

# **ESDS INTERNET SERVICES PRIVATE LIMITED**

13TH ANNUAL REPORT FOR F.Y. 2021-22

## DIRECTORS

Mr. PIYUSH SOMANI  
Mrs. SARLA SOMANI

## AUDITORS

S S DHOOT & CO  
CHARTERED ACCOUNTANTS

## REGISTERED OFFICE

B-24, B-25, NICE INDUSTRIAL AREA,  
MIDC, SATPUR,  
NASIK 422007

## Independent Auditor's Report

### To the Members of ESDS Internet Services Private Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of **ESDS Internet Services Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, Statement of Profit and Loss, the Statement of changes in Equity and Cash Flow Statement for the year then ended, notes to financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified u/s 143(10) of the Act. Our responsibilities under those SAs 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 financial statements under the provisions of the Act & Rules made 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.

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

The company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon.

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



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit / loss, other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting standards (IND AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditors' Responsibility for the Audit of the Financial Statements**

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



Esds Internet Services Private Limited  
Independent Auditor's Report as at 31 March 2022 (continued)

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

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

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

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



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

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we give in the **Annexure I**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the statement of changes in equity and the statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the IND AS specified under section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
- (f) With respect to the adequacy of the internal financial control with reference to financial statements of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure II**.



Esds Internet Services Private Limited  
Independent Auditor's Report as at 31 March 2022 (continued)

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

- i. The Company has disclosed the impact of pending litigations, if any, as at 31 March 2022 on its financial position in its financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which are required to be transferred to the Investor Education and Protection fund by the Company.
- iv. a) Management has represented that, to the best of its knowledge and belief, no funds 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 person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall,
  - 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) Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity (ies), including foreign entities ("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, and
- v. Based on the audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the management under sub clause iv (a) and (b) above, contain any material misstatement.
- vi. The company has neither declared nor paid any dividend during the year.



Esds Internet Services Private Limited  
Independent Auditor's Report as at 31 March 2022 (continued)

**With respect to matters to be included in the Auditors' Report under section 197(16):**

In our opinion and to the best of our information and according to the explanations given to us, there is no Managerial Remuneration paid or provided during the year under audit and therefore, reporting under the provisions of Section 197 read with Schedule V of the Act are not applicable.

for **S S Dhoot & Co.,**

*Chartered Accountants*

Firm's registration number: 131854W



**Sarvesh Dhoot**

*Partner*

Membership number: 134130

UDIN - 22134130ASHFGX9490

Nashik, September 05, 2022



**Annexure I to Independent Auditors' Report**

*Referred to in paragraph 7 of the Independent Auditors Report of even date to the members of ESDS Internet Services Private Limited on the financial statements as of and for the year ended on March 31, 2022*

- (i) According to the information and explanation given to us, the Company has no fixed assets as on 31<sup>st</sup> March, 2022. Accordingly, the provisions of clause 3(i)(a), (b), (c), (d) and (e) of the Order are not applicable to the Company and hence not commented upon
- (ii) According to the information and explanation given to us, the Company has no inventory as on 31<sup>st</sup> March, 2022. Accordingly, the provisions of clause 3(ii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of Section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) 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 accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products of the Company.
- (vii) (a) The undisputed statutory dues including provident fund, employees' state insurance, income-tax, customs duty, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities.  
  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, custom duty, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



Esds Internet Services Private Limited  
Independent Auditor's Report as at 31 March 2022 (continued)

- (c) According to the information and explanations given to us, there are no dues of income tax, customs duty, goods and services tax and cess which have not been deposited on account of any dispute.
- (viii) 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 surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) 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 defaulted in repayment of loans and borrowings or in the payment of interest thereon to any other lender.
- (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 been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, there are no term loans taken by the company during the year under audit and hence the said clause is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that, there are no loans taken by the company from banks or financial institutions during the year under audit and therefore, the said clause is not applicable.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under Companies Act. The Company does not hold any investment in any associate or joint venture as defined under the Companies Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under Companies Act. The Company does not hold any investment in any associate or joint venture as defined under Companies Act.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.



Esds Internet Services Private Limited  
Independent Auditor's Report as at 31 March 2022 (continued)

(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 convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

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

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) The company being Private Limited Company with turnover and borrowings not exceeding two hundred crore rupees and one hundred crore rupees respectively at any point of time during the preceding financial year, provisions of section 138 of Companies Act 2013 read with Rule 13 of Companies (Accounts) Rules ,2014 is not applicable. Accordingly, clause 3(xiv) (a) and (b) of the Order is not applicable.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.



(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios (refer note 24 to financials), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



Esds Internet Services Private Limited  
Independent Auditor's Report as at 31 March 2022 (continued)

(xx) In our opinion and according to the information and explanations given to us, sub-section (5) of Section 135 of the Companies Act, 2013 is not applicable to the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

for **S S Dhoot & Co.,**  
*Chartered Accountants*

Firm's registration number: 131854W



**Sarvesh Dhoot**  
*Partner*

Membership number: 134130

UDIN - ~~22134130ASNFGX9490~~

Nashik, September 05, 2022



Esds Internet Services Private Limited  
Independent Auditor's Report as at 31 March 2022 (continued)

**Annexure II to the Independent Auditor's Report on the financial statements of ESDS Internet Services Private Limited for the year ended 31<sup>st</sup> March 2022.**

**Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Act**

**Opinion**

We have audited the Internal financial controls over financial reporting of ESDS Internet Services Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the company for the year ended on that date.

In our opinion, the company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31<sup>st</sup> March 2022, based on the internal financial controls with reference to financials statements criteria establish 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 "Guidance Note")

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

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

**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") issued by the ICAI 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 issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



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

### **Auditors Responsibility**

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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



Esds Internet Services Private Limited  
Independent Auditor's Report as at 31 March 2022 (continued)

**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.

for **S S Dhoot & Co**

*Chartered Accountants*

Firm's registration number: 131854W



**Sarvesh Dhoot**

*Partner*

Membership number: 134130

UDIN - 22134130ASNFGX9490

Nashik, September 05, 2022




ESDS Internet Services Private Limited  
 Balance Sheet as at March 31, 2022  
 (All amounts are in Rupees Millions, unless otherwise stated)

	Notes	March 31, 2022	March 31, 2021
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
Financial assets			
(i) Lease Receivables	3a	387.26	412.53
(ii) Other non current assets	4	17.95	18.01
<b>Total non-current assets</b>		<b>405.20</b>	<b>430.54</b>
<b>II. Current assets</b>			
Financial Assets			
(i) Lease Receivables	3a	25.27	22.79
(ii) Trade receivables	5	24.84	8.59
(iii) Cash and cash equivalents	6	2.11	1.59
Other current assets	7	15.90	13.51
Deferred Tax Asset		4.41	4.41
<b>Total current assets</b>		<b>72.53</b>	<b>50.88</b>
<b>Total assets</b>		<b>477.73</b>	<b>481.42</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	8	0.18	0.18
<b>Other equity</b>			
Reserves and surplus	9	(9.13)	(10.34)
<b>Total equity</b>		<b>(8.95)</b>	<b>(10.16)</b>
<b>LIABILITIES</b>			
<b>I. Non-current liabilities</b>			
Financial Liabilities			
(i) Lease Liabilities	3a	387.26	412.53
(ii) Other financial liabilities	3b	8.35	7.97
<b>Total non-current liabilities</b>		<b>395.61</b>	<b>420.50</b>
<b>II. Current liabilities</b>			
Current financial liabilities			
(i) Lease Liabilities	3a	25.27	22.79
(ii) Short term borrowings	10	31.31	20.84
(iii) Trade payables	11	25.69	18.08
(iv) Other current liabilities	12	8.80	9.38
<b>Total current liabilities</b>		<b>91.07</b>	<b>71.08</b>
<b>Total liabilities</b>		<b>486.67</b>	<b>491.58</b>
<b>Total equity and liabilities</b>		<b>477.73</b>	<b>481.42</b>

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

In terms of our report of even date

For S S Dhoot & Co.  
 Firm Registration Number: 131854W  
 Chartered Accountants

  
 Sarvesh Dhoot

Partner  
 Membership Number : 134130  
 UDIN: 22134130ASNFQX9490

Place : Nashik  
 Date : 05-09-2022



For and on behalf of the Board of Directors  
 ESDS Internet Services Private Limited  
 CIN : U72900MH2010PTC199511

  
 Piyush Somani  
 Director  
 DIN :02357582

Place: Nashik  
 Date : 05-09-2022

Sarala Somani

Sarala Somani  
 Director  
 DIN: 02357805

Place: Nashik  
 Date : 05-09-2022



ESDS Internet Services Private Limited  
Statement of Profit and Loss for the year ended March 31,2022  
(All amounts are in Rupees Millions, unless otherwise stated)

	Notes	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Revenue from operations	13	21.15	26.15
Other income	14	42.12	44.34
<b>Total income</b>		<b>63.27</b>	<b>70.49</b>
<b>Expenses</b>			
Depreciation and amortisation	15	0.73	0.73
Employee benefits expense	16	0.06	0.06
Finance costs	17	40.79	42.70
Other expenses	18	20.02	24.67
<b>Total expenses</b>		<b>61.61</b>	<b>68.16</b>
<b>Profit before tax</b>		<b>1.66</b>	<b>2.32</b>
<b>Income tax expense</b>			
Current tax		0.44	0.37
Deferred tax		-	-
Mat entitlement		-	-
<b>Total tax expense</b>		<b>0.44</b>	<b>0.37</b>
<b>Profit for the year</b>		<b>1.22</b>	<b>1.96</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>		-	-
<i>Items that will not be reclassified to profit or loss</i>		-	-
<b>Total other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>1.22</b>	<b>1.96</b>
<b>Earnings per equity share for profit attributable to owners of EISPL</b>	19		
Basic		35.95	108.65
Diluted		35.95	108.65

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

In terms of our report of even date

For S S Dhoot & Co.

Firm Registration Number: 131854W  
Chartered Accountants

  
Sarvesh Dhoot

Partner  
Membership Number : 134130  
UDIN: 22134130 ASN FGX 9496



For and on behalf of the Board of Directors  
ESDS Internet Services Private Limited  
CIN : U72900MH2010PTC199511

  
Piyush Somani  
Director  
DIN :02357582

Sau. Sarala Somani  
  
Sarala Somani  
Director  
DIN: 02357805

Place : Nashik  
Date : 05-09-2022

Place: Nashik  
Date : 05-09-2022

Place: Nashik  
Date : 05-09-2022

ESDS Internet Services Private Limited  
Statement of Cashflows for the year ended March 31, 2022  
(All amounts are in Rupees Millions, unless otherwise stated)

Particulars	For the year ended	For the year ended
	31st March, 2022	31st March, 2021
	Rs.	Rs.
<b>(A) Cash flow from operating activities</b>		
Profit before income tax	1.66	2.32
<b>Adjustments for</b>		
Amortisation	-	-
Interest income classified as investing cash flow	(41.78)	(43.59)
Finance Cost	40.79	42.70
Operating profit before working capital changes	<b>0.67</b>	<b>1.44</b>
<b>Movements in working capital :</b>		
Increase/(Decrease) in trade payables	7.61	5.69
Increase/(Decrease) in other current liabilities	(0.57)	(2.16)
Increase/(Decrease) in non current financial liabilities	0.38	0.34
(Increase)/Decrease in trade receivables	(16.25)	(4.71)
(Increase) / Decrease in other current assets	(2.39)	2.75
(Increase)/ Decrease in Non current Financial Assets	0.07	0.07
<b>Cash generated from operations</b>	<b>(10.49)</b>	<b>3.43</b>
Direct taxes paid	0.44	0.37
<b>Net cash inflow/ (outflow) from operating activities</b>	<b>(10.94)</b>	<b>3.06</b>
<b>(B) Cash flow from investing activities</b>		
Fixed deposit made	(0.19)	-
Fixed deposit redeemed	0.19	-
Interest income classified as investing cash flow	1.40	1.24
Sublease payment received	63.17	59.59
<b>Net cash flows used in investing activities</b>	<b>64.57</b>	<b>60.83</b>
<b>(C) Cash flow from financing activities</b>		
Interest paid	(0.41)	(0.01)
Principal elements of lease payments	(63.17)	(59.59)
Proceeds from borrowings	15.47	1.80
Repayment of borrowings	(5.00)	(5.94)
<b>Net cash inflows/ (outflow) from financing activities</b>	<b>(53.11)</b>	<b>(63.74)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>0.52</b>	<b>0.15</b>
Cash and cash equivalents at beginning of the period	1.59	1.44
<b>Cash and cash equivalents at end of the period</b>	<b>2.11</b>	<b>1.59</b>

**Cash Flow Statement (continued)**  
Statement of Cashflows for the year ended March 31, 2022

Particulars	For the year ended	For the year ended
	31st March, 2022	31st March, 2021
	Rs.	Rs.
<b>Components of cash and cash equivalents</b>		
Cash on hand	-	1.21
Balances with scheduled banks		
On current accounts	2.11	0.38
<b>Cash and cash equivalents at the end of the financial period</b>	<b>2.11</b>	<b>1.59</b>

The notes referred to above from an integral part of the Cash Flow Statement

In terms of our report of even date

For S S Dhoot & Co.  
Firm Registration Number: 131854W  
Chartered Accountants

  
Sarvesh Dhoot  
Partner

Membership Number : 134130  
UDIN: 22134130ASNFGX9490



For and on behalf of the Board of Directors  
ESDS Internet Services Private Limited  
CIN : U72900MH2010PTC199511

  
Piyush Somani  
Director  
DIN :02357582

  
Sarala Somani  
Director  
DIN: 02357805



Place : Nashik  
Date : 05-09-2022

Place : Nashik  
Date : 05-09-2022

Place : Nashik  
Date : 05-09-2022

ESDS Internet Services Private Limited  
Statement of Changes in Equity for the year ended March 31,2022  
*(All amounts are in Rupees Millions, unless otherwise stated)*

**A. Equity Share Capital**

Equity Shares of Rs.10 each issued, subscribed and fully paid up

	Note	Total
As at April 1, 2020		0.18
Change in equity share capital		-
As at March 31, 2021	8	0.18
Change in equity share capital		-
As at March 31, 2022		0.18

**B. Other Equity**

	Retained earnings	Total other equity
As at April 1, 2020	(12.30)	(12.30)
Profit for the year	1.96	1.96
Other Comprehensive Income	-	-
Total comprehensive income for the year	1.96	1.96
As at March 31, 2021	(10.34)	(10.34)
Profit for the period	1.22	1.22
Other Comprehensive Income	-	-
Total comprehensive income for the period	1.22	1.22
As at March 31, 2022	(9.13)	(9.13)



3

3a Lease receivable

Particulars	March 31, 2022	March 31, 2021
Non-current lease receivable	387.26	412.53
Current Lease receivable	25.27	22.79
<b>Total</b>	<b>412.53</b>	<b>435.32</b>

Lease liability

Particulars	March 31, 2022	March 31, 2021
Non-current lease liabilities	387.26	412.53
Current lease liabilities	25.27	22.79
<b>Total</b>	<b>412.53</b>	<b>435.32</b>

The following is the movement in lease liabilities during the year

Particulars	March 31, 2022	March 31, 2021
Balance as of April	435.32	452.56
Additions	-	-
Finance cost accrued during the period	40.38	42.34
Payment of lease liabilities	(63.17)	(59.58)
<b>Balances as at the end of period</b>	<b>412.53</b>	<b>435.32</b>



ESDS Internet Services Private Limited  
Notes Forming Part of Separate Financial Statements for the year ended March 31, 2022  
(All amounts are in Rupees Millions, unless otherwise stated)

3b Other financial liabilities - Deposits Refundable

Particulars	March 31, 2022	March 31, 2021
Deposit:		
Lease Deposit and Others	8.35	7.97
<b>Total</b>	<b>8.35</b>	<b>7.97</b>



ESDS Internet Services Private Limited  
Notes Forming Part of Separate Financial Statements for the year ended March 31, 2022  
(All amounts are in Rupees Millions, unless otherwise stated)

Financial Assets

4 Other Financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Other non-current assets</b>		
Fixed deposits with maturity more than 12 months	2.35	2.35
Accrued Interest	0.50	0.38
<b>Security deposits</b>		
Long Term Leases and Others	9.59	9.04
Prepayment of rent	5.51	6.24
<b>Total other non-current assets</b>	<b>17.95</b>	<b>18.01</b>
<b>Other current financial assets</b>		
<b>Security deposit</b>		
Other loans and advance	16.94	16.94
Less: Allowance for bad and doubtful advances	(16.94)	(16.94)
<b>Total other current assets</b>	<b>-</b>	<b>-</b>

5 Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
	less than 6 months	less than 6 months
Trade receivables - Others	24.84	8.59
<b>Total Trade receivables</b>	<b>24.84</b>	<b>8.59</b>
<b>Break-up of security details</b>		
Trade receivables (Unsecured) - considered good	24.84	8.59
<b>Total Trade receivables</b>	<b>24.84</b>	<b>8.59</b>

6 Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
On current accounts	2.11	0.38
Cash on hand	-	1.21
<b>Total cash and cash equivalents</b>	<b>2.11</b>	<b>1.59</b>

7 Other current assets

	As at March 31, 2022	As at March 31, 2021
Prepayments	1.00	1.85
Balances with statutory authorities	0.28	-
DOT Assessment Advance Fees	0.19	-
Advances to creditors	0.15	0.15
MAT Credit Entitlement	3.00	3.18
Other current assets	2.99	-
Advance tax and tax deducted at source	8.29	8.32
<b>Total Other current assets</b>	<b>15.90</b>	<b>13.51</b>



8 Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorised share capital:</b> 100,000 (2021 : 100,000) equity shares of Rs 10 each	1.00	1.00
<b>Total</b>	<b>1.00</b>	<b>1.00</b>
<b>Issued, subscribed and paid up :</b> Equity share capital 18000 (2021 : 18000) equity shares of Rs 10 each fully paid up	0.18	0.18
<b>Total</b>	<b>0.18</b>	<b>0.18</b>

(i) Reconciliation of number of equity shares issued

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Issued, subscribed and paid up</b>		
Shares outstanding at the beginning of the year	18,000	18,000
<b>Shares outstanding at the end of the year</b>	<b>18,000</b>	<b>18,000</b>

(ii) Reconciliation of issued equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Issued, subscribed and paid up</b>		
Share capital outstanding at the beginning of the year	0.18	0.18
<b>Share capital outstanding at the end of the year</b>	<b>0.18</b>	<b>0.18</b>

(v) Terms/ rights attached to equity shares

Equity Shares: The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. No dividend is proposed by the Board of Directors. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding.

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

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	% holding	No. of shares	% holding	No. of shares
ESDS Software Solution Limited	50.00%	9,000	50.00%	9,000
Yashwant Patil	49.00%	8,820	49.00%	8,820
Piyush Somani	0.50%	90	0.50%	90
Sarla Somani	0.50%	90	0.50%	90

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

Nil bonus shares issued during the year ended March 31, 2022( Nil for the year ended March 31, 2021)

(viii) Details of shareholding of promoters:

Name of the promoters	As at March 31, 2022		(% change during the year	As at March 31, 2021		(% change during the year
	No. of shares	% holding		No. of shares	% holding	
ESDS Software Solution Limited	9,000	50.00%	0.00%	9,000	50.00%	0.00%
Piyush Somani	90	0.50%	0.00%	90	0.50%	0.00%
Sarla Somani	90	0.50%	0.00%	90	0.50%	0.00%

9 Other Equity

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Reserves and Surplus</b>		
<b>(i) Retained earnings</b>		
Balance at the beginning of reporting period	(10.34)	(12.30)
Profit for the year	1.22	1.96
<b>Balance at the end of reporting period</b>	<b>(9.13)</b>	<b>(10.34)</b>



Financial Liabilities

10 Short term borrowings

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Unsecured: - From Holding Company	31.31	20.84
<b>Total current borrowings</b>	<b>31.31</b>	<b>20.84</b>

11 Trade payables

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Trade payables To Micro, Small, medium enterprises To Others (refer note 25)	25.69	18.08
<b>Total trade payables</b>	<b>25.69</b>	<b>18.08</b>

Trade payables ageing schedule:

Particulars	As at	As at	As at	As at
	March 31, 2022	March 31, 2022	March 31, 2021	March 31, 2021
	Less than 1 year	1 to 2 years	Less than 1 year	1 to 2 years
Trade payables* To Others	25.52	0.17	18.08	-
<b>Total trade payables</b>	<b>25.52</b>	<b>0.17</b>	<b>18.08</b>	<b>-</b>

\*For trade payables relating to MSME suppliers, if any, refer note 25 for details.

12 Other current liabilities

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Deferred Income Liability	5.04	5.59
Statutory liabilities	0.38	0.37
Provision for expenses	3.13	3.06
Provision for Income Tax	0.26	0.36
<b>Total other current liabilities</b>	<b>8.80</b>	<b>9.38</b>



## 13 Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Sale of services</b>		
Bandwidth Sales	9.76	14.32
Data Transfer sales	0.12	0.15
One time charges- Sales	0.02	0.71
Recurring charges - Sales	11.24	10.97
<b>Total</b>	<b>21.15</b>	<b>26.15</b>

## 14 Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income	0.30	0.19
Interest on IT refund	0.34	-
Interest on Security Deposit	0.55	0.50
Income on Security Deposit	0.55	0.55
Interest on Sublease	40.38	42.34
Liabilities no longer payable written back	-	0.76
<b>Total</b>	<b>42.12</b>	<b>44.34</b>

## 15 Depreciation and amortisation

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amortisation	0.73	0.73
<b>Total</b>	<b>0.73</b>	<b>0.73</b>

## 16 Employee benefit expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, bonus, provident and other funds	0.06	0.06
<b>Total</b>	<b>0.06</b>	<b>0.06</b>

## 17 Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Interest</b>		
-On Lease liability	40.38	42.34
-On Security Deposit	0.38	0.34
Other borrowing costs	0.04	0.01
<b>Total</b>	<b>40.79</b>	<b>42.70</b>

## 18 Other expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Bandwidth Charges	8.87	13.02
Data transfer charges	0.11	0.14
One time charges	0.02	0.64
Recurring charges	10.22	9.97
Rent	0.12	0.30
ISP Compliance Fees	0.21	0.22
Membership and subscription	0.02	0.00
Legal and professional charges	0.06	0.00
Auditor's remuneration	0.30	0.23
ROC Fees and expenses	0.02	0.00
Miscellaneous expenses	0.07	0.16
<b>Total</b>	<b>20.02</b>	<b>24.67</b>



ESDS Internet Services Private Limited

Notes Forming Part of Separate Financial Statements for the year ended March 31, 2022

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

Payment to auditors

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>As auditor</b>		
- Statutory audit fee	0.20	0.13
- Tax audit fee	0.07	0.07
<b>In other capacity</b>		
- Fees for other services	0.04	0.04
<b>Total</b>	<b>0.30</b>	<b>0.23</b>

19 Earnings per share

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>(a) Basic Earnings Per Share</b>		
Net Profit attributable to Equity Shareholders of the Company	1.22	1.96
Weighted average number of Equity Shares	0.02	0.02
<b>Basic Earnings per share</b>	<b>67.65</b>	<b>108.65</b>
<b>(b) Diluted Earnings Per Share</b>		
Net Profit attributable to Equity Shareholders of the Company	1.22	1.96
Weighted average number of Equity Shares (including Potential Shares)	0.02	0.02
<b>Diluted Earnings per share</b>	<b>67.65</b>	<b>108.65</b>



20 Contingencies and commitments

a Commitments

Capital commitments

	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	-
Total	-	-

b Contingent liabilities (to the extent not provided for)

	March 31, 2022	March 31, 2021
Claims against the company not acknowledged as debts (*Refer Note)	40.62	-
Total	40.62	-

\*Company has received a notice from Ministry of Communications of INR 40.62 million for the Financial Year 2012-13 to 2017-2018 for short payment/ non-payment /delayed payment of license fees and interest thereon.

However, the company is of the view that the claim is frivolous and not tenable and the Company has filed a reply for the same with Department of Telecommunications [CCA, MH Circle, Mumbai].

21 Related party Disclosures

I Related Party Name and Nature

Related Party Names	Relation
ESDS Software Solutions Limited	Holding Company
Piyush Somani	Director
Sarala Somani	Director

II Nature of Transactions and Amounts

Nature of transactions	KMP		Holding	
	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2022	For the year ended 31st March 2021
Loan Taken	-	1.80	15.47	-
Loan Repaid	-	5.94	5.00	-
Sales of services (Gross)	-	-	24.97	33.74
Reimbursement of Expenses(Recovered)	-	-	105.61	101.38

III Outstanding Receivable/(Payable) Balances

Nature of transactions	KMP		Holding	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Loans	-	-	31.31	20.84
Security Deposit	-	-	10.00	10.00
Security Deposit-MSEDCL	-	-	4.00	4.00
Trade Receivables	-	-	24.84	8.58



22 Fair value measurements

Break up of financial assets and financial liabilities

	March 31, 2022		March 31, 2021	
	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial assets</b>				
Non-current financial assets				
Security deposits		9.59		9.04
Prepayment of rent		5.51		6.24
Fixed deposits with maturity more than 12 months		2.85		2.74
Lease Receivables		387.26		412.53
Current financial assets				
Trade receivables		24.84		8.59
Cash & Cash Equivalent		2.11		1.59
Lease Receivables		25.27		22.79
<b>Total financial assets</b>	-	<b>457.43</b>	-	<b>463.51</b>
<b>Financial liabilities</b>				
Non-current financial liabilities				
Lease Liability		387.26		412.53
Other financial liabilities - Deposit refundable		8.35		7.97
Current financial liabilities				
Lease Liability		25.27		22.79
Current borrowings		31.31		20.84
Trade payables		25.69		18.08
Other current liabilities		8.80		9.38
<b>Total financial liabilities</b>	-	<b>486.67</b>	-	<b>491.58</b>

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.

**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



**23 Financial risk management**

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

The Company is exposed to market risk, credit risk, and liquidity risk. The Company's senior management oversees the management of these risks. The Company's 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.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include deposits, investments, loans and borrowings and (i) other financial instruments. Market risk comprises interest rate risk, currency risk, etc. The sensitivity analysis in the following sections relate to the position as at respective period end.

The following assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at each period end.

**(a) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

**(ii) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institution and other financial instruments.

• Trade receivables/contract assets

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

**ii) Reconciliation of loss allowance provisions**

Particulars	Amount
Loss allowance as at April 1, 2020	16.94
Add/(less): changes in loss allowance	
Provision for the year	-
Loss allowance as at March 31, 2021	16.94
Add/(less): changes in loss allowance	
Bad debts written off during the year	-
Provision for the year	-
Recoveries	-
Loss allowance as at March 31, 2022	16.94



(iii) Liquidity Risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments:

March 31, 2022	Less than 1 year	1 year and more	Total
Borrowings	31.31		31.31
Deposits Refundable		8.35	8.35
Trade Payables	25.52	0.17	25.69
Provision for expenses	3.13		3.13
<b>Total</b>	<b>59.95</b>	<b>8.52</b>	<b>68.47</b>

March 31, 2021	Less than 1 year	1 year and more	Total
Borrowings	20.84		20.84
Deposits from customers		7.97	7.97
Trade Payables	18.08	-	18.08
Provision for expenses	3.06		3.06
<b>Total</b>	<b>41.98</b>	<b>7.97</b>	<b>49.95</b>



ESDS Internet Services Private Limited  
Notes Forming Part of Separate Financial Statements for the year ended March 31, 2022  
(All amounts are in Rupees Millions, unless otherwise stated)

24. Ratios:

The ratios for the years ended March 31, 2022 and March 31, 2021 are as follows:

Sr. No.	Type of Ratio	Formulae	March 31, 2022			March 31, 2021			Change in Ratios (%)	Remarks
			Numerator	Denominator	Ratio (%)	Numerator	Denominator	Ratio (%)		
1	Current ratio	Current assets Current liabilities	72.53	91.07	0.80	50.88	71.08	0.72	11.26%	Nil
2	Debt - equity ratio	Total debt Total equity	31.31	-8.95	-3.50	20.84	-10.16	-2.05	70.69%	Refer Note -1
3	Debt service coverage ratio	Not applicable	-	-	-	-	-	-	-	NA
4	Return on equity ratio	Net profit Shareholders equity	1.22	-8.95	-13.61%	1.96	-10.16	-19.24%	-29.27%	Refer Note -2
5	Inventory turnover ratio	Not applicable	-	-	-	-	-	-	-	NA
6	Trade receivables turnover ratio	Annual sales Trade receivables	21.15	24.84	0.85	26.15	8.59	3.04	-72.03%	Refer Note -3
7	Trade payables turnover ratio	Annual purchases Trade payables	19.23	25.69	0.75	23.77	18.08	1.32	-43.08%	Refer Note -4
8	Net capital turnover ratio	Annual sales Current assets (-) Current liabilities	21.15	-18.54	-1.14	26.15	-20.20	-1.29	-11.86%	Nil
9	Net profit ratio	Net profit after tax Sales	1.22	21.15	5.76%	1.96	26.15	7.48%	-23.03%	Nil
10	Return on capital employed	EBIT Capital employed	1.66	-8.95	-18.57%	2.32	-10.16	-22.86%	-18.78%	Nil
11	Return on investment	Profit after tax Total Assets	1.22	477.73	0.25%	1.96	481.42	0.41%	-37.26%	Refer Note -2

Notes:

- Increase in short-term borrowings from holding company.
- Company's operating revenue has dropped from INR 26.15 Millions to INR 21.15 Millions resulting in drop of operating and net profits for the year.
- Trade receivable balance has increased as at the year end due to delay / non-receipt of payments.
- Trade payable balance has increased as at the year end due to delay / non-receipt of payments from customers resulting in non-payment to vendors.



## 25 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 period was as follows.

Particulars	As at March 31, 2022	As at March 31, 2021
Debt*	31.31	20.84
Cash and bank balances	(2.11)	(1.59)
<b>Net debt</b>	<b>29.19</b>	<b>19.25</b>
<b>Shareholders' Funds</b>		
Equity Share Capital	0.18	0.18
Reserves and Surplus	(9.13)	(10.34)
<b>Total Equity</b>	<b>(8.95)</b>	<b>(10.16)</b>
<b>Net debt to equity ratio</b>	<b>(3.26)</b>	<b>(1.89)</b>

\* includes current maturity of long term borrowing

## 26 Micro, Small and Medium Enterprises Development Act, 2006

As per the information available, almost all trade payables are not MSMEs and the management has not received any information from few suppliers confirming that they are covered under Micro, Small and Medium Enterprises Development Act, 2006. Therefore, all the trade payables classified under category other than micro, small & medium enterprises (MSME).

27 In the opinion of the Board, the current assets and loans and advances are approximately of the value stated, if realized in the ordinary course of business, except otherwise stated. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.

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



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

- a) The company does not have any immovables property, therefore, Additional Regulatory Disclosure relating to title deeds required as per Schedule III (revised) is not applicable.
- b) The company does not have any Investments in Property, Plant and Equipment (including Right of Use Assets) and intangible assets. Therefore, the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
- c) No proceedings 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.
- d) The Company does not have any debt taken from banks or financial institutions, therefore, wilful defaulter related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
- e) There are no transactions with the Companies whose name are struck off under Section 248 of The Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31st March 2022.
- f) The Company does not have any debt taken from banks or financial institutions, therefore, Additional Regulatory Disclosure relating to registration and satisfaction of charges required as per Schedule III (revised) is not applicable.
- g) No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
- h) 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) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary
- i) 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) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- j) There are no subsidiaries to comply with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- k) There are no transactions recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- l) The Company has not operated in any crypto currency or Virtual Currency transactions during the year.

In terms of our report of even date

For S S Dhoot & Co.  
Firm Registration Number: 131854W  
Chartered Accountants



Sarvesh Dhoot  
Partner  
Membership Number : 134130  
UDIN: 22134130 ASHFGX9490



Place : Nashik  
Date : 05-09-2022

For and on behalf of the Board of Directors  
ESDS Internet Services Private Limited  
CIN : U72900MH2010PTC199511



Piyush Somani  
Director  
DIN : 02357582  
Place: Nashik

Place: Nashik  
Date : 05-09-2022



Sarala Somani  
Director  
DIN: 02357805  
Place: Nashik

Place: Nashik  
Date : 05-09-2022

