



SEPERATE **FINANCIAL** STATEMENTS

Financial Year **2023-24**

ESDS SOFTWARE SOLUTION LIMITED

CIN: U72200MH2005PLC155433



STATUTORY AUDITORS

Shah Khandelwal Jain & Associates
Chartered Accountants, Pune

www.esds.co.in

INDEPENDENT AUDITOR'S REPORT

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, 2024, 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 material 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 net profit and total comprehensive income and other financial information of the Company 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 for the year ended March 31, 2024. These matters were addressed in the context of our audit of the Separate Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our report.



Key Audit Matter - Revenue Recognition

The Company's contracts with customers include contracts with multiple products and services. The company derives revenues from IT enabled services comprising Cloud Computing Infrastructure as a service (IaaS), Software as a Service (SaaS) and related managed services. As certain contracts with customers involve management's judgment in:

- (1) Identifying distinct performance obligations,
- (2) Determining whether the Company is acting as a principal or an agent and
- (3) Whether fixed price maintenance revenue is recognized on a straight-line basis or using the percentage of completion method.

The Company has also assessed -

- (i) The possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts,
- (ii) Onerous obligations,
- (iii) Penalties relating to breaches of service level agreements and
- (iv) Termination or deferment of contracts by customers.

Revenue recognition from these judgments were identified as a key audit matter and required a higher extent of audit effort.

(Refer Note 2.7, 2.14, 2.15 in notes to the Separate Financial Statements for relevant accounting policy.)

How our audit addressed the matter:

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

- (i) Obtaining an understanding of the systems, processes and controls implemented by management for recording and computing revenue and associated unbilled revenue, unearned and deferred revenue balances and onerous contract obligations, if any.
- (ii) Evaluated the design and operating effectiveness of internal controls relating to the application of revenue accounting standard specifically, those relating to identification of the distinct performance obligations and determination of transaction price.
- (iii) In respect of a sample of large and complex contracts and certain other contracts, our procedures included, among other things:



- a. Identified significant terms of the contracts;
- b. Assessing appropriateness of management's significant judgements in accounting for identified contracts such as identification of performance obligation and allocation of consideration to identified performance obligation;
- c. Evaluation of the contract terms with respect to assessment of the date of transfer of control;
- d. Testing of timing of recognition of revenue (including procedures related to cut off) in line with the terms of contracts;
- e. Testing the appropriateness of key assumptions used by Management including the appropriateness and reasonability of Management's conclusion regarding the expected delays in estimated completion of the performance obligations and possible impact on key estimates. Obtained understanding of the terms and communications with the customers to assess the likelihood of availability of contractual remedies.

(iv) Reviewing the adequacy and presentation of revenue recognition disclosures in the financial statements, ensuring their compliance with the disclosure requirements of Ind AS 115.

Our audit procedures, combined with other procedures performed during the audit, provided us with sufficient evidence to form our opinion on the Company's revenue recognition practices and their compliance with Ind AS.

Information other than the Financial Statements and Auditors' Report thereon

The Board of Directors of the company is responsible for the preparation of 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.

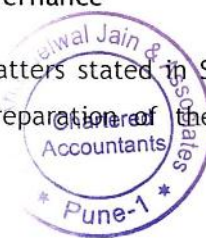
Our opinion on the Separate Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Separate Financial Statements, our responsibility is to read the other information and, in doing so, consider whether other information is materially inconsistent with the Separate Financial Statements or our knowledge obtained during the course of our 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.

Responsibilities of Management and those charged with governance

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 Ind AS and other accounting principles generally accepted in India. 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.

In preparing the separate financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations or has no realistic alternative but to do so.

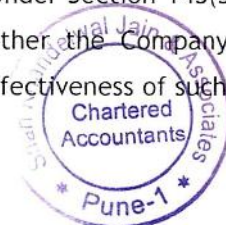
Those board of directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility

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

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

- (i) Identify and assess the risks of material misstatement of the Separate 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.
- (ii) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Separate Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the Separate Financial Statements, including the disclosures, and whether the Separate Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Separate Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Separate Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Separate Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Separate 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.



Report on Other Legal and Regulatory Requirements

1. 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, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the 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 1" to this report;

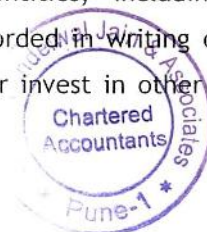
(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its IND AS financial statements (Refer note no. 31 of financial statement);

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.

iv. a) The management has represented that to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities



identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief , no funds (which are material either individually or in the aggregate) have been received by the company from any person or entities including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise , that the company shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries;

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year, therefore the provisions of the section 123 of the Act is not applicable.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

2. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government in terms of sub-section 11 of section 143 of the Act, we give in the ‘Annexure 2’, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

For Shah Khandelwal Jain & Associates

Chartered Accountants

ICAI Firm Registration No. 142740W

A C Khandelwal

Ashish Khandelwal
Partner

Membership No.049278

Place: Pune

Date: 06/09/2024

UDIN: 24049278BKCETF3511



Annexure 1 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 Solution Limited (“the Company”) as of March 31, 2024 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, 2024, 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, 2024.

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

AC Khandelwal

Ashish Khandelwal
Partner

Membership No. 049278

Place: Pune

Date: 06/09/2024

UDIN: 24049278BKCETF3511



ANNEXURE 2 TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2024 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, 2020 issued by the Central Government in terms of subsection 11 of section 143 of Companies Act, 2013 ("the Act")

- i. (a) (A) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment and right of use assets.

(B) The company has maintained proper records showing full particulars of intangible assets;
- (b) The Company has a regular programme of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified by the management at reasonable intervals. In accordance with this programme, certain property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not own any immovable property. Accordingly, Clause 3(i) (c) of the Order is not applicable to the Company.
- (d) (i) The Company has revalued its specified class of assets i.e. Land & Building of Property, Plant & Equipment (PPE) and right of use assets during the year ending 31st March 2024.
(ii) The revaluation of Land and Building was conducted as of 12/04/2024, in accordance with the requirements of Indian Accounting Standard (IND AS) 16, "Property, Plant, and Equipment."
(iii) The aggregate change in the net carrying value of the class of property, plant, and equipment (PPE) due to this revaluation is Rs 38.97 million (Rs. 19.03 million of Land and Rs. 19.94 million of Building), which represents a significant change of 23.88% compared to the previous carrying amount.
- (e) According to the information and explanations given to us, the Company has no ongoing proceedings or any pending proceedings under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)).



- ii. (a) The company is involved in the business of rendering services. Accordingly the requirements of Para 3(ii) (a) of the order is not applicable to the company.
- (b) The company has been sanctioned working capital limits in excess of Rs 5 crores in aggregate from bank during the year based on the security of current assets of the company. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks or financial institutions and such statements are in agreement with the books of account of the Company for the respective periods, which were subject to audit. In our opinion, the quarterly returns or statements filed by the Company with such banks are generally in agreement with the books of accounts of the Company.
- iii. (a) (A) According to the records of the Company, during the year the Company has granted a loan to the subsidiary. Details of which has been provided in following table:

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/provided during the year.				
- Subsidiaries	-	-	-	-
- Joint Ventures				
- Associates				
- Others				
Balances outstanding as at balance sheet date in respect of above cases				
- Subsidiaries			2.89 Million	
- Joint Ventures				
- Associates				
- Others			0.20 Million	

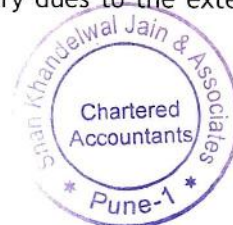
- (B) According to the records of the company, the company has not made any investment in or provided any guarantee or security or granted any loans or advances in the nature of loans secured or unsecured to other than subsidiaries, joint ventures or associates.



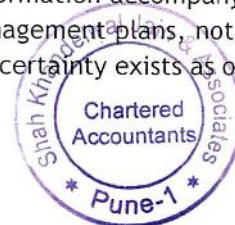
- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
- (c) As per the records provided by the company, there is no stipulation of schedule of repayment of principal or payment of interest. Hence, we are unable to comment on, whether the repayments or receipts are regular.
- (d) As per the records provided by the company, there is no stipulation of schedule of repayment of principal or payment of interest. Hence, we are unable to comment on the fact that whether any amount is overdue for more than ninety days.
- (e) In our opinion and according to information and explanation given to us, no amount of loans and advances which had fallen due during the year, has been renewed or extended or fresh loan granted to settle existing loans given to the same parties.
- (f) The aggregate amount of loans and advances granted in the nature of loans and advances to promoters or related parties which are either repayable on demand or without specifying any terms or period of repayment is as follows-

	All Parties	Promoters	Related Parties
Aggregate amount of loans/advances in the nature of loans			
- Repayable on demand (A)			
- Agreement does not specify any terms or period of repayment (B)	2.89 Million	-	2.89 Million
Total (A+B)	2.89 Million	-	2.89 Million
Percentage of loans/ advances in nature loans to the total loans			100%

- 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 per the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder as on 31st March, 2024 and the Company has not accepted any deposits during the year.
- vi. In our opinion and according to the information and explanation given to us, the requirement of sub-section 1 of section 148 of The Companies Act is not applicable to the company and accordingly para 3(vi) of the order is not applicable.
- vii. (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, Provident fund, Employees' state insurance, Income Tax, and any other material statutory dues to the extent applicable with appropriate authorities.



- x. (a) Based upon the audit procedures performed and the information and explanations given by the management, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, Para 3(x) (a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices and standards 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.
- (b) No report under sub section (12) of section 143 of the Companies Act has been filed by us in Form ADT 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report;
- (c) The Company has not received any whistle blower complaints during the year.
- xii. The Company is not a Nidhi Company. Accordingly, para 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us, transactions with the related parties are in compliance with provisions of section 177 and 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. (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company, for the period under audit.
- 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 its directors or persons connected to its directors. Hence provisions of Section 192 of the Companies Act 2013, are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence the provisions of clause 3 (xvi) (a to d) of the Order are not applicable to the Company.
- xvii. According to the records of the Company, the Company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the Statutory Auditors during the year and accordingly, the provisions of clause 3 (xviii) of the Order are not applicable to the Company.
- xix. On the basis of the financial ratios read with Note 43, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the



audit report that the Company is not capable of meeting its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the date of balance sheet date, will get discharged by the Company as and when they fall due.

- xx. According to the records of the Company, the company has no unspent amount in respect of Corporate Social Responsibility as specified under section 135 of the Act. Hence we are not commenting on para 3(xx) (a) and (b) of the order.

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

A CKhandelwal

Ashish Khandelwal
Partner
Membership No.: 049278
Place: Pune
Date: 06/09/2024
UDIN: 24049278BKCETF3511



ESDS Software Solution Limited
 Separate Financial Statements
 Balance Sheet as at March 31, 2024
 (All amounts are in Rupees millions, unless otherwise stated)

Particulars	Notes	March 31, 2024	March 31, 2023
ASSETS			
I. Non-current assets			
Property, plant and equipment	3	2,180.36	1,967.26
Right-of-use-of-assets	4	994.73	830.41
Intangible assets	6	33.29	64.14
Financial Assets			
Investments	7	0.56	0.56
Non-current financial assets	8 a	97.19	270.42
Deferred tax Assets (net)	23	-	8.88
Other non-current assets	9	24.91	-
Total non-current assets		3,330.86	3,141.67
II. Current assets			
Current financial assets			
Trade receivables			
Billed	10a	685.45	565.17
Unbilled	10b	504.53	310.12
Cash and cash equivalents	11	12.74	157.72
Other bank balances	12	-	30.00
Other current financial assets	8 b	576.55	754.62
Income-tax assets	13	140.39	230.55
Other current assets	14	178.85	182.62
Total current assets		2,098.51	1,810.79
Total assets		5,429.38	4,952.45
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	92.89	92.89
Other equity			
Reserves and surplus	16	2,343.27	2,184.33
Other reserves	16	116.95	73.93
Total equity		2,553.12	2,351.15
LIABILITIES			
I. Non-current liabilities			
Non-current financial liabilities			
Non-current borrowings	17 a	847.73	929.80
Lease liabilities	4	933.12	558.70
Employee benefit obligations	19	170.19	91.05
Deferred tax Liability (net)	23	65.36	-
Total non-current liabilities		1,966.39	1,579.55
II. Current liabilities			
Current financial liabilities			
Current borrowings			
Lease liabilities	4	164.49	145.20
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	20	5.72	59.78
Total outstanding dues of creditors other than micro enterprises and small enterprises	20	221.23	203.96
Other current financial liabilities	18	101.20	55.22
Employee benefit obligations	19	3.13	3.08
Other current liabilities	21	107.43	124.17
Total current liabilities		909.87	1,021.75
Total liabilities		2,876.27	2,601.30
Total equity and liabilities		5,429.38	4,952.45

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: 06/09/2024



For and on behalf of the Board of Directors
 ESDS Software Solution Limited
 CIN : U72200MH2005PLC155435

Piyush Somani
 Chairman and Managing Director
 DIN : 02357582
 Place: Nashik
 Date : 06/09/2024

Komal Somani
 Whole Time Director
 DIN: 084/7154
 Place: Nashik
 Date : 06/09/2024

Prasad Deokar
 Company secretary and compliance officer
 Place: Nashik
 Date : 06/09/2024

Nadukuru Sita Ramaliah
 Chief Financial officer
 Place: Nashik
 Date : 06/09/2024



ESDS Software Solution Limited
 Separate Financial Statements
 Statement of Profit and Loss for the year ended March 31, 2024
 (All amounts are in Rupees millions, unless otherwise stated)

Particulars	Notes	March 31,2024	March 31,2023
Revenue from operations	24	2,813.68	2,013.71
Other income	25	56.38	45.22
Total income		2,870.05	2,058.94
Expenses			
Employee benefit expense	26	841.21	739.86
Finance costs	27	271.48	225.18
Depreciation and amortisation expense	28	494.40	461.69
Other expenses	29	1,002.19	791.96
Total expenses		2,609.27	2,218.69
Profit before exceptional items		260.78	(159.76)
Exceptional Items			
Rates and Taxes	41	6.55	47.78
Penalty	42	4.18	-
Profit before tax		250.04	(207.54)
Income tax expense			
Current tax (MAT)	22	4.56	-
Less: MAT credit entitlement		-	-
Prior year taxes		4.35	-
Deferred tax	22	76.31	(57.21)
Total tax expense		85.22	(57.21)
Profit for the period [A]		164.83	(150.32)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation surplus on Land and Building		38.97	-
Changes in the fair value of equity instruments at FVOCI		-	-
Remeasurement of post-employment benefit obligations		(9.71)	(0.26)
Income tax relating to these items		2.70	0.07
		31.96	(0.19)
Total other comprehensive income for the period, net of tax [B]		31.96	(0.19)
Total comprehensive income for the period [A+B]		196.79	(150.51)
Earnings per share	30		
Basic (Face value of equity shares : 1 per share)		1.77	(1.62)
Diluted		1.77	(1.62)

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

For Shah Khandelwal Jain & Associates

ICAI Firm Registration Number: 142740W

Chartered Accountants

A C Khandelwal

Ashish Khandelwal
 Partner
 Membership No.: 049278
 Place : Pune
 Date : 06/09/2024



For and on behalf of the Board of Directors

ESDS Software Solution Limited

CIN : U72200MH2005PLC155433

P Somani

Piyush Somani
 Chairman and Managing Director
 DIN :02357582
 Place: Nashik
 Date : 06/09/2024

K P Somani

Komal Somani
 Whole Time Director
 DIN: 08477154
 Place: Nashik
 Date : 06/09/2024

Prasad Deokar

Prasad Deokar
 Company secretary and compliance officer
 M No:A34350
 Place : Nashik
 Date : 06/09/2024

N.S.H

Nadukuru Sita Ramaiah
 Chief Financial officer
 Place : Nashik
 Date : 06/09/2024



A. Equity share capital

Equity shares of Rs.1 each issued, subscribed and fully paid up

Particulars	Note	Total
As at March 31,2022		91.57
Change in equity share capital (refer note no 15)		1.32
As at March 31,2023	15	92.89
Change in equity share capital (refer note no 15)		-
As at March 31,2024		92.89

B. Other equity

Particulars	Equity component of compound financial instruments	Reserves and surplus				Other equity		Total other equity
		Securities premium account	Capital redemption reserve	Debenture Redemption Reserve	Retained earnings	Revaluation reserve	Share based payment reserve	
As at March 31,2022	-	1,414.48	3.58	30.00	596.04	64.16	5.45	2,113.71
Profit for the year	-	-	-	-	(150.32)	-	-	(150.32)
Other comprehensive Income	-	-	-	-	(0.19)	-	-	(0.19)
Adjustment of additional depreciation on increase in carrying value due to fair valuation transferred to retained earnings	-	-	-	-	1.12	(1.12)	-	-
Employee compensation expense for the period	-	-	-	-	-	-	5.44	5.44
Securities Premium on account issue of equity shares	-	289.63	-	-	-	-	-	289.63
Transferred to Retained Earnings	-	-	-	45.00	(45.00)	-	-	-
As at March 31,2023	-	1,704.10	3.58	75.00	401.65	63.04	10.89	2,258.26
Profit for the year	-	-	-	-	164.83	-	-	164.83
Other comprehensive Income	-	-	-	-	(7.01)	-	-	(7.01)
Revaluation of land and building	-	-	-	-	-	38.97	-	-
Adjustment of additional depreciation on increase in carrying value due to fair valuation transferred to retained earnings	-	-	-	-	1.12	(1.12)	-	-
Employee compensation expense for the period	-	-	-	-	-	-	5.18	5.18
Securities Premium on account issue of equity shares	-	-	-	-	-	-	-	-
Transferred to Retained Earnings	-	-	-	-	-	-	-	-
As at March 31,2024	-	1,704.10	3.58	75.00	560.59	100.89	16.07	2,460.23

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

Ackhandelwal

Ashish Khandelwal

Partner

Membership No.: 049278

Place : Pune

Date :



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

Piyush Somani
 Piyush Somani
 Chairman and
 Managing Director

Komal Somani
 Komal Somani
 Whole Time Director

DIN :02357582

Place: Nashik

Date : 06/09/2024

Prasad Deokar
 Prasad Deokar
 Company secretary
 and compliance
 officer

DIN: 08477154

Place: Nashik

Date : 06/09/2024

M.S.
 M No:A34350
 Place : Nashik

M No:A34350

Place : Nashik

Date : 06/09/2024

Nadukuru Sita Ramaiah
 Nadukuru Sita Ramaiah
 Chief Financial officer

Place : Nashik

Date : 06/09/2024



ESDS Software Solution Limited
Separate Financial Statements
Statement of Cashflows for the year ended March 31,2024
(All amounts are in Rupees millions, unless otherwise stated)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
A) Cash flows from operating activities		
Profit before tax	250.04	(207.54)
Adjustments for		
Depreciation and amortisation expense	494.40	461.69
(Gain)/loss on sale of property, plant and equipment	(0.09)	0.03
Expected credit loss allowance	55.29	43.65
Balances written off	32.23	-
Interest income classified as investing cash flow	(34.52)	(15.26)
Finance costs	271.48	225.18
Unrealised exchange (gain)/loss	0.87	1.53
Employee stock option expenses	5.18	5.44
Operating profit before working capital changes	1,074.86	514.72
Changes in working capital		
(Increase) / decrease in trade receivables	(103.08)	54.41
(Increase)/ decrease in current and non current financial assets	35.31	18.33
(Increase) / decrease in other current and non current assets	2.55	57.01
Increase / (decrease) in trade payables	(36.79)	(2.33)
(Increase)/ decrease in other financial liabilities	59.81	(55.96)
Increase / (decrease) in employee benefit obligations	19.48	6.82
Increase/ (decrease) in other current and non current liabilities	(16.75)	28.41
Cash generated from operations	735.41	621.42
Income taxes paid (net of refunds received)	58.06	(76.26)
Net cash inflow/ (outflow) from operating activities	793.46	545.16
B) Cash flows from investing activities		
Payments for property, plant and equipment and intangible assets	(230.45)	(352.97)
Proceeds from sale of property, plant and equipment and intangible assets	0.30	-
Bank balances not considered as cash and cash equivalents	(74.02)	(193.88)
Interest / Income on investment received	34.52	15.26
Net cash flows from investing activities	(269.65)	(531.58)
C) Cash flows from financing activities		
Proceeds/(Repayment) from issue of Non-convertible debentures	-	459.00
Increase/(Decrease) in non-current borrowings	(82.07)	(176.33)
Increase/(Decrease) in current borrowings	(123.66)	(18.97)
Principal elements of lease payments	(277.71)	(281.48)
Interest paid	(185.35)	(160.35)
Proceeds from issue of equity share capital (including securities premium and net of refund of share application money)	-	(9.05)
Net cash inflows/ (outflow) from financing activities	(668.79)	(196.18)
Net increase / (decrease) in cash and cash equivalents	(144.98)	(182.60)
Cash and cash equivalents at the beginning of the year	157.72	340.32
Cash and cash equivalents at the end of the year	12.74	157.72

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

	March 31,2024	March 31,2023
Cash and cash equivalents (Note 11)	12.74	157.72
Balances as per statement of cash flows	12.74	157.72

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 : 06/09/2024



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

CIN : 272200MH2005PLC155433

Piyush Somani
Chairman and Managing Director
DIN : 02357582
Place: Nashik
Date : 06/09/2024

Komal Somani
Whole Time Director
DIN: 08477154
Place: Nashik
Date : 06/09/2024

Prasad Deokar

Company secretary and compliance officer
DIN : 2357580
Place : Nashik
Date : 06/09/2024

Nadukuru Sita Ramaiah
Chief Financial officer
Place : Nashik
Date : 06/09/2024



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 (Infrastructure as a service, software as a service and managed 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 four cities Nashik, Mumbai, Bengaluru and Mohali.

2. Summary of material accounting policies

This note provides a list of the material 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 (the 'Company').

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) 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 (CODM). 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 period are all as reflected in the Financial Statements as at and for the year ended March 31, 2023.

(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.

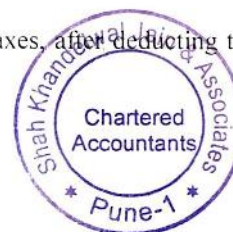
2.2 Property, plant and equipment

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

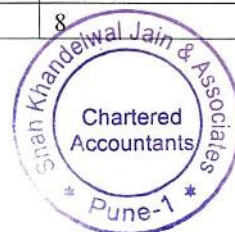
All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign 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 equipment	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 asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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)

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 lease 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.

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 initially recognised 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 are recognised when there is excess of revenue earned over billings on contracts. Unbilled revenue are classified as financial asset, when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.



Invoicing to the clients for other fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore, unbilled revenues for other fixed price contracts are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.

2.8 Contract Fulfilment Cost

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is charged to profit and loss, whenever the performance obligation in relation to this asset is satisfied.

2.9 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

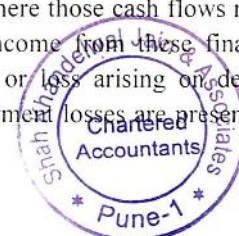
At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at 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 de-recognition 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. Refer Note 35 for details stating 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.

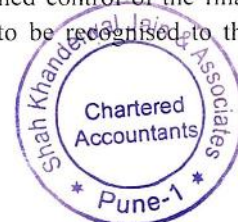
De-recognition of financial assets

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.



2.10 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 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.

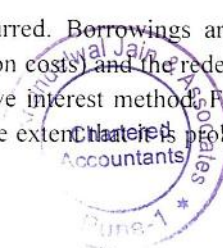
Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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.

2.11 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 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.

2.12 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, if any. 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.

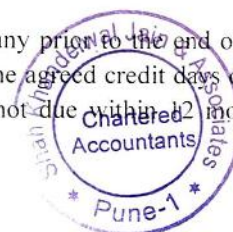
Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

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.

2.13 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial period 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 Company has following streams of revenue:

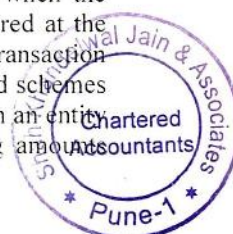
- (i) Revenue from sale of services
- (ii) Revenue from sale of products

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 towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. the 'transaction price' as the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount



collected on behalf of third parties. 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 customer till 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 (Especially 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 a 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.

2.16 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 Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

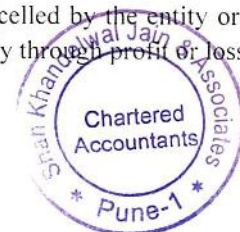
The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in Note 36.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.



The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.19 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 period and excluding treasury shares (Refer note : 30).

(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.



3 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, 2022	65.67	53.19	110.64	2,014.63	435.42	69.18	32.46	2,781.19
Additions during the year	-	-	-	224.15	3.19	0.98	2.27	230.59
Disposals during the year	-	-	-	-	-	-	(0.74)	(0.74)
Impairment of assets**	-	-	-	(20.05)	(18.15)	-	-	(38.21)
Gross carrying amount as on March 31, 2023	65.67	53.19	110.64	2,218.73	420.46	70.15	33.99	2,972.83
Accumulated depreciation till April 1, 2022	1.84	2.79	5.52	551.56	143.88	19.40	12.87	737.86
Charge for the year	0.73	0.93	2.14	191.53	61.36	7.21	4.15	268.07
Accumulated depreciation on disposals during the year	-	-	-	-	-	-	(0.35)	(0.35)
Closing accumulated depreciation as at March 31, 2023	2.57	3.72	7.66	743.09	205.24	26.61	16.67	1,005.57
Net carrying amount as on March 31, 2023	63.10	49.46	102.98	1,475.63	215.22	43.54	17.32	1,967.26

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, 2023	65.67	53.19	110.64	2,218.73	420.46	70.15	33.99	2,972.83
Additions during the year	-	-	-	196.81	4.79	3.05	11.97	216.62
Reclassified from ROU	-	-	-	287.06	-	-	-	287.06
Revaluation of assets	20.04	-	21.88	-	-	-	-	41.91
Disposals during the year	-	-	-	-	-	-	(0.74)	(0.74)
Gross carrying amount as on March 31, 2024	85.70	53.19	132.52	2,702.60	425.25	73.21	45.23	3,517.69
Accumulated depreciation till April 1, 2023	2.57	3.72	7.66	743.09	205.24	26.61	16.67	1,005.57
Charge for the year	0.73	0.93	2.14	256.64	57.04	7.35	4.51	329.34
Revaluation of assets	1.01	-	1.94	-	-	-	-	2.94
Accumulated depreciation on disposals during the year	-	-	-	-	-	-	(0.53)	(0.53)
Closing accumulated depreciation as at March 31, 2024	4.30	4.65	11.74	999.73	262.29	33.96	20.65	1,337.33
Net carrying amount as on March 31, 2024	81.40	48.53	120.78	1,702.87	162.96	39.24	24.58	2,180.36

Additional Disclosures:

- The Company has elected to apply the revaluation model to its specified class of assets i.e. Land and Building of Property, Plant, and Equipment (PPE) as permitted by Ind AS 16 - Property, Plant and Equipment. Under this model, certain classes of PPE are carried at revalued amounts, reflecting fair values determined by market-based evidence at the date of revaluation.
- The revaluation of Land and Building was conducted as of 12/04/2024, in accordance with the requirements of Indian Accounting Standard (IND AS) 16, "Property, Plant, and Equipment.
- The revaluation was conducted by "Sunil Bhor and Associates" Govt. Registered Valuer, a reputable and independent valuation firm, appointed based on their expertise and in compliance with the guidelines outlined in IND AS 16.
- In the absence of revaluation, the carrying amount of Land and Building would be Rs. 62.37 million and Rs. 100.84 million recognized at historical cost less accumulated depreciation and impairment losses.
- The revaluation surplus resulting from the revaluation of PPE has been recognized in Other Comprehensive Income. For the current period, revaluation surplus amounts to Rs. 38.96 million, reflecting the difference between the fair value and the carrying amount of the revalued assets



4 Right to use Asset

Following are the changes in the carrying value of right of use assets for the year ended March 31,2024

Particulars	Premises	Equipments	Amount
Balance as on March 2022	476.78	373.66	850.45
Addition	92.88	-	92.88
Modification/Rectification	6.37	4.50	10.87
Amortisation**	(70.84)	(52.95)	(123.79)
Balance as on March 2023	505.19	325.21	830.41
Addition	348.40	237.10	585.50
ROU transferred to PPE on buyout option*	-	(287.06)	(287.06)
Amortisation**	(72.50)	(61.61)	(134.12)
Balance as on March 31,2024	781.08	213.64	994.73

* During the year the company exercised its purchase option on a Right-of-Use (ROU) asset as per the terms outlined in the relevant lease agreements. This exercise of the purchase option resulted in a reclassification of the ROU asset to Property, Plant, and Equipment, in accordance with Indian accounting standards 16 & 116. The carrying amount of the ROU asset transferred to Property, Plant, and Equipment as on the date of exercise of purchase option in the relevant lease agreements is Rs. 287.06 million.

**The aggregate amortisation expense on ROU assets is included under depreciation and amortization expense in the statement.

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

Lease liabilities

Particulars	March 31,2024	March 31,2023
Non-current	933.12	558.70
Current	164.49	145.20
Total	1,097.61	703.90

The following is the movement in lease liabilities during the year ended March 31, 2024

Particulars	March 31,2024	March 31,2023
Balance as at beginning of the reporting period	703.90	813.31
Additions during the year	585.28	92.88
Modification/Rectification	-	10.89
Finance cost accrued during the period	86.13	68.31
Payment of lease liabilities	(277.71)	(281.48)
Balance as at end of the reporting period	1,097.61	703.90

Payment of lease liabilities

Particulars	Premises	Equipments	Total
For the period ended March 31,2024	141.27	136.43	277.71
For the period ended March 31,2023	101.09	180.39	281.48

The lessee's range of weighted average incremental borrowing rate applied to the lease liabilities was 9.50%.

The leases mainly comprises of DC premises,office premises, equipments and servers

Details Regarding contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis are as follows :

Particulars	March 31,2024	March 31,2023
Less than One year	260.59	201.77
One to Five years	1,022.98	461.53
More than Five years	167.04	299.03
Total	1,450.60	952.33



5 Capital Work in Progress

Particulars	Capital work-in-progress
Opening gross carrying amount as on April 1, 2022	0.70
Additions	-
Disposals	0.70
Gross carrying amount as on March 31, 2023	-

Particulars	Capital work-in-progress
Opening gross carrying amount as on April 1, 2023	-
Additions	-
Disposals	-
Gross carrying amount as on March 31,2024	-

Notes:

Refer to note 31 for disclosure of contractual commitments for the acquisition of property, plant and equipment and refer note 42 for ageing schedule



ESDS Software Solution Limited

Notes Forming Part of Separate Financial Statements for the year ended March 31,2024

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

6 Intangible assets

Particulars	Softwares
Opening gross carrying amount as on April 1, 2022	121.00
Additions during the year	6.45
Add: Transfer from Intangible assets under development	-
Disposals during the year	-
Gross carrying amount as on March 31, 2023	127.46
Accumulated Amortisation	
Balance as at April 1, 2022	31.69
Amortisation charge for the year	31.63
Accumulated amortisation on disposals during the year	-
Closing accumulated depreciation as at March 31, 2023	63.32
Net carrying value as on March 31, 2023	64.14
Opening gross carrying amount as on April 1, 2023	127.46
Additions during the year	-
Add: Transfer from Intangible assets under development	-
Disposals during the year	-
Gross carrying amount as on March 31, 2024	127.46
Accumulated Amortisation	
Balance as at April 1, 2023	63.32
Amortisation charge for the year	30.94
Accumulated amortisation on disposals during the year	-
Closing accumulated depreciation as at March 31, 2024	94.26
Net carrying value as on March 31, 2024	33.20



7 Investments

Particulars	As at March 31,2024	As at March 31,2023
Unquoted investment in body corporate at amortised cost		
Investments in subsidiaries (refer note no 32)		
ESDS Internet Services Private Limited*		
9,000 (31 March, 2023 : 9,000) equity shares of Rs. 10 each	0.09	0.09
Investment In Equity Shares of ESDS Global Software Solution Inc 1,000(31 March, 2023: 1000) equity shares of \$1 each	0.07	0.07
Investment In Equity Shares of ESDS Cloud FZ LLC 10 (31st March 2023:10) equity shares of AED 1000 each	0.20	0.20
Investment In Equity Shares of Spochub Solutions Private Limited - 19,980 (31 March,2023:19,980) equity shares of Rs 10 each	0.20	0.20
Total investments	0.56	0.56

*On August 29, 2024, the company fully sold its investment in ESDS Internet Services Private Limited at the face value of the shares. As a result, ESDS Internet Services Private Limited ceased to be a subsidiary of the company on that date.

Particulars	As at March 31,2024	As at March 31,2023
8.a Non current financial assets		
* Term deposits with maturity of more than 12 months from reporting date	56.22	207.92
Other receivables (TDS reimbursements)	5.75	1.94
Security deposits	35.22	60.55
Total non-current financial assets	97.19	270.42
8.b Other current financial assets		
Security deposit	41.40	23.44
# Loan to subsidiaries [refer note no :32]	2.89	34.64
Other loans and advances	0.20	0.20
** Other receivables	25.62	25.62
* Term deposits with maturity of less than 12 months from reporting date	499.51	249.91
Accrued interest on above term deposits	6.93	0.81
Total other current financial assets	576.55	334.62

* Term deposits amounting to Rs. 56.22 millions (Rs. 207.92 millions as on 31st March, 2023) in Non current financial assets out of which Rs. 49.79 millions (Rs. 202.45 millions as on 31st March, 2023) and Rs. 499.51 millions (Rs. 249.91 million as on 31st March, 2023) in Other current financial assets out of which Rs. 472.86 millions (Rs. 237.56 million as on 31st March, 2023) have been liened against Bank guarantee and loans taken from bank.

This lien serves as a collateral to secure the repayment of borrowed funds. The liened term deposits classified as a restricted assets, reflecting their encumbrance and limited availability for other purposes.

During the year, a portion of the loan provided to one of our subsidiary was written off amounting to Rs. 31.75 millions due to impairment, resulting in an expense recognized in the financial statements.

** The Company has incurred share issue expenses of INR 74.39 million as at Decemeber 03, 2022 (DRHP Expiry date) in connection with proposed public offer of equity shares. In relation to the expenses incurred for the proposed Initial Public Offer (offer for sale from existing shareholders) of equity shares of the Company during the period, the selling shareholders had agreed that the expenses incurred by the Company till date (including any tax reimbursements) will be reimbursed by each of them on a proportionate basis (i.e. in proportion to the respective selling shareholding pattern) amounting to Rs.25.62 millions, which have been kept in Other receivables in financial statements. These expenses had been approved by the shareholders in accordance with the agreements for services entered into by the Company for the purpose of proposed IPO. In the event that the offer is postponed or withdrawn or abandoned for any reason or in the event the Offer is not successfully completed, all the expenses in relation to the Offer shall be borne by company and selling shareholders in accordance to the proportionate basis as above. The proposed public offer of equity shares is not successfully completed and hence the company share of expenses have been written off to the profit and loss account and receivable from selling shareholders have been kept in Other receivables.



13 Income - tax assets

Particulars	As at March 31,2024	As at March 31,2023
Advance tax and tax deducted at source (net of provision)	140.39	230.55
Total income - tax assets	140.39	230.55

Movement in income-tax assets

Particulars	As at March 31,2024	As at March 31,2023
Opening balance	230.55	154.29
Tax charge during the year	(4.56)	-
Tax charge in respect to earlier years	(4.35)	-
Demand adjustment against refund	(23.60)	-
Refund of taxes	(223.96)	(62.89)
Payment of advance tax/ tax deducted at source during the year	166.30	139.15
Closing balance	140.39	230.55

14 Other current assets

Particulars	As at March 31,2024	As at March 31,2023
Prepayments	118.20	134.10
Advances to creditors	8.81	4.82
Advances to employees	1.20	1.11
Balances with statutory / government authorities	50.64	9.36
Prepaid Contract fulfillment costs	-	33.23
Total other current assets	178.85	182.62



15 Equity share capital

Particulars	As at March 31,2024	As at March 31,2023
Authorised share capital:		
11,50,00,000 (2023 : 11,50,00,000) equity shares of Rs 1 each	115.00	115.00
31,50,000 (2023: 31,50,000) 0.01% compulsory convertible preference shares of Rs 100 each	315.00	315.00
2,00,000 (2023:2,00,000) 16% compulsory convertible preference shares of Rs 100 each	20.00	20.00
10,00,000 (2023: 10,00,000) 0.01% compulsory convertible preference shares of Rs 10 each	10.00	10.00
Total	460.00	460.00
Issued, subscribed and paid up :		
Equity share capital		
9,28,94,185 (2023: 9,28,94,185)equity shares of Rs 1 each fully paid up	92.89	92.89
Total	92.89	92.89

(i) Reconciliation of number of equity shares issued

Particulars	As at March 31,2024	As at March 31,2023
Shares outstanding at the beginning of the year	9,28,94,185	9,15,71,685
Add: Fresh issue*	-	13,22,500
Shares outstanding at the end of the year	9,28,94,185	9,28,94,185

*Company have opened a Pre-IPO placement for its equity shares of 26,81,818 out of which shares application money for 13,63,637 shares have been received as at 31st March 2022 having face value of Rs.1 and premium of Rs.219. However on 06th May 2022 company have decided to withdraw the pre-ipo placement and refund the money to the subscribers. On 12th May 2022 company have opened a new pre-Ipo placement offer and completed the offer by issuing 13,22,500 shares to the shareholders having face value of Rs 1 and premium of Rs 219.

(ii) Reconciliation of issued equity share capital

Particulars	As at March 31,2024	As at March 31,2023
Equity share capital at the beginning of the year	92.89	91.57
Add: Fresh issue	-	1.32
Equity share capital outstanding at the end of the year	92.89	92.89

(iii) Terms/ rights attached to equity shares

The equity shares referred to as 'Ordinary equity shares' have a par value of Rs. 1 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 31,2024		As at March 31, 2023	
	% holding	No. of shares	% holding	No. of shares
Piyush Somani	28.91%	2,68,52,696	28.91%	2,68,52,696
PO Somani Family Trust	24.19%	2,24,67,478	24.19%	2,24,67,478
Sarla Somani	2.02%	18,74,910	2.02%	18,74,910
SAGF II Holdings LLC	10.23%	95,06,036	10.23%	95,06,036
South Asia Growth Fund II, L.P. (SAGF)	22.30%	2,07,14,896	22.30%	2,07,14,896
GEF ESDS Partners, L.L.C. (GEPL)	8.16%	75,84,133	8.16%	75,84,133
EsdS Employee Benfit Trust	2.56%	23,82,094	2.56%	23,82,094
Total no of shares		9,13,82,243		9,13,82,243

(v) Details of shareholding of promoters is set out below

Promoter Name	Shares held by promoters at the end of the year		% change during the year
	No. of shares	% of total shares	
Piyush Somani	2,68,52,696	28.91%	0.00%

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



16 Other equity

Particulars	As at March 31,2024	As at March 31,2023
I. Reserves and surplus		
Retained earnings	560.58	401.64
Securities premium	1,704.10	1,704.10
Capital redemption reserve	3.58	3.58
Debenture redemption reserve	75.00	75.00
Total reserves and surplus	2,343.27	2,184.33
(i) Retained earnings		
Opening balance	401.64	596.03
Profit for the year	164.83	(150.32)
Other comprehensive income	(7.01)	(0.19)
Add/ (Less) :		
Transfer to /(from) Debenture redemption reserve	-	(45.00)
Adjustment of additional depreciation on increase in carrying value due to fair valuation transferred from revaluation reserve	1.12	1.12
Total retained earnings	560.58	401.64
(ii) Securities premium		
Opening balance	1,704.10	1,414.48
Add: Premium on issue of equity shares	-	289.63
Total securities premium	1,704.10	1,704.10
(iii) Capital redemption reserve		
Opening balance	3.58	3.58
Add: Transfer from retained earnings	-	-
Total capital redemption reserve	3.58	3.58
(iv) Debenture redemption reserve		
Opening balance	75.00	30.00
Add: Transfer (from)/to retained earnings	-	45.00
Total Debenture redemption reserve	75.00	75.00
III. Other reserves		
(i) Revaluation reserve		
Opening balance	63.04	64.16
Add: revaluation of land and building	38.97	
Less: adjustment of additional depreciation on increase in carrying value due to fair valuation transferred to retained earnings	(1.12)	(1.12)
Total revaluation reserve	100.89	63.04
(ii) Share based payment reserve		
Opening balance	10.89	5.45
Expense recognized for the year	5.18	5.44
Total share based payment reserve	16.07	10.89
Total other reserves	116.95	73.93
Total equity	2,460.22	2,258.26

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) Debenture Redemption Reserve

Debenture redemption reserve have been created at 10% of the value of the outstanding non-convertible debentures. Company needs to invest/deposit into Debenture Redemption Fund Investment account at 15% of the amount to be redeemed if any in next financial year.

d) Revaluation Reserve

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

e) Share based payment reserve

The share options-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option



17 Financial Liabilities
17.a Non current borrowings

Particulars	As at March 31,2024	As at March 31,2023
Secured Non-Convertible Debentures		
750 Non Convertible Debentures (FV=10,00,000 each)**	750.00	750.00
Add:Accrued amount	56.61	17.88
Secured:		
Term Loans		
From banks	192.00	307.57
From financial institutions	17.16	70.55
Vehicle loans from banks	16.67	9.32
Total	1,032.44	1,155.33
Less : Current maturities of non-current borrowings	(301.06)	(225.53)
Total non - current borrowings	731.38	929.80

**Company have issued 750 Unlisted,secured,reedmable, Non Convertible Debentures (NCDs) having face value of 10,00,000 each to Piramal Structred Credit Opportunites Fund in October 2022 till the final redemption date i.e the date which is 84 months from the effective date or the date on which all the Debenture secured obligation are fully paid. Coupon shall be 10% per annum compounded and payable monthly on and from the closing date untill the debenture final settlement date.The company have agreed to meet the investor return which shall be equivalent to 15.5% p.a for the first two years and 15% thereafter untill the debenture final settlement date. (refer footnote 17 for security details)
Accrued amount shall mean the difference between Investor return and coupon paid for initial period of 24 months from the closing date.

17.b Current borrowings

Particulars	As at March 31,2024	As at March 31,2023
Secured:		
Demand loans from banks	121.95	204.81
Current maturities of long term borrowings	301.06	225.53
Total current borrowings	423.02	430.33

18 Other current financial liabilities

Particulars	As at March 31,2024	As at March 31,2023
Current		
Capital creditors**	14.63	28.46
Interest accrued but not due on borrowings	0.22	0.60
Accrued employce liabilities		
Related parties [refer note:32]	-	-
Others	74.63	14.60
Other payables	11.71	11.56
Total current other financial liabilities	101.20	55.22

** 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.



19 Employee benefit obligations

Particulars	As at March 31,2024	As at March 31,2023
Non-current		
Gratuity [refer note:34]	75.39	51.61
Compensated absences	44.80	39.45
Total non -current obligations	120.19	91.05
Current		
Gratuity [refer note:34]	1.64	1.59
Compensated absences	1.49	1.49
Total current obligations	3.13	3.08

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 non-funded plan and the Company makes gratuity payments to employees.

20 Trade payables

Particulars	As at March 31,2024	As at March 31,2023
Trade payables		
-Total outstanding dues to Micro, small and Medium enterprises (refer note 38)	5.72	59.78
-Others**	196.01	178.82
Provision for expenses	25.22	25.14
Total trade payables	226.95	263.75

*Refer note no 42 for ageing schedule

** Out of Rs.196.01 millions, Rs. 40.68 millions are disputed.

Disclosure pursuant to Micro, Small & Medium Enterprises Development Act, 2006 for dues to micro, small & medium enterprises is as under

Sr.No.	Details of dues to micro and small enterprises as defined under the MSMED Act, 2006	March 31,2024	March 31,2023
1	Principal amount due to suppliers registered per the MSMED Act and remaining unpaid as at year end	5.72	59.78
2	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.05	2.56
3	Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
4	Amount of interest due and payable for the period of delay in making payments but without adding interest specified under MSMED Act, 2006	-	-
5	The amount of interest accrued and remaining unpaid at the end of year	0.05	2.56
6	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	-	-

21 Other current liabilities

Particulars	As at March 31,2024	As at March 31,2023
Statutory liabilities	61.86	21.10
Advance from customers	4.28	6.12
Unearned revenue	41.24	96.91
Unpaid dividend on Preferences Shares	0.04	0.04
Total other current liabilities	107.43	124.17



Footnotes to note 17.

As at March 31, 2024

Sr. No	Name of the bank	Type of Facility	O's amount as period ended	Residual repayment term	Interest Rate	Security
1	Axis Bank Ltd.	Term Loans	158.25	upto 3 years	Ranging from 8.75% to 8.80%	Primary - First pari passu charge on entire current Asset of the company both present and future excluded charged to SIDBI Collateral - 1. First pari passu charge with Industrial on land and building of the company, situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra - 422007 2. First pari passu charged with Industrial INR 113.00 Mn 3. Exclusive charge on FD of Rs. 10Mn Common Collateral (for all the facilities) - Pari Passu charge with Industrial on - Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra - 422007 4. Personal Guarantee of the Piyush Somani & Sarla Somani
2	Axis Bank Ltd.	Open Cash Credit	-	On demand	8.75%	Primary - First pari passu charge on entire current Asset of the company both present and future excluded charged to SIDBI Collateral - 1. First pari passu charge with Industrial on land and building of the company, situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra - 422007 2. First pari passu charged with Industrial INR 113.00 Mn 3. Exclusive charge on FD of Rs. 10Mn Common Collateral (for all the facilities) - Pari Passu charge with Industrial on - Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra - 422007 4. Personal Guarantee of the Piyush Somani & Sarla Somani
3	Axis Bank Ltd.	Overdraft against fixed deposit	50.31	On demand	7.50%	Primary - First and exclusive charge on the fixed deposit. Lien on Fixed Deposits of Rs 50 millions
4	State Bank of India	Overdraft against fixed deposit	66.03	On demand	7.70%	Primary - First and exclusive charge on the fixed deposit. Lien on Fixed Deposits of Rs 75 million
5	Clk Finance India Private Limited	Equipment Loan	-	-	12.50%	Primary - First and exclusive charge on the equipment financed by the lender. Lien on Fixed Deposits of Rs 2.97 million
6	SIDBI*	RLOC (Long Term Loans)	1.98	upto 8 months	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 favours of SIDBI on cash flows generated from orders to be routed through designated escrow account 1st charge in favours 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 favour 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/PP/ remaining unpaid POA in favour of SIDBI for creation of residual charge in favour 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	15.18	upto 8 months	Ranging from 10.25% to 12.55%	Primary: Plant and Machinery purchased out of Term Loan Lien on Fixed Deposits of Rs 7.81 million The Debenture Secured Obligations, in respect of the Debentures and the performance by the Issuer of its obligations in relation thereto, shall be secured by creation and perfection of the Security Interest in favour of the Debenture Trustee for the benefit of the Debenture Holders, in the following manner: 1. Second charge over all the immovable assets (present & future) of the Issuer 2. Second charge over all movable fixed assets (present & future) of the Issuer; 3. Second charge over all present and future movable assets of the Issuer (present and future); 4. Second charge over all current assets (present & future) of the Issuer; 5. Second charge on the cash flows of the Issuer, both present and future; and 6. Second charge over all the patented technology and patented products of the Issuer; and 7. Personal Guarantee of the Piyush Somani & Sarla Somani
8	Prinamal Structured Credit Opportunities Fund	Non-Convertible Debentures (including accrued amount for IRR thereof)	806.61	5 years 9 months	Coupon rate 10% p.a., IRR equivalent to 15.5% p.a for first 2 years and 15% there after	1. Second charge over all the immovable assets (present & future) of the Issuer 2. Second charge over all movable fixed assets (present & future) of the Issuer; 3. Second charge over all present and future movable assets of the Issuer (present and future); 4. Second charge over all current assets (present & future) of the Issuer; 5. Second charge on the cash flows of the Issuer, both present and future; and 6. Second charge over all the patented technology and patented products of the Issuer; and 7. Personal Guarantee of the Piyush Somani & Sarla Somani
9	Kotak Mahindra Prime Limited	Vehicle Loan	2.82	upto 2 months	9.19%	Primary: Vehicle Purchased out of Loan
10	KICICI Bank Limited	Vehicle Loan	1.03	8 months	8.25%	Primary: Vehicle Purchased out of Loan
11	Industrial Bank Limited	Term Loans	33.75	2 years 6 months	9.60%	Primary: 1. DSRA for Term Loan equivalent to 5.5 Mn 2. Movable Fixed Asset- Exclusive charge on entire movable fixed asset financed by Industrial bank 3. First pari-passu charge on entire movable fixed asset excluding those financed by Axis Bank 4. Current Assets- First hypothecation charge on entire current assets of the company both present and future on pari passu basis with Axis Bank excluding receivables charged to SIDBI Collateral: 1. Land & building First pari-passu charge on Industrial Land & Building at Plot No. B 24, 25, NICE Industrial Area, Satpur MIDC, 2. First pari passu charged with Industrial INR 113.00 Mn 3. Exclusive charge on FD of Rs. 25Mn 4. Exclusive charge on Key man Insurance of Mr. Piyush Somani to be obtained and assigned in favour of Industrial Bank 5. Personal Guarantee of the Piyush Somani & Sarla Somani



10	Industrial Bank Limited	Open Cash Credit	5.61	On demand	8.67%	Primary 1. DSRA for Term Loan equivalent to 5.5 Mn 2. Movable Fixed Asset- Exclusive charge on entire movable fixed asset financed by Industrial bank 3. First pari-passu charge on entire movable fixed asset excluding those financed by Axis Bank 4. Current Assets - First hypothecation charge on entire current assets of the company both present and future on pari passu basis with Axis Bank excluding receivables charged to SIDBI Collateral 1. Land & building First pari-passu charge on Industrial Land & Building at Plot No. 9/24, 25, NIGI Industrial Area, Sagar MIDC, 2. First pari passu charged with Industrial INR 113.00 Mn 3. Exclusive charge on FD of Rs. 25Mn 4. Exclusive charge on Key man Insurance of Mr. Piyush Somani to be obtained and assigned in favour of Industrial Bank. 5. Personal Guarantee of the Piyush Somani & Sarla Somani.
12	HDFC Bank Ltd.	Vehicle Loan	1.84	36 months	8.30%	Primary Vehicle Purchased out of Loan
13	ICICI Bank Limited	Vehicle Loan	10.97	Upto 60 months	9.10 to 9.15%	Primary Vehicle Purchased out of Loan
Total			1,154.40			



Sr. No	Name of the bank	Type of Facility	Os amount as at year End	Residual repayment term	Interest Rate	Security
1	Axis Bank Ltd.	Term Loans	258.82	upto 3 years 9 months	Ranging from 8.75% to 8.80%	Primary - First pari passu charge on entire current Asset of the company both present and future excluded charged to SIDBI Collateral 1. First pari passu charge with Indusind on land and building of the company, situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra - 422007 2. First pari passu charged with Indusind INR 113.00 Mn 3. Exclusive charge on FD of Rs. 10Mn Common Collateral (for all the facilities) - Pari Passu charge with Indusind on - Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra - 422007 4. Personal Guarantee of Mr. Piyush Somani & Sarla Somani
2	Axis Bank Ltd.	Open Cash Credit	157.36	On demand	8.75%	Primary - First pari passu charge on entire current Asset of the company both present and future excluded charged to SIDBI Collateral 1. First pari passu charge with Indusind on land and building of the company, situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra - 422007 2. First pari passu charged with Indusind INR 113.00 Mn 3. Exclusive charge on FD of Rs. 10Mn Common Collateral (for all the facilities) - Pari Passu charge with Indusind on - Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra - 422007 4. Personal Guarantee of Mr. Piyush Somani & Sarla Somani
3	Clix Finance India Private Limited	Equipment Loan	6.26	8 months	12.50%	Primary - First pari passu charge on the equipment financed by the lender. Lien on Fixed Deposits of Rs 2.97 million
4	SIDBI*	RLOC (Long Term Loans)	7.86	upto 1.5 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 favours of SIDBI on cash flows generated from orders to be routed through designated escrow account 1st charge in favours 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 favours 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/EIP/PP remaining unpaid. POA in favour of SIDBI for creation of residual charge in favour 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.
5	Tata Capital Financial Services	Equipment Loan	56.44	upto 1.5 years	Ranging from 10.25% to 12.00%	Primary: Plant and Machinery purchased out of Term Loan Lien on Fixed Deposits of Rs 7.01 million The Debenture Secured Obligations, in respect of the Debentures and the performance by the issuer of its obligations in relation thereto, shall be secured by creation and perfection of the Security Interest in favour of the Debenture Trustee for the benefit of the Debenture Holders, in the following manner: 1. Second charge over all the immovable assets (present & future) of the Issuer 2. Second charge over all movable fixed assets (present & future) of the Issuer; 3. Second charge over all present and future movable assets of the Issuer (present and future); 4. Second charge over all current assets (present & future) of the Issuer; 5. Second charge over the cash flows of the Issuer, both present and future; and 6. Second charge over all the patented technology and patented products of the Issuer; and 7. Personal Guarantee of the Piyush Somani & Sarla Somani
6	Primal Structured Credit Opportunities Fund	Non-Convertible Debentures (including accrued amount for IRR thereof)	767.88	6 years 3 months	Coupon rate 10% p.a., IRR equivalent to 13.5% p.a for first 2 years and 15% there after	1. Second charge over all the immovable assets (present & future) of the Issuer 2. Second charge over all movable fixed assets (present & future) of the Issuer; 3. Second charge over all present and future movable assets of the Issuer (present and future); 4. Second charge over all current assets (present & future) of the Issuer; 5. Second charge over the cash flows of the Issuer, both present and future; and 6. Second charge over all the patented technology and patented products of the Issuer; and 7. Personal Guarantee of the Piyush Somani & Sarla Somani
7	Kotak Mahindra Prime Limited	Vehicle Loan	4.35	upto 8 months	9.19%	Primary: Vehicle Purchased out of Loan
8	UICI Bank Limited	Vehicle Loan	2.69	17 months	8.25%	Primary: Vehicle Purchased out of Loan
9	Indusind Bank Limited	Term Loans	48.75	3 years 3 months	9.60%	Primary 1. DSRA for Term Loan equivalent to 5.5 Mn 2. Movable Fixed Asset- Exclusive charge on entire movable fixed asset financed by Indusind bank 3. First pari-passu charge on entire movable fixed asset excluding those financed by Axis Bank 4. Current Asset - First hypothecation charge on entire current assets of the company both present and future on pari passu basis with Axis Bank excluding receivables charged to SIDBI Collateral 1. Land & building First pari-passu charge on Industrial Land & Building at Plot No. B-24, 25, NICE Industrial Area, Satpur MIDC, 2. First pari passu charged with Indusind INR 113.00 Mn 3. Exclusive charge on FD of Rs. 25Mn 4. Exclusive charge on Key man Insurance of Mr. Piyush Somani to be obtained and assigned in favour of Indusind Bank 5. Personal Guarantee of the Piyush Somani & Sarla Somani
10	Indusind Bank Limited	Open Cash Credit	47.45	On demand	8.60%	Primary 1. DSRA for Term Loan equivalent to 5.5 Mn 2. Movable Fixed Asset- Exclusive charge on entire movable fixed asset financed by Indusind bank 3. First pari-passu charge on entire movable fixed asset excluding those financed by Axis Bank 4. Current Asset - First hypothecation charge on entire current assets of the company both present and future on pari passu basis with Axis Bank excluding receivables charged to SIDBI Collateral 1. Land & building First pari-passu charge on Industrial Land & Building at Plot No. B-24, 25, NICE Industrial Area, Satpur MIDC, 2. First pari passu charged with Indusind INR 113.00 Mn 3. Exclusive charge on FD of Rs. 25Mn 4. Exclusive charge on Key man Insurance of Mr. Piyush Somani to be obtained and assigned in favour of Indusind Bank 5. Personal Guarantee of the Piyush Somani & Sarla Somani
11	UICI Bank Ltd.	Vehicle Loan	2.28	42 months	8.30%	Primary: Vehicle Purchased out of Loan
Total			1,360.13			



22 Income tax expense

Particulars	As at March 31,2024	As at March 31, 2023
Current tax		
Pertaining to profit for the current year	4.56	-
MAT credit entitlement		-
Deferred tax	76.31	(57.21)
Prior year tax	4.35	
Income tax expense	85.22	(57.21)
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expenses	250.04	(207.54)
Tax at the Indian tax rate of 27.82% (2021-22 - 27.82%)	69.56	(57.74)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Disallowance under sec 14a	-	13.57
Corporate social responsibility expenditure not allowed under taxation and donation	0.09	0.62
Other comprehensive Income	2.70	0.07
Provision for bad debts written off	-	(9.04)
Others	12.87	(4.69)
Total	15.65	0.52
Net current tax expenses recognised in statement of profit & loss	85.22	(57.21)

23 Deferred Tax (Net)

(a) Income tax expense

Particulars	As at March 31,2024	As at March 31, 2023
Net Deferred tax (assets)/liabilities**	65.36	(8.88)
Deferred tax assets/liabilities arise from the following:		
Tax credits available:		
MAT credit receivable	62.04	62.04
Deferred tax assets		
Gratuity & compensated absences	37.76	24.74
Provision for doubtful debts, doubtful deposits and capital advance	63.44	46.15
Provision for Interest payable	-	-
Lease liabilities	305.36	195.83
Income tax business loss setoff	61.02	154.45
	529.62	483.20
Deferred tax liability		
PP&E depreciation and intangible amortization	319.87	243.31
Right of use of assets	275.11	231.02
Others (revaluation of land)	-	-
Security Deposit under leases	-	-
	594.98	474.33

**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 31,2024	As at March 31, 2023
Opening deferred tax (assets) / liabilities	(8.88)	48.57
Mat credit entitlement	-	-
Gratuity & compensated absences	(13.03)	(0.72)
Provision for doubtful debts, doubtful deposits and capital advance	(17.28)	(3.27)
Disallowances under sec 40(a) of the Income Tax Act 1961	-	-
Lease liabilities	(109.53)	30.44
Right of use of assets	44.09	(5.58)
Income tax business loss setoff	93.43	(63.43)
PP&E depreciation and intangible amortization	76.56	(14.89)
Others		
Closing deferred tax liability after set off	65.37	(8.88)



24 Revenue from operations

Particulars	Year ended March 31,2024	Year ended March 31, 2023
Sale of services		
Cloud hosting and managed services	2,719.12	1,926.25
Technical support services	94.55	87.47
Total revenue from operations	2,813.68	2,013.71

A. Reconciliation of revenue recognised with contract price

Particulars	Year ended March 31,2024	Year ended March 31, 2023
Contract price		
Adjustments for:	2,350.38	1,800.51
Unbilled revenue	504.53	310.12
Unearned revenue	(41.24)	(96.91)
Revenue from continuing operation	2,813.68	2,013.71

25 Other income

Particulars	Year ended March 31,2024	Year ended March 31, 2023
Interest :		
Deposits with banks	34.52	15.26
Income tax refund	11.96	5.03
Other non-operating income	5.16	15.28
Unwinding of discount on security deposits	2.16	3.50
Profit on sale of assets	0.09	-
Amount Written Back	2.48	6.15
Total other income	56.38	45.22

26 Employee benefit expense

Particulars	Year ended March 31,2024	Year ended March 31, 2023
Salaries, wages and bonus	756.75	660.80
Contribution to provident and other funds	26.22	23.05
Gratuity [refer note:33]	20.13	13.95
Compensated absences	12.66	14.01
Employee stock option scheme	5.18	5.44
Other employee related costs	20.27	22.62
Total employee benefit expense	841.21	739.86

27 Finance costs

Particulars	Year ended March 31,2024	Year ended March 31, 2023
Interest expense:		
Borrowings	176.43	147.74
Lease liabilities	86.13	68.31
Others	-	-
MSME	0.05	-
Bank charges	5.28	3.42
Other borrowing costs	3.59	5.71
Total finance costs	271.48	225.18

28 Depreciation and amortization expense

Particulars	Year ended March 31,2024	Year ended March 31, 2023
Depreciation of property, plant and equipment	329.34	268.07
Amortisation of intangible assets	30.94	31.63
Amortisation of right-of-use asset	134.12	123.79
Impairment of assets	-	38.21
Total depreciation and amortization expense	494.40	461.69



29 Other expenses

Particulars	Year ended	Year ended
	March 31,2024	March 31, 2023
Contract fulfillment costs	123.79	-
Project servicing cost	160.48	146.23
Rental charges	9.55	3.32
Office expenses	4.61	3.51
Travel and conveyance	30.51	25.12
Communication expenses	86.35	116.52
Contract labour charges	56.55	60.61
Corporate social responsibility expenditure [Refer note no:40]	0.32	2.21
Donations	-	0.25
Rates and taxes	4.29	3.81
Directors sitting fees	2.24	2.00
Legal and professional charges	54.13	52.43
Loss on sale of asset (net)	-	0.03
Commission/Brokerage	20.33	17.46
Insurance	13.81	10.27
Advertisement and sales promotion	21.55	13.93
Power and fuel charges	137.69	91.68
Repairs and maintenance:		
Computers	0.95	1.80
Others	12.30	10.96
Membership and subscription charges	164.22	127.39
Expected credit loss allowance [refer note no : 35]	55.29	43.65
Foreign exchange fluctuation loss (net)	0.87	1.53
Payment to auditors [refer note below]	2.35	2.10
Balances written off	32.23	-
IPO Expenses Written Off	-	48.77
Miscellaneous expenses	7.79	6.38
Total other expenses	1,002.19	791.96

Payment to auditors

Particulars	Year ended	Year ended
	March 31,2024	March 31, 2023
For Auditor		
Statutory audit	1.80	1.80
Tax audit fee	0.30	0.15
Transfer pricing audit fees	0.25	0.15
Total payment to auditors	2.35	2.10



30 Earnings per share
(a) Earnings per share

Particulars	March 31, 2024	March 31, 2023
(i) Basic earnings per share		
Profit attributable to equity shareholders of the Company	164.83	(150.32)
Weighted average number of equity shares	9,28,94,185	9,27,38,384
Basic earnings per share	1.77	(1.62)
(ii) Diluted earnings per share		
Profit attributable to equity shareholders of the Company	164.83	(150.32)
Weighted average number of equity shares	9,28,94,185	9,27,38,384
Diluted earnings per share	1.77	(1.62)

(b) Profit reconciliation

Particulars	March 31, 2024	March 31, 2023
(i) Basic earnings per share		
Profit attributable to equity shareholders of the Company used in calculating basic earnings per share	164.83	(150.32)
(ii) Diluted earnings per share		
Profit attributable to equity shareholders of the Company used in calculating basic earnings per share:	164.83	(150.32)
Profit attributable to equity shareholders of the Company used in calculating diluted earnings per share	164.83	(150.32)

(c) Weighted average number of shares used as denominator

Particulars	March 31, 2024	March 31, 2023
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	9,28,94,185	9,27,38,384
Weighted average number of equity shares and potential shares used as the denominator in calculating diluted earnings per share	9,28,94,185	9,27,38,384



31 Contingencies and commitments

i) Capital commitments

Particulars	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account (net of advances)	6.38	29.59

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

Particulars	March 31, 2024	March 31, 2023
Claims against the company not acknowledged as debts		
Indirect tax matters [Refer ii (a), (c)]	19.36	10.84
Other matters [Refer iii (a), (c)]	2.62	2.62
Guarantees excluding financial guarantees		
Performance Bank guarantees given to customers	420.21	396.30
Other money for which the company is contingently liable		
Income tax matters [Refer i (a),(b)]	-	96.35
Indirect tax matters [Refer ii (b),(d),(i)]	127.23	130.00
Total	569.42	636.11

i) Direct Tax Related Matters

- a) In May 2023, The company has received demand notices u/s 156 of Income Tax Act, 1961 for reassessment proceedings for Assessment Year (AY) 2016-17 and AY 2017-18. According to the demand notices, an amount of Rs. 18.93 million is payable for AY 2016-17, and an amount of Rs. 77.41 million is payable for AY 2017-18. In response to these demands, the company is filing an appeal before the Commissioner of Income-tax Appeal (CIT(A)) for both the years. In December 2023, AO recovered 15% of the demand from refund due for AY 2022-23 along with Interest under section 234D amounting to Rs. 23.60 millions. However, on March 18, 2024 Bombay High court passed the decision in favour of the company and hence no contingent liability against the same.
- b) The company has received show cause notice for late payment/ short payment of TDS for Assessment Year (AY) 2017-18 to AY 2019-20. Also, being principal officer of the company at the time of default, prosecution proceedings u/s 276B of Income Tax Act, 1961 initiated against the directors of the company. The Company have filed for compounding application. Since the final demand order is pending, the specific liability related to this contingent matter has not been recognized or disclosed in the financial statements at this time. The company will continue to monitor the progress of the compounding application and will make appropriate disclosures and provisions once the final demand order is received.

ii) Indirect Tax Related Matters

- a) Company have received demand notice under section 32 of MVAT Act, 2002 for FY 2016-17, FY 2017-18, FY 2013-14 and FY 2014-15 amounting to Rs. 7.00 millions, Rs. 3.84 millions, Rs. 1.91 millions and Rs. 4.35 millions respectively, for which company has filed an appeal against the same and management believes that such claim is not tenable.
- b) In September 2022, company has received a intimation of liability under section 73(5) in Form GST DRC-01A of Rs. 72.56 millions for FY 2017-18 pursuant to investigation carried by JCST(Nashik Division) on 19.01.2020. However company have received the final order for Rs. 32.76 millions on July 07, 2023.
- c) The Company has received ASMT 10 notice from department of GST- Maharashtra u/s 61 for the FY 2017-18, regarding Disallowance of ITC claimed amounting to INR 2.26 million. However company have filed an appeal against the same.
- d) Report of Investigation visit paid at POB of M/s. ESDS Software Solution Pvt Ltd on 19.01.2020 communicated by JCST (Nashik Division, Nashik). GST department have visited the place of business of ESDS on 19.01.2020 have taken many records and statements along with them, basis there finding they have issued a notice for various different tax concerns. On 25/01/2024 company have received the final demand notice of Rs. 11.56 millions for FY 2018-2019.
- e) Report of Investigation visit paid at POB of M/s. ESDS Software Solution Pvt Ltd on 19.01.2021 Interest Rs. 14.89 millions and Penalty of Rs. 3.72 millions total Demand of Rs. 18.61 millions in the matter of purchases made from Infotech Systems & Technologies for FY-2019-20 for incorrect availment of input tax credit. Process of dropping proceeding is under process as submission already given to Deputy Commissioner of State Tax for the similar cases.
- f) Report of Investigation visit paid at POB of M/s. ESDS Software Solution Pvt Ltd on 19.01.2021 Interest Rs. 1.27 millions and Penalty Rs. 0.53 millions, Total Demand of Rs. 1.80 millions in the matter of purchases made from Infotech Systems & Technologies for FY-2020-21. Process of dropping proceeding is under process as submission already given to Deputy Commissioner of State Tax for the similar cases.
- g) Report of Investigation visit paid at POB of M/s. ESDS Software Solution Pvt Ltd on 19.01.2021 GST Tax Rs. 0.55 millions, Interest Rs. 1.10 millions and Penalty Rs. 0.91 million, total Demand of Rs. 2.56 millions- in the matter of purchases made from Neptune Traders for FY-2020-21. Process of dropping proceeding is under process as submission already given to Deputy Commissioner of State Tax for the similar cases.
- h) Report of Investigation visit paid at POB of M/s. ESDS Software Solution Pvt Ltd on 19.01.2021 GST Tax Rs. 11.66 millions/-, Interest Rs. 8.57 millions/- and Penalty Rs. 11.66 millions/- total Demand of Rs. 31.89 millions/- in the matter of purchases made from Netvista Venture Ltd for FY-2019-20. Process of dropping proceeding is under process as submission already given to Deputy Commissioner of State Tax.
- i) The audit proceedings u/s 65 (6) of MGST act were initiated. Notice in form GST ADT-01 dated 13.01.2023 were received to furnish the required books of account and records for the period of FY-2019-20. The Company has received Notice in form GST ADT-02 dated 09/05/2024 for Rs. 230.89 millions. Company have received the final demand order on 08/08/2024 amounting to Rs. 82.91 millions.

iii) Other Matters

- a) In 2019, arbitration proceedings against the suit initiated by Trigyn 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. Company have received an Arbitration final order where in the decision is in favour of the company and no liability against the same on company.
- b) In 2022, Mr Rajeev Papneja an ex-employee of the company has filed the petition in Bombay high court alleging that an oral contract was agreed with the company for issuance of certain number of shares under ESOP owing to services rendered by him to the company, claim amounting to Rs. 184.80 millions. The company has filed an application before the Bombay high court challenging its jurisdiction to adjudicate the matter. The company does not foresee any probable outflow in the matter and accordingly has not specifically disclosed the quantum under contingent liability.
- c) In Feb 2022, Company has received a legal notice from Sara Infoway ITES India for non-payment of outstanding dues of Rs. 15.38 millions (including interest @ 18% p.a. of Rs. 2.34 millions/-). Additionally, an amount of Rs. 0.30 millions/- is being sought as advocate fee for serving the legal notice. As per books of accounts of the Company, outstanding dues of Rs. 13.06 millions are being reflected. As of now, the company is carefully reviewing the vendor's claims and assessing its legal obligations in this matter. The company is actively exploring options for resolving the dispute, which may include negotiations, seeking legal advice, or pursuing a settlement to mitigate any financial impact.



32 Related party transactions

Related Party	Relation
<u>Para 9(a)(ii): Individuals having Significant influence over Reporting Entity(RE)</u>	
Piyush Somani	Chairman and Managing Director
Relatives of such individuals:	
Pooja Somani	Sister of Chairman and Managing Director
Prajakta Somani Jadhav	Sister of Chairman and Managing Director
<u>Para 9(a)(iii): Individuals who are KMP of RE or KMP of Parent of RE</u>	
Piyush Somani	Chairman and Managing Director
Sarla Somani	Director (till July 28,2021)
Komal Somani	Whole Time Director (w.e.f July 28, 2021)
Alipt Sharma (on behalf of GECC)	Nominee Director (from June 4, 2018)
Sandeep Mehta	Chief Financial Officer (From April 6,2020; till 19th May 2022)
Nadukuru Sita Ramiah	Chief Financial Officer (From 31st October 2022)
Aniket Khandelwal	Compliance Officer and Company Secretary (From August 6, 2021 till 15th June 2022)
T G. Dhandapani	Independent Director (from July 27,2021)
Venkatesh Natrajan	Independent Director (from July 01,2023)
A. V. Ramesh Kumar	Independent Director (from July 27,2021 ; till 18th January 2023)
Pamela Kumar	Independent Director (from July 27,2021)
Uma Mandavgane	Independent Director (from July 27,2021 ; till 20th May 2022)
Prasad Deokar	Compliance Officer and Company Secretary (From 13th July 2022)
<u>Para 9(b)(i): Entities that are parent, subsidiary, fellow subsidiary of RE</u>	
ESDS Internet Services Private Limited	Subsidiary Company (50% holding of ESDS Software Solution Ltd)
ESDS Global Software Solution Inc.	Wholly owned Subsidiary Company
ESDS Cloud FZ LLC	Wholly owned Subsidiary Company
Spoohub Solutions Private limited	Wholly owned Subsidiary Company
<u>Para 9(b)(vi): Individual RP as per Para 9a has control/JC over another entity</u>	
Great Ideas in Action LLP	Komal Somani: Designated partner
Resvera Wines Limited	Komal Somani: Director



32 Related party transactions

I Nature of transactions and amounts

Nature of transactions	KMP		Relatives of KMP		Subsidiary		Individuals having control over another entity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Salaries and allowances	7.48	4.48	2.33	2.11	-	-	-	-
Director remuneration	12.96	10.70	-	-	-	-	-	-
Loan given/(recovered)-net	-	-	-	(0.08)	-	0.44	-	-
Loan taken/(repaid)-net	-	-	-	-	-	-	-	-
Operating and other expenses	-	0.02	-	-	109.10	111.79	-	-
Sales of services	-	-	-	-	-	-	-	-
Director sitting fees	2.01	2.00	-	-	-	-	-	-
Rental Income	-	-	-	-	0.13	0.14	-	-
Security deposit paid	-	-	-	-	1.05	-	-	-
Total	22.45	17.20	2.33	2.03	110.28	112.37	-	-

II Outstanding receivable/(payable) balances

Nature of transactions	KMP		Relatives of KMP		Subsidiary		Individuals having control over another entity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Payables towards salary / managerial remuneration/director sitting fees	1.81	-	0.35	-	-	-	-	-
Loans payable	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	2.89	34.64	-	-
Trade payables	-	-	-	-	-	-	-	-
Accounts due from	-	-	-	-	-	1.64	-	-
Security deposits	-	-	-	-	16.14	15.09	-	-

III Compensation to KMP

Particulars	March 31, 2024	March 31, 2023
Short term employee benefits	20.44	15.18
Retirement benefits*	-	-

*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.

IV Terms and conditions for outstanding balances

All outstanding balances are unsecured and payable in cash.



33 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.25.98 (2023: 22.34) and other funds to Rs.0.24 (2023: 0.71).

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

Particulars	March 31, 2024	March 31, 2023
Employers contribution to provident and other funds	26.22	23.05
Total	26.22	23.05

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 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.

Movements in the present value of the defined obligation are as follows:	March 31, 2024	March 31, 2023
(a) Obligation at the beginning of the year	53.20	46.04
Transfer In / (Out)	-	-
Past Service Cost	-	-
Current service cost	16.35	10.59
Interest expense	3.78	3.36
Curtailement Cost/(Credit)	-	-
Settlement Cost/(Credit)	-	-
Actuarial losses (gains) arising from change in financial assumptions	2.19	(4.02)
Benefits paid	(6.00)	(7.05)
Actuarial losses (gains) arising from experience adjustments	7.52	4.27
Liability at the end of the year	77.03	53.20

Change in fair value of plan assets	March 31, 2024	March 31, 2023
(b) Fair value of plan assets at the beginning of the year	-	0.19
Interest income	-	-
Transfer In / (Out)	-	-
Benefits paid	-	(0.19)
Expected Return on plan assets	-	-
Contributions	-	-
Mortality Charges and Taxes	-	-
Actuarial Gain / (Loss) on Plan Assets	-	-
Fair value of plan assets at the end of the year	-	0.00

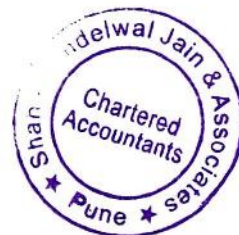
The net liability disclosed above relates to funded and unfunded plans are as follows:	March 31, 2024	March 31, 2023
(c) Present value of funded obligations	77.03	53.20
Fair value of plan assets	-	0.00
Deficit of funded plans	77.03	53.20
Unfunded plans	-	-
Deficit of Gratuity Plan	77.03	53.20

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

Particulars	March 31, 2024	March 31, 2023
Service cost	16.35	10.59
Net interest (income)/expense	3.78	3.36
Past Service Cost	-	-
Expected return on plan assets	-	-
Settlement cost/(credit)	-	-
Transfer In/(Out)	-	-
Net actuarial (Gain)/loss recognised in the year	-	0.26
Net gratuity cost	20.13	14.20

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

Remeasurement	March 31, 2024	March 31, 2023
Remeasurement for the year - obligation (Gain)/Loss	9.71	0.26
Return on plan assets excluding amount included in net interest on net defined liability/(asset) above	-	-
(Return) / loss on plan assets excluding amounts recognised in interest (income)/expenses	-	-
(Gain)/loss from change in demographic assumptions	-	-
Total Remeasurement Cost/(Credit) for the year recognised in OCI	9.71	0.26



(f) Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:	March 31, 2024	March 31, 2023
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Discount rate	7.10%	7.30%
Rate of growth in compensation level	7.00%	7.00%
Expected average remaining working lives of employees (in years)	60 years	60 years
Attrition rate	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, 2024	March 31, 2023
(i) 1% increase in discount rate	66.88	46.24
(ii) 1% decrease in discount rate	89.38	61.64
(iii) 1% increase in rate of salary escalation	89.26	61.58
(iv) 1% decrease in rate of salary escalation	66.78	46.16
(v) 1% increase in rate of withdrawal	77.13	53.29
(iv) 1% decrease in rate of withdrawal	76.91	53.09

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, 2024	March 31, 2023
Year 1	1.64	1.59
Year 2	2.64	2.00
Year 3	2.55	1.79
Year 4	2.62	1.73
Year 5	2.43	1.67
Year 6 to 10	8.14	4.85

Liability Risks

Asset-Liability Mismatch Risk-

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

Discount Rate Risk-

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

Future Salary Escalation and Inflation Risk -

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.



34 Fair value measurements
Financial instruments by category

Particulars	March 31, 2024		March 31, 2023	
	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial assets				
Non-current financial assets				
Investments in subsidiaries	-	0.56	-	0.56
Term deposits with maturity more than 12 months from reporting date including inter	-	56.22	-	207.92
Security deposits	-	35.22	-	60.55
Other receivables (TDS reimbursements)	-	5.75	-	1.94
Current financial assets				
Trade receivables	-	685.45	-	565.17
Term deposits with maturity of less than 12 months from reporting date including interest	-	506.44	-	-
Cash and cash equivalents	-	12.74	-	157.72
Other bank balances	-	-	-	30.00
Unbilled revenue	-	504.53	-	310.12
Other current financial assets				
Security deposits	-	41.40	-	23.44
Loan to subsidiaries	-	2.89	-	34.64
Other loans and advances	-	0.20	-	0.20
Other receivables	-	25.62	-	25.62
Total financial assets	-	1,877.03	-	1,417.88
Financial liabilities				
Non-current financial liabilities				
Non-current borrowings	-	731.38	-	929.80
Lease liabilities	-	933.12	-	558.70
Other non-current financial liabilities				
Capital creditors	-	-	-	-
Current financial liabilities				
Current borrowings	-	423.02	-	430.33
Lease liabilities	-	164.49	-	145.20
Trade payables	-	226.95	-	265.93
Other current financial liabilities				
Capital creditors	-	14.63	-	28.46
Interest accrued but not due on borrowings	-	0.22	-	0.60
Accrued employee liabilities	-	74.63	-	14.60
Other Payables	-	11.71	-	11.56
Total financial liabilities	-	2,580.16	-	2,385.18

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.



As at March 31, 2024

Financial assets and liabilities measured at amortised cost	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in subsidiaries			0.56	0.56
Term deposits with maturity more than 12 months from reporting date including interest	-	-	56.22	56.22
Security deposits	-	-	35.22	35.22
Other receivables (TDS reimbursements)	-	-	5.75	5.75
Current financial assets	-	-	-	-
Current financial assets				
Trade receivables	-	-	685.45	685.45
Term deposits with maturity of less than 12 months from reporting date including interest	-	-	506.44	
Cash and cash equivalents	-	-	12.74	12.74
Other bank balances	-	-	-	-
Unbilled revenue	-	-	504.53	504.53
Other current financial assets				
Security deposits	-	-	41.40	41.40
Loan to subsidiaries	-	-	2.89	2.89
Other loans and advances	-	-	0.20	0.20
Other receivables	-	-	25.62	25.62
Total financial assets			1,877.03	1,370.58
Financial liabilities				
Non-current financial liabilities				
Non-current borrowings	-	-	731.38	731.38
Lease liabilities	-	-	933.12	933.12
Other non-current financial liabilities				
Capital creditors	-	-	-	-
Debt component of compound financial instruments	-	-	-	-
Current financial liabilities				
Current borrowings	-	-	423.02	423.02
Lease liabilities	-	-	164.49	164.49
Trade payables	-	-	226.95	226.95
Other current financial liabilities				
Capital creditors	-	-	14.63	14.63
Interest accrued but not due on borrowings	-	-	0.22	0.22
Accrued employee liabilities	-	-	74.63	74.63
Other Payables	-	-	11.71	11.71
Total financial liabilities			2,580.16	2,580.16

As at March 31, 2023

Financial assets and liabilities measured at amortised cost	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in subsidiaries			0.56	0.56
Term deposits with maturity more than 12 months from reporting date including interest	-	-	207.92	207.92
Security deposits	-	-	60.55	60.55
Other receivables (TDS reimbursements)	-	-	1.94	1.94
Current financial assets	-	-	-	-
Current financial assets				
Trade receivables	-	-	565.17	565.17
Cash and cash equivalents	-	-	157.72	157.72
Other bank balances	-	-	30.00	30.00
Unbilled revenue	-	-	310.12	310.12
Other current financial assets				
Security deposits	-	-	23.44	23.44
Loan to subsidiaries	-	-	34.64	34.64
Other loans and advances	-	-	0.20	0.20
Other receivables	-	-	25.62	25.62
Total financial assets			1,417.88	1,417.88
Financial liabilities				
Non-current financial liabilities				
Non-current borrowings	-	-	929.80	929.80
Lease liabilities	-	-	558.70	558.70
Other non-current financial liabilities				
Capital creditors	-	-	-	-
Debt component of compound financial instruments	-	-	-	-
Current financial liabilities				
Current borrowings	-	-	430.33	430.33
Lease liabilities	-	-	145.20	145.20
Trade payables	-	-	265.93	265.93
Unearned revenue	-	-	-	-
Other current financial liabilities				
Capital creditors	-	-	28.46	28.46
Interest accrued but not due on borrowings	-	-	0.60	0.60
Accrued employee liabilities	-	-	14.60	14.60
Other Payables	-	-	11.56	11.56
Total financial liabilities			2,385.18	2,385.18

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.

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.



35 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 Yearly 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 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.

Reconciliation of loss allowance and credit impairment provisions

Particulars	Amount
Loss allowance on March 31, 2022	154.16
Add/(less) Changes in Loss Allowance	
Bad debts written off during the Year	(32.49)
Provision for the Year	43.65
Loss allowance on March 31, 2023	165.32
Add/(less) Changes in Loss Allowance	
Bad debts written off during the Year	(6.10)
Provision for the Year	55.29
Recovery of Bad Debts	13.52
Loss allowance on March 31, 2024	228.03

Loss allowance matrix

Ageing Bucket	% of ECL
≤ 60 days	0.00%
61 to 90 days	25.00%
91 to 180 days	30.00%
181 to 365 days	30.00%
Above 365 days	100.00%

(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 access 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 relevant maturity groupings based on their contractual maturities.

	March 31, 2024	Current	1 year to 3 years	More than 3 years	Total
Non-current financial liabilities					
Non-current borrowings	-	-	133.15	598.23	731.38
Lease liabilities	-	-	346.01	587.10	933.12
Current financial liabilities					
Current borrowings	423.02	-	-	-	423.02
Lease liabilities	164.49	-	-	-	164.49
Trade payables	226.95	-	-	-	226.95
Capital creditors	101.20	-	-	-	101.20
Total	915.66	479.16	479.16	1,185.34	2,589.16
March 31, 2023	Current	1 year to 3 years	More than 3 years	Total	
Non-current financial liabilities					
Non-current borrowings	-	160.50	769.30	929.80	
Lease liabilities	-	290.27	268.43	558.70	
Current financial liabilities					
Current borrowings	430.33	-	-	430.33	
Lease liabilities	145.20	-	-	145.20	
Trade payables	265.93	-	-	265.93	
Other current financial liabilities	55.22	-	-	55.22	
	896.68	450.77	1,037.73	2,385.18	



(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, 2024	March 31, 2023
Receivables (asset)		
USD	0.02	0.01
GBP	0.07	0.07
EUR	-	-
Payables (liability)		
USD	0.02	0.01
AED	-	-
GBP	-	0.00
Loan (given)		
USD	0.04	0.04
AED	-	-
GBP	-	-

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument 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 Year are as follows:

Particulars	For the period ended March 31, 2024	For the Year ended March 31, 2023
Interest on variable rate borrowings	176.43	147.74

Sensitivity analysis

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

Particulars	For the period ended March 31, 2024	Year ended March 31, 2023
If interest rates -		
Increase by 1%	1.76	1.48
Decrease by 1%	(1.76)	(1.48)



36 Share based payments

(a) Description of share based payment arrangements

On 9 August 2021, the Board of Directors approved the ESDS Employees Stock Ownership Plan 2021. These options are granted to eligible employees of The Company determined by the nomination and remuneration committee and are convertible into equivalent number of equity shares of Rs. 1 each as per the terms of the plan. Upon vesting, the employees can acquire one common equity share of The Company for every option. Options will be available for vesting upon successful completion of service during the vesting period. The options were granted on August 30, 2021.

Vesting conditions

Options can be exercised within 4 years from the vesting date. The vesting pattern is set out below

Vesting	Vesting of grant
30 August 2022	50%
30 August 2023	20%
30 August 2024	20%
30 August 2025	10%

(b) Measurement of fair values

Vesting	Exerscise price	Expected volatility	Risk free rate	Expected life	Weighted average fair value as on grant date	Method of valuation
30 August 2022	65	20.33%	5.65%	3 to 6 years	10.60	Black – Scholes Model
30 August 2023	65	20.33%	5.65%	3 to 6 years	13.38	Black – Scholes Model
30 August 2024	65	20.33%	5.65%	3 to 6 years	15.96	Black – Scholes Model
30 August 2025	65	20.33%	5.65%	3 to 6 years	18.35	Black – Scholes Model

(c) Effect of employee stock ownership plan on the Statement of Profit and Loss

Particulars	For the year ended March 31,2024
Employee stock ownership plan expense	5.18

There were 98,000 ESOP cancellations and no modifications to the options in the year ended March 31, 2024

The carrying amount of the liability relating to the Employee Stock Ownership Plan as at March 31, 2024 was Rs.16.07 million.

(d) Reconciliation of outstanding share options

The number share options under the share option scheme are as follows

Particulars	For the year ended March 31,2024
Options outstanding as at the beginning of the year	13,75,000
Add: Options granted during the year	
Less: Options forfeited and expired during the year	98,000
Less: Options exercised during the year	-
Options outstanding as at the year end	12,77,000
Exercisable at the end of the year	11,49,300



37 Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating in order to support its business activities and maximize brand value.

The Company manages its capital and makes adjustments to it in light of the changes in economic and market conditions.

The Company monitors capital gearing ratio, which is net debt divided by total capital. Net debt comprises of long term and short term borrowings less cash and bank balances, equity includes equity share capital and reserves that are managed as capital. The gearing at the end of the reporting Year was as follows.

Particulars	As at March 31, 2024	As at March 31, 2023
Debt*	1,154.40	1,360.13
Cash and bank balances	(12.74)	(157.72)
Net debt	1,141.66	1,202.42
Shareholders' funds		
Equity share capital	92.89	92.89
Reserves and surplus	2,343.27	2,184.33
Total equity	2,436.16	2,277.22
Net debt to equity ratio	0.47	0.53

* 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 information from some of their suppliers for the year ended March 31, 2024 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, 2024 and for the year ended March 31, 2023.

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.

Geographical Segment	Sales and Services		Total Assets	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
India	2,713.75	1,919.53	4,423.94	4,103.43
Outside India	99.93	94.18	10.71	11.92
Total	2,813.68	2,013.71	4,434.65	4,115.35

Information about major customers:

There is no single external customer which contributes more than 10% to the revenue of the year ended on March 31, 2024 and year ended March 31, 2023



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 0.32 millions (March 31, 2023: Rs. 2.10 Mn) for the Year 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 0.18 millions.

Particulars	(in millions)	
	March 31, 2024	March 31, 2023
Contribution	0.32	2.10
Total	0.32	2.10
Amount required to be spent as per Section 135 of the Act*	0.18	2.03
Amount spent during the year on		
(i) Research centre	-	2.10
(iii) Promotion of healthcare including preventive healthcare	0.32	-

Details of ongoing CSR projects under Section 135(6) of the Act

Balance as at April 1, 2023		Amount required to be spent during the Year	Amount spent during the year		Balance as at 31 March 2024	
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	-	0.18	0.32	-	-	-

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

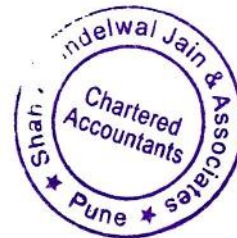
Balance unspent as at 1 April 2023	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the Year	Amount spent during the Year	Balance unspent as at 31 March 2024
-	-	-	-	-

Details of excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as at 1 April 2023	Amount required to be spent during the Year	Amount spent during the Year	Balance excess spent as at 31 March 2024
0.07	0.18	0.32	0.21

41 Exceptional Items:

- During the financial year, the Company encountered exceptional circumstances which significantly impacted its financial position. As part of these occurrences, the Company disbursed an amount of Rs. 1.87 million for the resolution of pending dues under the VAT amnesty scheme, pertaining to the financial years 2014-15, 2016-17, and 2017-18. Additionally, an amount receivable from the VAT Department, totaling Rs. 3.28 million, was deemed irrecoverable and consequently written off during the same period. These exceptional items, totaling Rs. 5.15 million, have been recognized in the financial statements for the year ended 2024, impacting both the income statement and the balance sheet.
- On July 7, 2023, the Company received a notice from the CGST Department under section 73(5), indicating the Department's belief that the Company should reverse Input Tax Credit (ITC). In response, the Company filed an appeal against this notice. As part of the appeal process, the Company incurred expenses totaling Rs. 1.40 million as appeal fees. Given the uncertain nature of the outcome of the appeal and the potential impact on the Company's financial position, these expenses have been treated as exceptional items in the financial statements for the year ended 2024.
- During the fiscal year, the Company received a notice from the Maharashtra State Electricity Distribution Company Limited (MSEDCL) indicating a penalty of Rs. 4.18 million. The penalty was imposed on the Company due to erroneous availment of subsidies from 2016 until the current year. In response to the notice and to resolve the matter, the Company opted to settle the penalty amount, resulting in an expenditure of Rs. 4.18 million during the year. Management acknowledges the exceptional nature of this expense, considering it as a one-time event that significantly impacted the Company's financial results for the period. The settlement of this penalty has been disclosed separately in the financial statements for the year ended 2024, under exceptional items, to provide transparency regarding its impact on the Company's financial position.



42 Ageing Schedule

a) Trade Receivables

Outstanding for following period from the date of transaction as at March 31, 2024

Particulars	Not Due	Less than 6 months	6 Months to 1 year	1 -2 years	2 -3 years	More than 3 years	Expected Credit Loss Allowance	Total
Trade Receivables -Considered Good	-	682.75	107.47	39.74	11.12	56.74	(212.38)	685.45
Trade Receivables-Credit Impaired	-	-	-	-	-	15.65	(15.65)	-
Total Trade Receivables	-	682.75	107.47	39.74	11.12	72.39	(228.03)	685.45
Unbilled Receivable	504.53	-	-	-	-	-	-	504.53
Total Trade Receivables - Billed and Unbilled								1,189.98

Outstanding for following period from the date of transaction as at March 31, 2023

Particulars	Not Due	Less than 6 months	6 Months to 1 year	1 -2 years	2 -3 years	More than 3 years	Expected Credit Loss Allowance	Total
Trade Receivables -Considered Good	-	505.33	115.39	30.35	32.12	31.65	(149.67)	565.17
Trade Receivables-Credit Impaired	-	-	-	-	15.65	-	(15.65)	-
Total Trade Receivables	-	505.33	115.39	30.35	47.77	31.65	(165.32)	565.17
Unbilled Receivable	310.12	-	-	-	-	-	-	310.12
Total Trade Receivables - Billed and Unbilled								875.29

b) Trade Payables

Outstanding for following period from the date of transaction as at March 31, 2024

Particulars	Provision for Expenses	Less than 6 months	6 Months to 1 year	1 -2 years	2 -3 years	More than 3 years	Total
MSME	-	5.72	-	-	-	-	5.72
Others	25.22	120.28	11.23	4.58	0.23	19.01	180.56
Disputed- Others	-	40.68	-	-	-	-	40.68
Total	25.22	166.68	11.23	4.58	0.23	19.01	226.95

Outstanding for following period from the date of transaction as at March 31, 2023

Particulars	Provision for Expenses	Less than 6 months	6 Months to 1 year	1 -2 years	2 -3 years	More than 3 years	Total
MSME	-	59.22	0.33	0.23	-	-	59.78
Others	25.14	163.63	9.30	1.44	-	4.45	203.97
Total	25.14	222.85	9.63	1.68	-	4.45	263.75



43 Additional Regulatory Requirements-Ratios

Sr.No.	Particulars *(not annualised)	Formulae used for calculation of ratio	As at March 31,2024			As at March 31,2023			% Change in Ratio
			Numerator	Denomintor	Ratio	Numerator	Denomintor	Ratio	
a)	Current ratio	Current Assets/Current Liabilities	2,098.51	909.87	2.31	1,810.79	1,021.75	1.77	30.14%
b)	Debt-Equity Ratio	(Non-current borrowings+ Current borrowings)/Total Equity	1,154.40	2,553.12	0.45	1,360.13	2,351.15	0.58	-21.84%
c)	Debt Service Coverage Ratio	EBIDTA/Current Debt obligation	1,026.65	306.67	3.35	527.11	430.33	1.22	173.31%
d)	Return on Equity Ratio	Profit after tax/ Shareholder's equity	164.83	2,553.12	6.46%	(150.32)	2,351.15	-6.39%	-200.97%
e)	Trade Receivables turnover ratio	Revenue from operations/Average trade receivables	2,813.68	625.31	4.50	2,013.71	599.73	3.36	34.01%
f)	Trade payables turnover ratio	(Purchase of goods + Other expenses)/Average trade payables	1,002.19	245.35	4.08	791.96	266.00	2.98	37.20%
g)	Net capital turnover ratio	Revenue from operations/(Current assets- Current liabilities)	2,813.68	1,188.64	2.37	2,013.71	789.04	2.55	-7.25%
h)	Net profit ratio	Profit after tax/ Revenue from operations	164.83	2,813.68	5.86%	(150.32)	2,013.71	-7.46%	-178.47%
j)	Return on capital employed	EBIT/Capital employed	532.26	2,553.12	20.85%	65.42	2,351.15	2.78%	649.22%

Reasons for Change more than 25% from previous year

- a) **Debt Service Coverage Ratio** :Increase in earnings before tax due to better revenue and decrease in the costs lead to better debt service coverage ratio.
 b) **Return on Equity Ratio** :Increase in profits and consistent shareholder's equity lead to change in return on equity ratio.
 c) **Trade Receivables Turnover Ratio** : Revenue and trade receivables have substantially increased giving rise to trade receivables ratio.
 d) **Trade Payables Turnover Ratio** : Company have closely monitored payable and made sure to pay them in time thus leading to better Trade payables ratio.
 e) **Net profit ratio** :Increase in net profits due to better management and reduction in costs lead to higher net profit ratio in comparison with previous year.
 f) **Return on capital employed**: Increase in earnings before interest and tax and consistent capital employed lead to better return on capital employed.

ii) **Borrowings obtained on the basis of security of current assets**

The company has filed quarterly returns or statements with the banks in lieu of the sanctioned working facilities,there is no material differences.



44 Additional Regulatory Disclosures As Per Schedule III Of Companies Act, 2013

- i) Title deeds of Immovable Property are in the name of company wherever applicable
- ii) Details of Benami Property and its proceedings- Not applicable as there are no proceedings which have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- iii) Wilful Defaulter - The company has not been declared wilful defaulter by bank or financial institution or government or any government authority.
- iv) Relationship with Struck off Companies -As per section 248 of the Companies Act, 2013 or section 560 of Companies Act,1956 ,there are no balances outstanding with struck off companies
- v) Compliance with number of layers of companies - Not Applicable as the Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- vi) Compliance with approved Scheme(s) of Arrangements - Not Applicable as the Company has no Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- vii) Details of Crypto Currency or Virtual Currency - Not Applicable as the Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- viii) There were no whistle blower complaints received by the Company during the year.
- ix) The Company does not have any such transaction which is not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.
- x) The Company does not have any intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.
- xi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) Provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- xii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b) Provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- xiii) Registration of charges or satisfaction with registrar of companies- The Company does not have any charges or satisfaction which is yet to registered with ROC beyond the statutory period.

45 Previous period figures have been regrouped/reclassified wherever necessary to confirm to current periods presentation

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: 06/09/2024



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: 06/09/2024



Komal Somani

Whole Time Director

DIN: 08477154

Place: Nashik

Date: 06/09/2024



Prasad Deokar
Company secretary and
compliance officer

M No: A34350

Place: Nashik

Date: 06/09/2024



Nadukuru Sita Ramaiah
Chief Financial officer

Place: Nashik

Date: 06/09/2024

