accounting Software/ERP Programme for accessing Financial Data. I am able to access the relevant data & records for my Audit purpose. Further the company has provided all other data / information / records as required by me using e-data sharing modes. I also had continuous communication with the Management of the Company using various modes such as Audio / Video Conferencing, etc.



3. The nationwide Lockdown process started from 22nd March 2020 in form of a 14 Hr. 'Janata Curfew'. A formal National Lockdown was announced by the Central Government from 24th March 2020 in successive phases. This has resulted into serious restrictions on travel. Hence there have been limitations on physical visits to the head office / units / plants / offices / etc. of the Company.

4. The opinion expressed in the present report is based on the limited information, facts and inputs made available to me through electronic means by the Company as stated above. Due to the COVID 19 induced restrictions as stated above on physical movement, the audit team could not visit the company and its factories/plants etc. for undertaking required audit procedures as prescribed under ICAI on Standard on Auditing.

We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of Rs. 6,43,18,846 as at March 31, 2020 and total revenues of Rs. 3,62,38,400 and net cash flows of the subsidiaries for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the other auditors whose reports have been furnished to us, and our opinion 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) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the report of other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.



- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
1. The Group has no impact of pending litigations on its financial position in its financial statements.
  2. The Group has made provision, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long-term contracts, including derivative contracts.
  3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For Shah Khandelwal Jain & Associates

Chartered Accountants

Firm Registration No.142740W

*A C Khandelwal*

Ashish Khandelwal

Partner

Membership No.049278

UDIN: 21049278AAAACZ8157

Place : Pune

Date : 30/12/2020







**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ESDS SOFTWARE SOLUTION PRIVATE LIMITED**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of ESDS Software Solution Private Limited (hereinafter referred to as "the Holding Company").

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

The respective Board of Directors of the Holding company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's 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") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Holding Company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Shah Khandelwal Jain & Associates

Chartered Accountants

Firm Registration No. 142740W



Ashish Khandelwal

Partner



Membership No.049278

UDIN : 21049278AAAACZ8157

Place : Pune

Date : 30/12/2020

ESDS Software Solution Private Limited  
Consolidated Balance Sheet as at March 31, 2020

	Notes	(Amount in INR)	
		March 31, 2020	March 31, 2019
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	344,155,300	287,368,700
Reserves and surplus	4	1,226,150,206	814,901,010
		<u>1,570,305,506</u>	<u>1,102,269,710</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	232,491,578	245,110,654
Deferred tax liabilities (net)	6	101,588,045	62,578,921
Other Long Term Liabilities	7	290,407,993	-
Long-term provisions	8	47,280,431	24,219,021
		<u>671,768,047</u>	<u>331,908,596</u>
<b>Current liabilities</b>			
Short-term borrowings	9	143,345,049	116,465,845
Trade payables	10	-	-
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		322,745,049	249,362,564
Other current liabilities	11	921,263,951	561,238,463
Short-term provisions	12	2,626,623	1,071,134
		<u>1,389,980,672</u>	<u>928,138,006</u>
<b>Total</b>		<u><u>3,032,054,225</u></u>	<u><u>2,362,316,312</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Property, Plant and Equipment</b>			
Tangible fixed assets	13	1,779,441,902	976,932,546
Intangible fixed assets		-	-
Capital work in progress		383,114,621	43,214,123
Non-current investments	14	-	-
Long term loans and advances	15	204,540,078	118,402,553
Other non-current assets	16	64,090,999	33,571,283
		<u>2,431,187,600</u>	<u>1,172,120,506</u>
<b>Current assets</b>			
Trade receivables	17	569,725,840	518,475,676
Cash and bank balances	18	6,418,549	86,245,317
Short-term loans and advances	19	511,986,681	531,612,425
Other current assets	20	112,735,556	53,862,388
		<u>1,200,866,625</u>	<u>1,190,195,806</u>
<b>Total</b>		<u><u>3,632,054,225</u></u>	<u><u>2,362,316,312</u></u>

Summary of significant accounting policies

1 and 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Shah Khandelwal Jain & Associates

Chartered Accountants

Firm registration no.-142740W

For and on behalf of the Board of Directors

ESDS Software Solution Private Limited

CIN : U72200MH2005PTC155433

*ACKhandelwal*

Ashish Khandelwal  
Partner  
Membership No.: 049278



Place: Pune  
Date : 30/12/2020

*PS*

Piyush Somani  
Chairman & MD  
DIN : 02357582

Place: Nashik  
Date : 30/12/2020

*Saru Sarala Somani*

Sarala Somani  
Director  
DIN: 02357805

Place: Nashik  
Date : 30/12/2020

*Smehtra*

Sandeep Mehta  
CFO

Place: Nashik  
Date : 30/12/2020

ESDS Software Solution Private Limited  
Consolidated Profit and Loss for the period ended March 31, 2020

	Notes	(Amount in INR)	
		March 31, 2020	March 31, 2019
Revenue from operations	21	1,653,842,848	1,406,768,584
Other income	22	17,444,616	19,639,526
<b>Total revenue</b>		<b>1,671,287,464</b>	<b>1,426,408,110</b>
<b>Expenses</b>			
Purchase of traded goods	23	42,373,004	3,257,683
Employee benefits expense	24	487,073,550	274,808,886
Finance costs	25	66,454,063	68,270,732
Depreciation and amortisation	26	285,758,055	158,815,953
Other expenses	27	682,669,753	640,793,094
<b>Total expenses</b>		<b>1,564,328,426</b>	<b>1,145,946,348</b>
<b>Profit before tax</b>		<b>106,959,038</b>	<b>280,461,762</b>
<b>Tax expense</b>			
Current tax		29,031,780	60,540,570
Deferred tax charge/(credit)		39,009,124	2,893,846
Tax charge in respect of earlier years		477,615	(41,592)
Minimum Alternate Tax credit entitlement		(22,108,628)	7,784,290
<b>Profit for the year</b>		<b>60,549,147</b>	<b>209,284,648</b>
<b>Profit attributable to</b>			
Owners of the Company		58,142,766	205,187,062
Minority Interest		2,406,381	4,097,586
<b>Earnings per equity share [(Face value of Rs. 10 each (P.Y. Rs.10 each)]</b>			
Basic earnings per share		11.13	39.29

Summary of significant accounting policies 1 and 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Shah Khandelwal Jain & Associates  
Chartered Accountants  
Firm registration no.-142740W

*A C Khandelwal*

Ashish Khandelwal  
Partner  
Membership No.: 049278



Place: Pune  
Date : 30/12/2020

For and on behalf of the Board of Directors  
ESDS Software Solution Private Limited  
CIN : U72200MH2005PTC155433

*Piyush Somani*

Piyush Somani  
Chairman & MD  
DIN :02357582

Place: Nashik  
Date : 30/12/2020

*Sau. Sarala Somani*

Sarala Somani  
Director  
DIN: 02357805

Place: Nashik  
Date : 30/12/2020

*Sandeep Mehta*

Sandeep Mehta  
CFO

Place: Nashik  
Date : 30/12/2020

ESDS Software Solution Private Limited  
Consolidated Cash flow statement for the year ended March 31, 2020

	(Amount in INR)	
	March 31, 2020	March 31, 2019
<b>A Cash Flow from operating activities</b>		
Profit before tax	106,959,038	277,892,829
Adjustments for:		
Depreciation and amortization expense	285,758,055	152,057,278
Loss / (Profit) on sale of fixed assets	-	3,402,941
Liabilities no longer required written back	-	-
Bad debts written off	-	31,316,875
Interest received on deposits with banks	(11,821,475)	(3,774,258)
Interest expense	66,454,063	68,214,530
<b>Operating Profit before working capital changes</b>	<b>447,349,682</b>	<b>529,110,195</b>
Changes in working capital		
Increase / (decrease) in trade payables	73,382,485	206,307,830
Increase / (decrease) in Other Long Term Liabilities	-	-
Increase / (decrease) in other current liabilities	106,595,776	133,636,772
Increase / (decrease) in short-term provisions	-	444,572
Increase / (decrease) in long-term loans and advances	(8,727,282)	15,203,545
Increase / (decrease) in long-term provisions	24,616,899	4,731,658
Increase / (decrease) in trade receivables	(51,250,164)	(243,297,894)
Increase / (decrease) in short-term loans and advances	(189,902,986)	(358,383,234)
Increase / (decrease) in other current assets	-	(6,882,199)
Increase / (decrease) in other non current assets	-	2,029,561
<b>Cash generated from operating activities (A)</b>	<b>(45,285,272)</b>	<b>(246,129,389)</b>
Taxes paid (Net)	(84,811,010)	(92,329,478)
<b>Net cash flows from / (used in) operating activities (A)</b>	<b>317,253,400</b>	<b>190,651,328</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(731,622,422)	(455,235,975)
Proceeds from sale of fixed assets	-	52,947
Investment in Subsidiary	-	-
Investment in bank deposits	-	-
Interest Received	17,274,434	6,266,356
Loans and advances to third parties (net)	82,390,196	(16,222,831)
Investment in bank deposits	(90,197,529)	-
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(722,155,321)</b>	<b>(465,139,503)</b>



<b>C Cash Flow from financing activities</b>		
Bank loans taken during the year	211,676,187	333,034,876
Bank Loans repaid during the year	(222,128,847)	(227,655,708)
Interest on bank loans	(69,781,709)	(64,735,552)
Interest on others	(4,648,314)	
Dividend paid	(41,417)	(11,936,485)
Dividend distribution tax paid	-	(2,453,615)
Redemption of Preference shares	-	(238,729,700)
Fresh issue of Preference shares	409,999,252	530,720,421
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>325,075,152</b>	<b>318,244,237</b>
Net Increase / (decrease) in cash and cash equivalents (A+B+C)	(79,826,769)	43,756,062
Cash and cash equivalents at the beginning of the year	86,245,317	66,624,033
<b>Cash and cash equivalents at the end of the year</b>	<b>6,118,519</b>	<b>110,300,095</b>
Cash and cash equivalents comprise (Refer note 18)		
Cash on hand	1,419,017	1,086,061
Balances with banks	4,999,532	109,294,034
<b>Total cash and bank balances at end of the year</b>	<b>6,418,549</b>	<b>110,380,095</b>

**Notes:**

- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3.
- Cash and cash equivalents at the end of the year consists of cash in hand and balances with bank.

**Summary of significant accounting policies**

The accompanying notes form an integral part of the financial statements

For Shah Khandelwal Jain & Associates  
Chartered Accountants  
Firm registration no. - 142740W

*A C Khandelwal*

Ashish Khandelwal  
Partner  
Membership No.: 049278

Place: Pune  
Date : 30/12/2020



For and on behalf of the Board of Directors  
ESDS Software Solution Private Limited  
CIN : U72200MI12005PTC155433

*Sau. Sarala Somani* *Sandeep Mehta*

Piyush Somani Chairman & MD DIN : 02357582	Sarala Somani Director DIN: 02357805	Sandeep Mehta CFO
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Place: Nashik Date : 30/12/2020	Place: Nashik Date : 30/12/2020	Place: Nashik Date : 30/12/2020
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	March 31, 2020	March 31, 2019
<b>3 Share capital</b>		
Authorized capital		
Equity share capital		
1,35,00,000 (2019 : 61,27,030) equity shares of Rs 10 each	135,000,000	199,850,000
30,00,000 (2019: 23,51,500) Compulsory Convertible Preference shares of Rs 100 each	300,000,000	235,150,000
	<b>435,000,000</b>	<b>435,000,000</b>
Issued, subscribed and paid-up capital		
Equity share capital		
52,22,100 (2019 : 52,22,100) equity shares of Rs 10 each fully paid up	52,221,000	52,221,000
Preference share capital		
Compulsory Convertible Preference shares of Rs 100 each fully paid up	-	-
23,51,477 (2019 : 23,51,477) Compulsory Convertible Preference shares of Rs 100 each fully paid up	235,147,700	235,147,700
5,67,866 0.01% Class A Compulsory Convertible Preference shares of Rs 100 each fully paid up	56,786,600	-
	<b>344,155,300</b>	<b>287,368,700</b>

### 3.1 Reconciliation of Equity shares outstanding at the beginning and at the end of the year

	March 31, 2020		March 31, 2019	
	Number	Amount	Number	Amount
At the commencement of the year	5,222,100	52,221,000	5,222,100	52,221,000
Issue of equity shares	-	-	-	-
At the end of the year	5,222,100	52,221,000	5,222,100	52,221,000

### Reconciliation of Optionally Convertible Preference shares outstanding at the beginning and at the end of the year

	March 31, 2020		March 31, 2019	
	Number	Amount	Number	Amount
At the commencement of the year	-	-	2,387,297	238,729,700
Issue of Preference shares	-	-	-	-
Redemption of Preference Shares	-	-	2,387,297	238,729,700
At the end of the year	-	-	-	-

### Reconciliation of Compulsory Convertible Preference shares outstanding at the beginning and at the end of the year

	March 31, 2020		March 31, 2019	
	Number	Amount	Number	Amount
At the commencement of the year	2,351,477	235,147,700	-	-
Issue of Preference shares	567,866	56,786,600	2,351,477	235,147,700
Redemption of Preference Shares	-	-	-	-
At the end of the year	2,919,343	291,934,300	2,351,477	235,147,700

### 3.2 Rights, preferences and restrictions attached to equity shares

The equity shares referred to as 'Ordinary equity shares' having a par value of Rs. 10 each and Equity shares 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.

### 3.3 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.

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.

Preference Shareholders may at its option/discretion, agree for conversion of the outstanding CCCPS as spelt out above to the extent that the percentage of its shareholding in the paid up equity share capital of the Company does not exceed 28.21% and in case of Class A CCCPS 9.15% of the issued and paid up equity capital of the Company as on such date. The Subscription Shares shall have a conversion ratio ("Conversion Ratio") into Equity Shares as per Share Subscription cum Shareholders Agreement.

The holder of Subscription Shares shall be entitled to attend meetings of all Shareholders of the Company and will be entitled to vote on all matters on an as if converted basis; provided that, the cumulative voting rights on the Subscription Shares (including Additional Subscription Shares) shall not exceed 37.36% in case of CCCPS.

#### 3.4 Details of shareholders holding more than 5% equity shares is set out below:

Name of the shareholder	March 31, 2020		March 31, 2019	
	No. of shares	% held	No. of shares	% held
Piyush Somani	2,480,000	47.49%	2,480,000	47.49%
Sarla Somani	2,480,000	47.49%	2,480,000	47.49%
Global Environment Capital Company, L.L.C. (GECC)	-	0.00%	262,100	5.02%
South Asia Growth Fund II, L.P. (SAGF)	191,858	3.67%	-	0.00%
GFF ESDS Partners, L.L.C. (GFPI)	70,242	1.35%	-	0.00%

Details of shareholders holding more than 5% Preferences shares is set out below:

Name of the Shareholder	March 31, 2020		March 31, 2019	
	No. of shares	% held	No. of shares	% held
South Asia Growth Fund II, L.P. (SAGF)	1,721,281	73.20%	1,721,281	73.20%
GEF ESDS Partners, L.L.C. (GEPL)	630,196	26.80%	630,196	26.80%

Details of shareholders holding more than 5% Preferences shares is set out below:

Name of the shareholder	March 31, 2020		March 31, 2019	
	No. of shares	% held	No. of shares	% held
SAGF HOLDINGS LLC	564,232	99.36%	-	-
ORBIS CAPITAL LIMITED BEING THE TRUSTEE OF SOUTH ASIA EBT TRUST	3,634	0.64%	-	0.00%

#### 3.5 Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

Nil bonus shares issued during the year ended March 31, 2020 (Nil for the year ended March 31, 2019)

#### 4 Reserves and surplus

	March 31, 2020	March 31, 2019
Securities premium account		
At the commencement of the year		6,849,300
Add: Premium on issue of preference shares	302,422,021	295,572,721
	655,634,673	302,422,021
Capital Redemption Reserve		
At the commencement of the year	3,582,000	-
Add: Premium on issue of equity shares	-	3,582,000
	3,582,000	3,582,000





<b>Surplus in the Statement of Profit and Loss</b>		
At the commencement of the year	508,896,989	317,584,441
Add: Profit for the year	58,142,766	205,187,062
<b>Less:</b>		
Share in Reserves and Surplus of minority*	2,406,381	4,097,586
Transfer to capital redemption reserve	-	(3,582,000)
Proposed dividend on Preferences Shares	(41,417)	(11,936,485)
Dividend Distribution Tax	-	(2,453,615)
	<u>569,404,719</u>	<u>508,896,989</u>
<b>Foreign Currency Translation Reserve</b>		
Opening balance	-	-
Add: Transfer on account of conversion	(2,471,186)	-
Closing balance	<u>(2,471,186)</u>	-
<b>Total</b>	<u><u>1,226,150,206</u></u>	<u><u>814,901,010</u></u>

<b>Minority Interest</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Opening balance		
Face value of shares	90,000	90,000
Add : Profit/(loss) for the period	2,406,381	4,097,586
Less : Share of loss of minority absorbed by shareholder in earlier years	(2,496,381)	-4187585.88

<b>5 Long-term borrowings</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Secured:</b>		
Term loans:		
- From bank	197,764,667	132,370,086
- From financial institutions	136,950,834	231,341,547
Vehicle loans from banks and others	10,859,886	4,830,742
<b>Unsecured:</b>		
Term loans:		
- From financial institutions	18,246,591	32,611,468
-From Others	-	-
Less : Current maturities on long term borrowings (Shown in other current liabilities Refer Note No.10)	131,330,399	156,043,188
<b>Total</b>	<u><u>232,491,578</u></u>	<u><u>245,110,654</u></u>

**Secured:****a) Terms Loan From Bank :**

1. Term Loan from Axis Bank amounting Rs.8,30,87,709 carrying interest rate of around 9.55% p.a
2. Term Loan from State Bank of India amounting Rs.9,30,37,698/- carrying interest rate of around 12% is repayable within 48 monthly intallments form reporting date.And the same is secured by first hypthecation charge on entire moveable Fixed Assets and first hypothecaton charge on Current Assets on pari pasu basis with Axis Bank excluding receivables cahrged to SIDBI.

**b) Term Loan From financial institution :**

1. Term loan from Hero Fincorp Ltd. amounting to Rs.3,58,01,677 carrying interest rate of 12.50% p. a. is repayable within 33 (2019 :44) monthly installments from the reporting date.
2. Term Loan from Small Industrial Development Bank of India amounting Rs.5,59,82,230 (2019:Rs.9,63,80,000) carrying interest rate of around 11.60% p.a. are repayable within 34 ( 2019 : 3-52) months from reporting date.
3. Term loan from Tata Capital Financial Services amounting to Rs. 1,85,71,328 (2019:Rs.2,82,91,580) carrying interest rate of 12.35% p. a. is repayable within 23 (2019 :35) monthly installments from the reporting date.
4. Term Loan from Clix Finance India amounting to Rs.2,65,95,598 (2019: Rs.3,14,18,219) has been availed during the year, carrying interest rate of 12.50% p.a which is repayable within 48 months from reporting date



Above term loans from financial institution has been secured by:

- a) First charge by way of hypothecation on all the movable assets such as servers ( Power Edge R730xd Server), computers, hardware, software, and other equipments being acquired under the project. b) First charge by way of an exclusive lien on the Machinery, in favour of HFCL, till the discharge of any/all outstanding(s) under this Facility by the Borrower, to the satisfaction of HFCL. c) First charge by way of hypothecation in favour of SIDBI on all movables including movable machinery, machinery spares, tools and accessories acquired/ to be acquired under the project/scheme. - First charge in favour of SIDBI in Debt Service Reserve in the form of FD to the extent of 5% of assistance disbursed may be kept generally to meet the debt service during temporary instances of liquidity tightness.

c) Vehicle loans from banks and others

Vehicle loans from banks and others amounting Rs.1,08,59,886 carry interest rates ranging from 8.90% p.a. to 10.81% p. a. and are secured against hypothecation of vehicles financed under the loan. The number of monthly installments payable are between 20 to 55 (2019: 11 to 33) from the reporting date.

d) Unsecured:

1. Term loan from Aditya Birla Capital amounting Rs.3,95,571 (2019:Rs.13,65,959 )carrying interest rate of 17.50% p.a. is repayable within 6 (2019: 18) monthly installments from reporting date.
2. Term loan from IDFC First Bank amounting Rs99,77,398 carrying interest rate of 16% p.a. is repayable within 35 monthly installments from reporting date.
3. Term loan from Kotak Bank amounting Rs 5,13,092 carrying interest rate of 17.65% p.a. is repayable within 6 monthly installments from reporting date.

Maturity of term loans:

Particulars	Maturity profile		
	Less than 1 year *	1-5 Years	More than 5 years
<b>Secured :</b>			
As at 31 March 2020	120,004,206	225,571,181	-
As at 31 March 2019	124,340,384	244,289,281	-
<b>Unsecured :</b>			
As at 31 March 2020	11,326,193	6,920,398	-
As at 31 March 2019	31,702,804	908,663	-

\* Disclosed under other current liabilities (Refer note 10).



	(Amount in INR)	
	March 31, 2020	March 31, 2019
<b>6 Deferred tax liabilities (net)</b>		
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged in the financial statements	128,636,632	85,249,247
	<u>128,636,632</u>	<u>85,249,247</u>
Deferred tax asset		
Arising out of timing differences in -		
Compensated absences	6,014,556	5,037,033
Gratuity	7,747,929	2,208,959
Bonus		
Provision for doubtful debts, doubtful deposits and capital advance	13,286,101	15,424,333
	<u>27,048,587</u>	<u>22,670,326</u>
<b>Total (Net of Assets and Liability)</b>	<u>101,588,045</u>	<u>62,578,921</u>
Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.		
<b>7 Other Long Term Liabilities</b>		
-Capital Creditors	290,407,993	-
<b>Total</b>	<u>290,407,993</u>	<u>-</u>
<b>8 Long-term provisions</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Provision for employee benefits		
Gratuity	26,951,197	16,612,000
Compensated absences	20,329,234	7,607,021
<b>Total</b>	<u>47,280,431</u>	<u>24,219,021</u>
<b>9 Short-term borrowings</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Secured:		
Loans repayable on demand :		
Working capital loans from banks	139,209,349	106,330,146
Unsecured:		
Loans from financial institution		
Loans from Director	4,135,700	10,135,699
<b>Total</b>	<u>143,345,049</u>	<u>116,465,845</u>



	March 31, 2020	March 31, 2019
<b>10 Trade payables</b>		
- total outstanding dues of micro enterprises and small enterprises	322,745,049	249,362,564
- total outstanding dues of creditors other than micro enterprises and small enterprises		
<b>Total</b>	<b>322,745,049</b>	<b>249,362,564</b>
<b>11 Other current liabilities</b>		
Current maturities of long-term debt (refer note 5)	131,330,399	156,043,188
Interest accrued on borrowings	2,542,961	5,870,607
Accrued employee liabilities	5,889,473	24,260,689
Statutory liabilities	31,827,204	27,969,913
Unearned revenue	119,199,407	28,774,494
Advance from customers	27,320,835	9,045,926
Deposits from customers	-	7,500,000
Capital creditors	551,967,826	272,968,867
Other payables	12,500,000	15,197,939
Provision for expenses	38,644,428	13,606,841
Proposed dividend on Preferences Shares	41,417	
<b>Total</b>	<b>921,263,951</b>	<b>561,238,463</b>
<b>12 Short-term provisions</b>		
Provision for employee benefits		
Gratuity	1,336,317	685,504
Compensated absences	1,290,306	363,630
<b>Total</b>	<b>2,626,623</b>	<b>1,071,134</b>





		(Amount in INR)	
		March 31, 2020	March 31, 2019
14	Non-current investments (valued at cost, unquoted, non-trade)		
	Investments in subsidiary		
	ESDS Internet Services Private Limited 9,000 (2018 : 9,000) equity shares of Rs. 10 each	-	-
	Investment in Mutual Funds		
	Investment In Equity Shares of ESDS Global	-	-
	Investment In Equity Shares of ESDS Cloud FZ LLC	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
15	Long term loans and advances (Unsecured, considered good unless otherwise stated)	March 31, 2020	March 31, 2019
	Security deposits	28,799,102	20,071,820
		<u>28,799,102</u>	<u>20,071,820</u>
	Advance tax and tax deducted at source (net of provision)	133,433,277	78,388,340
	MAT credit receivable	42,307,699	19,942,393
	<b>Total</b>	<b>204,540,078</b>	<b>118,402,553</b>
16	Other non-current assets	March 31, 2020	March 31, 2019
	Bank deposits (due to mature after 12 months from the reporting date)	64,090,999	33,571,283
	<b>Total</b>	<b>64,090,999</b>	<b>33,571,283</b>
17	Trade receivables (Unsecured, considered good unless otherwise stated)	March 31, 2020	March 31, 2019
	Outstanding for a period exceeding six months		
	Considered good	10,175,987	19,380,313
	Considered doubtful	47,757,374	52,968,178
	Less: Provision for doubtful debts	(47,757,374)	(52,968,178)
		<u>10,175,987</u>	<u>19,380,313</u>
	Outstanding for a period less than six months		
	Unsecured, considered good	559,549,853	499,095,363
	<b>Total</b>	<b>569,725,840</b>	<b>518,475,676</b>



		(Amount in INR)	
		March 31, 2020	March 31, 2019
18	Cash and bank balances		
	<i>Cash and cash equivalents</i>		
	Balances with banks		
	On current accounts	4,999,532	24,122,415
	Cash on hand	1,419,017	2,122,902
	Cheques in Hand	-	60,000,000
		<u>6,418,549</u>	<u>86,245,317</u>
	 Total Cash and cash equivalents	 <u>6,418,549</u>	 <u>86,245,317</u>
19	Short-term loans and advances (Unsecured, considered good unless otherwise stated)	March 31, 2020	March 31, 2019
	To parties other than related parties		
	Balances with statutory/Government authorities	129,018,332	21,126,038
	Security deposit	18,617,029	25,906,118
	Advances to creditors	7,700,833	17,760,998
	Capital Advance	35,870,648	163,009,182
	Advances to employees	1,292,783	2,579,622
	Prepaid expenses	101,261,874	46,601,624
	Unbilled Revenue	201,493,492	156,290,187
	Other receivables	2,327,383	1,544,154
	Other loans and advance	14,404,306	96,794,502
	Total	<u>511,986,681</u>	<u>531,612,425</u>
20	Other current assets	March 31, 2020	March 31, 2019
	On term deposits with maturity of less than 3 months from the reporting date	9,111,379	34,295,703
	On term deposits due to mature beyond 3 months but within 12 months of the reporting date*	103,351,124	18,472,794
	Interest accrued :		
	On fixed deposits	273,053	1,077,698
	Other receivables	-	16,193
		<u>112,735,556</u>	<u>53,862,388</u>



	(Amount in INR)	
	March 31, 2020	March 31, 2019
<b>21 Revenue from operations</b>		
Sale of services		
Web hosting services	1,433,865,233	122,973,097
Turnkey contract revenue (Data center setup)	27,084,789	81,630,979
Technical support services	93,388,078	1,177,800,702
Sale of traded products	61,572,520	4,192,000
Other operating income	37,932,228	20,171,806
<b>Total</b>	<b>1,653,842,848</b>	<b>1,406,768,584</b>
<b>Details of Sale of Traded Product</b>		
	March 31, 2020	March 31, 2019
Server and Software	-	-
Others	61,572,520	4,192,000
<b>Total</b>	<b>61,572,520</b>	<b>4,192,000</b>
<b>22 Other income</b>	March 31, 2020	March 31, 2019
Interest received on deposits with banks	11,821,475	4,001,389
Interest from others	4,648,314	9,418,520
Profit on sale of fixed assets ( net )	-	-
Other non-operating income	537,401	5,345,562
Short Term Capital Gain	-	874,055
Foreign exchange fluctuation (gain)/loss (net)	437,426	-
<b>Total</b>	<b>17,444,616</b>	<b>19,639,526</b>
<b>23 Purchase of Traded goods</b>	March 31, 2020	March 31, 2019
Purchase of traded products*	42,373,004	3,257,683
<b>*Details for the Purchase of traded products</b>	<b>42,373,004</b>	<b>3,257,683</b>
	March 31, 2020	March 31, 2019
Server and Software	-	-
Other IT equipment	42,373,004	3,257,683
	<b>42,373,004</b>	<b>3,257,683</b>
<b>24 Employee benefits expense</b>	March 31, 2020	March 31, 2019
Salaries, wages and bonus*	436,314,910	249,538,955
Contribution to provident and other funds	11,735,932	8,281,981
Gratuity (also refer note 35)	12,526,436	4,713,674
Compensated absence	15,879,748	3,169,457
Other employee related costs	10,616,525	9,104,819
<b>Total</b>	<b>487,073,550</b>	<b>274,808,886</b>





		(Amount in INR)	
		March 31, 2020	March 31, 2019
25	Finance costs		
	Interest expense	59,010,914	54,285,561
	Other borrowing costs	3,564,535	10,300,180
	Bank charges	3,878,614	3,684,991
	<b>Total</b>	<b>66,454,063</b>	<b>68,270,732</b>
26	Depreciation and amortisation		
	Depreciation of tangible fixed assets	285,758,055	158,815,953
	<b>Total</b>	<b>285,758,055</b>	<b>158,815,953</b>
27	Operating and other expenses		
	Contract costs for data centre setup	103,201,624	242,912,838
	Rent (also refer note 39)	156,232,704	80,373,922
	Office Expenses	11,235,986	6,007,282
	Travelling and conveyance	45,592,890	24,931,196
	Communication expenses	70,053,815	47,834,816
	Contract labour charges	29,015,824	16,524,928
	Rates & taxes	7,281,932	6,770,386
	Legal and professional charges	48,531,504	65,053,457
	Loss on sale of asset (net)	-	3,402,941
	Commission	21,949,603	23,693,231
	Insurance	2,502,398	3,507,831
	Advertisement and sales promotion	82,642,599	21,651,868
	Power and fuel	46,240,967	36,443,676
	Repairs and maintenance:		
	Computers	387,003	548,192
	Building	-	-
	Others	6,842,250	2,351,931
	Membership and subscription	33,036,322	16,646,696
	Bad & Doubtful Debts - Expenses	-	23,375,815
	Sundry balances written off	-	7,941,060
	Foreign exchange fluctuation (gain)/loss (net)	(105,675)	3,456,736
	Auditor's remuneration (refer note below)	1,395,000	1,450,000
	Miscellaneous expenses	11,474,371	5,914,292
	Donations	5,158,637	-
	<b>Total</b>	<b>682,669,753</b>	<b>640,793,094</b>
<b>Note : Payment to auditors (excluding GST)</b>			
As auditors:-			
	Statutory audit	1,000,000	1,000,000
	Tax audit	150,000	150,000
	Other services	120,000	300,000
	<b>Total</b>	<b>1,270,000</b>	<b>1,450,000</b>



28 Earnings per share

		(Amount in INR)	
		March 31, 2020	March 31, 2019
Net profit for the year attributable to equity shareholders	A	58,142,766	205,187,062
Weighted average number of equity shares of face value of Rs 10 each outstanding during the year*	B	5,222,100	5,222,100
Basic earnings per equity share of face value Rs 10 each (in Rupees)			
Diluted earnings per equity share of face value of Rs. 10 each**	(A/B)	11.13	39.29
		7.14	-

\*During the current year, the Company has issued Compulsory Convertible Preference shares on 1:1 share exchange ratio accordingly for computation of weighted average number of equity shares as per 'AS 20 Earnings per share' issued by the Institute of Chartered Accountants of India such shares will be treated as potential Equity shares.

29 Contingent liabilities (to the extent not provided for)

	March 31, 2020	March 31, 2019
Claims against the company not acknowledged as debts		
(a) Income tax matters	-	2,518,751
(b) Bank guarantees	164,268,610	140,645,084
	164,268,610	143,163,835

\*In 2019, Trigny Technologies Ltd has initially a commercial suit against the company which got converted then to Arbitration proceedings and are pending as on date. 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.

\*During the year, 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. 602830/- (as per joint statement of the company & tax authority) for AY 2013-2014. Accordingly, the amounts shown under the contingent liabilities has been withdrawn.

30 Commitments

Capital commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs. 1,00,00,936/- (2019: 13,82,03,442/-)

31 Related party transactions

a) Names of the related parties and description of relationship:

Individuals exercising significant influence over the Company and Key management personnel		
1	Piyush Somani	Managing Director
2	Sarla Somani	Director
3	Kantilal Tekne	Company Secretary (from September 4, 2017)
4	Rajesh R Pai (on behalf of GECC)	Nominee Director (from June 4, 2018)
5	Alipt Sharma (on behalf of GECC)	Nominee Director (from June 4, 2018)
6	Ravi Ajmera	CFD (Till January 16, 2020)
Relatives of Individuals exercising significant influence over the Company		
1	Pooja Somani	Sister of Managing Director
2	Prajakta Somani Jadhav	Sister of Managing Director
3	Komal Somani	Wife of Managing Director
Enterprises over which key management personnel exercise significant influence		
1	Hyperslice Limited	
2	eUKhost Limited, United Kingdom	
3	Web Hosting UK Com Limited, United Kingdom	
4	Bodhost Limited, United States	
Associate companies / Enterprise over which the Company has significant influence through intermediary		
1	Hyperslice Limited, United Kingdom	Managing Director holds 50% of share holding

b) Disclosure of related party transactions:

\*Amounts for FY 19-20 are including GST and for FY 18-19 are excluding GST.

Sr. No.	Nature of transaction / related party	March 31, 2020	March 31, 2019
1	Salaries and allowances *		
	Prajakta Somani	1,380,535	1,153,244
	Komal Somani	2,759,018	2,271,886
	Kantilal Tekne	161,580	161,580
	Ravi Ajmera	5,582,263	-
2	Director remuneration *		
	Piyush Somani	6,739,491	5,050,264
	Sarla Somani	1,975,645	1,600,000
3	Loan given/(recovered/taken)		
	Piyush Somani-Loan taken		-
	Piyush Somani-Loan repaid	(10,510,530)	-
		9,150,000	-



		(Amount in INR)	
4	Operating and other expenses Bodhost Limited, United States Professional and Legal charges	1,649,407	-
5	Sales of services eUKhost Limited Web Hosting UK Com Limited Bodhost Limited	38,046,986 18,276,592 37,786,522	61,327,685 20,303,294 -
6	Director Sitting fees Piyush Somani Sarfa Somani	- -	30,000 30,000

c) Amount due to/(from) related parties

Sr. No.	Nature of transaction / related party	March 31, 2020	March 31, 2019
1	Payables towards salary / Managerial remuneration Piyush Somani Sarfa Somani Komal Somani	- - -	315,500 121,470 197,401
2	Loans and Advances Piyush Somani	- 4,135,700	- -
3	Trade payables	-	-
4	Accounts due from eUKhost Limited Web Hosting UK Com Limited Bodhost Limited	- - -	21,686,472 4,066,213 -
		37,683,750	-

32 Earnings in foreign currency (accrual basis)

	March 31, 2020	March 31, 2019
Technical support services	114,130,913	81,630,979
Webhosting services	114,453,411	16,216,367
	228,584,324	97,847,346

33 Expenditure in foreign currency (accrual basis)

	March 31, 2020	March 31, 2019
Sponsorship fees	700,967	-
Professional fees	7,276,504	7,753,664
Membership and subscription	746,594	2,431,545
Project Execution expense	2,511,558	937,875
Online Advertisements	8,477	145,962
Sales Promotion Expenses	159,909	-
	11,404,009	11,269,046



34 Employee benefits

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. 98,06,955/- (2019:75,38,677) and other funds to Rs. 13,60,256 (2019: Rs. 13,35,155).

Defined benefit plans

- a) Contribution to gratuity funds (Defined benefit plan)  
b) Compensated absences (Other long-term benefit)

In accordance with Accounting Standard 15 (revised 2005), the actuarial valuation carried out in respect of the aforesaid defined benefit plans is based on the following assumptions.

The following table summarises the position of assets and obligations relating to the gratuity and compensated absences plan.

Particulars	(Amount in INR)			
	Gratuity		Compensated absences	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>a) Amount recognised in Balance Sheet</b>				
Fair value of plan assets as at the end of the year	771,076	446,072	-	-
Present value of obligations as at the end of the year	29,058,590	17,743,576	21,619,540	7,992,651
Liability recognized in the Balance Sheet	28,287,514	17,297,504	21,619,540	7,992,651
<b>b) Classification into current and non-current</b>				
Non-current portion	27,727,273	17,058,072	20,329,234	7,607,021
Current portion	1,336,317	685,504	1,290,306	385,630
Liability recognized in the Balance Sheet	29,058,590	17,743,576	21,619,540	7,992,651
<b>c) Movement in present value of obligation</b>				
Present value of obligations at the beginning of the year	17,743,576	14,586,028	7,992,651	6,116,058
Interest cost	1,206,563	1,123,124	543,500	470,936
Past service cost	-	-	-	-
Current service cost	7,181,696	3,576,563	12,258,036	5,846,616
Benefits paid	(986,863)	(1,556,018)	-	-
Actuarial loss / (gain) on obligations	3,913,618	13,879	2,564,056	(4,440,959)
Present value of obligations as at the end of the year	29,058,590	17,743,576	23,358,243	7,992,651
<b>d) Movement in the fair value of plan assets</b>				
Fair value of plan assets at the beginning of year	446,072	588,161	-	-
Expected return on plan assets	39,683	38,346	-	-
Contributions	275,000	-	-	-
Benefits paid	-	(180,327)	-	-
Actuarial losses/(gain) on plan assets	10,321	(108)	-	-
Fair value of plan assets at the end of the year	771,076	446,072	-	-
<b>d) Unfunded liability</b>	28,287,514	17,197,601	21,619,540	7,992,651
<b>e) Actuarial gain / loss recognized</b>				
Actuarial loss / (gain) for the year - obligation	3,913,618	13,879	2,564,056	(4,440,959)
Actuarial loss for the year - plan assets	(10,321)	108	-	-
Actuarial (loss) / gain recognized in the year	3,903,297	13,987	2,564,056	(4,440,959)
<b>f) Expenses recognized in the Statement of Profit and Loss</b>				
Current service cost	7,181,696	3,576,563	12,258,036	5,846,616
Past service cost	-	-	-	-
Interest cost	1,206,563	1,123,124	543,500	470,936
Expected return on plan assets	(39,683)	(38,346)	-	-
Net actuarial loss / (gain) recognized in the Statement of Profit and Loss	3,903,297	13,987	2,564,056	(4,440,959)
Expenses recognized in Statement of Profit and Loss	12,251,873	4,675,328	15,365,592	1,876,593
<b>g) Actual return on plan assets</b>				
Expected return on plan assets	(39,683)	(38,346)	-	-
Actuarial loss/(gain) on plan assets	(10,321)	108	-	-
Actual return on plan assets	(50,004)	(38,238)	-	-



34 Employee benefits (continued)

Particulars	Gratuity		Compensate absences*	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
h) Principal actuarial assumptions				
Discount rate	6.80%	7.70%	6.80%	7.70%
Salary escalation	7.00%	7.00%	7.00%	7.00%
Withdrawal rate (depending on age)	5%-1%	1-5	5%-1%	1-5
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Note: The estimates of future salary increases take into account inflation, seniority, promotion and other relevant factors on long term basis.

i) Five-year information

Amounts for the current and previous four periods are as follows:

Particulars	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16
Defined benefit obligation	29,058,590	17,743,576	14,586,028	11,478,011	9,113,828
Fair value of plan assets	771,076	446,072	588,161	605,568	544,330
(Deficit) / surplus in the plan	(28,287,514)	(17,297,504)	(13,997,867)	(10,872,423)	(8,569,498)
Experience adjustments arising on plan liabilities	3,903,237	15,987	(946,458)	(489,387)	(560,139)
Experience adjustments arising on plan assets	-	-	-	-	-

35 Derivative instruments and foreign currency exposures

The Company does not have any derivative instruments outstanding at the Balance Sheet date. The following foreign currency exposures have not been hedged by derivative instrument or otherwise at

Particulars	Currency	Amount in foreign currency		Equivalent amount in Indian Rupees	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Receivables (asset)	USD	1,697,139	36,290	127,909,124	2,428,699
	GBP	-	285,736	-	25,818,550
	EUR	-	102	-	9,239
Payables (liability)	USD	549,529	7,277	41,416,627	551,034
	AED	4,691	3,350	96,269	62,746
	SGD	5,400	-	286,263	-
Loan (asset)	USD	87,072	-	6,562,373	-
	AED	1,574,968	-	32,318,334	-
	GBP	123,598	-	11,601,976	-



36 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.

37 Segmental Information

The Company is of the view that it is primarily 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 risks and returns. Accordingly, Information Technology related resource service comprises the primary basis of segmental information as set out in these financial statements, which therefore reflects the information required by AS 17 - Segment Reporting, with respect to primary segments.

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.

Particulars as on 31 March 2020	India	Rest of the world
Segment sales	1,432,809,942	228,584,324
Segment assets	452,588,052	127,909,124
Particulars as on 31 March 2019	India	Rest of the world
Segment sales	1,320,159,159	97,847,346
Segment assets	107,631,010	28,256,188

38 CSR Expenditure

As per Section 135 of the Companies Act, 2013, the company has spent on Corporate Social Responsibility as per its CSR policy.

- (a) Gross amount required to be spent by the company during the year is Rs.32,37,826 /- ,the company has paid Rs 46,00,000/- (P.Y. Rs. 15,80,579/- )  
(b) Amount spent during the year on:

Particulars	(Amounts in Rs.)		
	In Cash	Yet to be paid in Cash	Total
(i) Construction / acquisition of any asset	Nil (Nil)	Nil (Nil)	Nil (Nil)
(ii) On purposes other than (i) above	4,600,000 (100,000)	- (1,480,579)	4,600,000 (1,580,579)

Note: Figures in brackets represents corresponding amount of previous year.

39 Leases

The Company has taken various facilities under operating leases. These lease agreements are normally received as expiry. The leasing arrangements, which in some instances are cancellable and non cancellable in others is 36 months and are usually renewable by mutual consent and / or mutually agreeable terms. Under these arrangements refundable interest-free deposits have been placed.

The lease rentals charged to Statement of Profit and Loss are included under the head "Rent" disclosed in Note 27.

Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follows:

	March 31, 2020	March 31, 2019
Payable within one year	33,281,035	11,590,040
Payable between one and five years	68,398,704	-
Payable after five years	-	-

- 40 The Company has not made remittance against Imports within six months from the date of shipment/date of expenditure and also the amount receivable by the Company from foreign Companies is due for more than 6 months which is violation under FEMA regulations. The management has represented that the Company will make an application to the appropriate authorities, where applicable, in due course for condoning of non-compliances and breaches relating to the Company.

41 Information on subsidiary

Name of Company	Status	Country of Incorporation	Proportion of Ownership	Proportion of Voting Power, if different from proportion of ownership
1 ESDS Internet Services Private Limited	Subsidiary	India	50.00%	NA
2 ESDS Cloud FZ LLC	Subsidiary	Dubai	100.00%	NA
3 ESDS Software Solutions Inc	Subsidiary	USA	100.00%	NA



42. Additional information as required by paragraph 2 of the general instruction for preparation of consolidated financial statements to Schedule III of the Companies Act, 2013.

No.	Name of the entity	Net assets i.e. total assets minus total		Share in profit or loss	
		As % of consolidated net asset	Amount (Rs.)	As % of consolidated Profit & Loss	Amount (Rs.)
1	Holding Company ESDS Software Solution Private Limited	97.89%	1,539,487,249	190.39%	115,086,420
2	Subsidiary Company ESDS Internet Services Private Limited	1.74%	27,407,077	5.91%	2,406,382
	ESDS Global Cloud FZ LLC	0.22%	3,471,277	(80.91%)	(48,910,682)
	ESDS Software Solutions Inc	0.15%	2,310,878	(17.44%)	(10,539,566)
3	Minority Interest in Subsidiary Company	0.00%	-	2.05%	2,406,381

43. In the opinion of the Board, the current assets and loans and advances are approximately of the value stated, if realized in the ordinary course of business, except otherwise stated. The

44. Previous years figures are regrouped / rearranged wherever considered necessary to confirm to current year's presentation.

For Shah Khandelwal Jain & Associates  
Chartered Accountants  
Firm registration no.-142740W

*A C Khandelwal*

Ashish Khandelwal  
Partner  
Membership No.: 049278  
Place: Pune  
Date: 30/12/20



For and on behalf of the Board of Directors  
ESDS Software Solution Private Limited  
CIN : U72200MH2005PTC155433

*Piyush Somani*

Piyush Somani  
Chairman & MD  
DIN : 02357582  
Place: Nashik  
Date : 30/12/2020

*Sarala Somani*

Sarala Somani  
Director  
DIN: 02357805  
Place: Nashik  
Date : 30/12/2020

Sandeep Mehta  
CFO  
Place: Nashik  
Date : 30/12/2020