Ph: +91 44 24963234 / 0333
+91 44 40464444
email: facility@uds.in
Website: www.uds.in

# NOTICE TO MEMBERS

## UPDATER SERVICES PRIVATE LIMITED

**SHORTER NOTICE IS HEREBY GIVEN THAT THE EIGHTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF UPDATER SERVICES PRIVATE LIMITED WILL BE HELD ON WEDNESDAY, THE 29TH DAY OF SEPTEMBER 2021 AT 04.00 PM THROUGH VIDEO CONFERENCING**

**TO TRANSACT THE FOLLOWING BUSINESS**

**ORDINARY BUSINESS:**

**ITEM NO: 1**

To receive, consider and adopt the Standalone and Consolidated Financial Statement along with the audited Balance Sheet as at 31 March 2021, the Profit and Loss Account along with the Cash Flow Statement for the year ended on that date and the Report of the Board of Directors and the Auditors thereon.

"**RESOLVED THAT** the audited Standalone and Consolidated Balance Sheet, the Profit and Loss Account along with the Cash Flow Statement and the notes thereto for the year ended 31st March 2021 together with the Directors' Report and the Auditors' Report thereon be and are hereby approved and adopted"

**SPECIAL BUSINESS**

**GRANTING OF LOAN TO GLOBAL FLIGHT HANDLING SERVICES PRIVATE LIMITED**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 185 of the Companies Act, 2013 the consent of the shareholders be and is hereby accorded to provide Loan up to Rs.2,50,00,000/- (Rupees Two Crores Fifty Lakhs Only) including all previous loans granted and remaining unpaid, to Global Flight Handling Services Private Limited, Subsidiary of our Company which shall be used for its principal business.

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**RESOLVED FURTHER THAT** Directors of the Company be and is hereby authorized to do all such other things, acts and deeds etc. as may be required to comply with all necessary provisions in this regard including but not limited to executing, signing and filing the required documents/ returns/ e-forms with Registrar of Companies, in order to give effect to the above resolution."

**BY THE ORDER OF THE BOARD OF DIRECTORS**

**DATE: 24/09/2021**
**PLACE: CHENNAI**

**L B JAYARAM**
**PAN ABDPJ3094P**
**COMPANY SECRETARY**

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## NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the company.

2. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than 48 hours before commencement of the meeting. Proxies submitted on behalf of limited companies, societies etc, must be supported by appropriate resolutions/authority as applicable.

3. Pursuant to the Companies Act 2013, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as proxy for any other person or shareholders.

4. The members are requested to notify immediately change of address, if any, to the company's registered office. While communicating to the Company, please quote the folio number.

5. An explanatory statement under section 102 of the Companies act, 2013, is annexed to the Notice.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

M/s. Global Flight Handling Services Private Limited (GFHSPL), is a Subsidiary Company of Updater Services Private Limited, a company in which Directors of the Company are interested. The Subsidiary Company along with its Consortium Partner M/s. Bags Ground Services & Co. Ltd.,(BAGS) Thailand 'has been awarded contracts by Airport Authority of India ('AAI') for Ground Handling Services at Pune, Vizag, Patna, Surat & Raipur Airports owned by the AAI. To run the operations in respect of the aforesaid contracts GFHSPL & BAGS have incorporated Special Purpose Vehicles(SPVs) for Pune, Vizag, and Patna airports and is in the process of incorporating SPVs for Surat & Raipur Airports, which SPVs will in turn execute the aforesaid contracts.

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In this regard the Subsidiary Company requires funds to set-up and run the operations. In the Shareholders meeting conducted on 24th April 2021 it was approved to give loans up to Rs. 2,00,00,000/- (Rupees Two Crores Only). Whereas the Company requires further funds to execute the aforesaid contracts. Therefore, it is proposed to increase the limits to Rs.2,50,00,000/- (Rupees Two Crores Fifty Lakhs Only) including all previous loans granted and remaining unpaid, as loan to the Subsidiary Company. The Company in their duly held Board meeting on 24th September 2021 approved the proposal subject to the approval of shareholders as per the regulations as set out in Section 185 of the Companies Act, 2013.

As per the provisions of Section 185 of the Companies Act, 2013, a company cannot make or give loan to its subsidiary, unless it is previously authorized by a special resolution.

Hence Board of Directors seek the approval of shareholders by way of passing special resolution under Section 185 of the Companies Act,2013 in the ensuing Annual General Meeting.

None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution except Mr. Raghunandana Tangirala, Managing Director (DIN: 00628914) and Mrs. Shanthi Tangirala, Director (DIN: 00939218) to the extent that they hold together 61.75% shareholding of the Company. Documents with respect to the above said business are open for inspection at the registered office of the Company.

The Board recommends the Special Resolution set out in the Notice for approval by the shareholders.

## BOARD'S REPORT

To the Members,

Your Directors have pleasure in presenting the Eighteenth Annual Report of the Company together with the Auditor's report and the audited balance sheet for the year ended 31st March 2021

### 1. FINANCIAL SUMMARY

**(Rs. in Lakhs)**

| **Particulars** | **UDS Standalone** | | **UDS Consolidated** | |
|---|---|---|---|---|
| | **31/03/2021** | **31/03/2020** | **31/03/2021** | **31/03/2020** |
| Revenue from Operations | 99,871.84 | 1,09,379.01 | 1,20,358.57 | 1,32,396.04 |
| Profit Before Tax Finance Charges and Depreciation | 3,825.87 | 5,238.72 | 7,066.87 | 7,407.04 |
| Finance Charges | 634.46 | 989.64 | 684.60 | 1,053.86 |
| Provision for Depreciation | 579.52 | 672.44 | 1,498.33 | 1,616.64 |
| Profit Before Tax | 2,611.89 | 3,576.64 | 4,883.94 | 4,736.54 |
| Provision for Tax | (53.35) | 322.77 | 545.83 | 612.29 |
| Net Profit After Tax | 2,665.24 | 3,253.87 | 4,338.11 | 4,124.25 |

| | | | | |
|---|---|---|---|---|
| Other Comprehensive Income/(Loss) for the year, net of tax | 79.01 | (150.98) | 60.33 | (114.38) |
| Net Profit After Tax & Exceptional Items and Surplus carried to Balance Sheet | 2,744.25 | 3102.89 | 4,398.44 | 4,009.87 |

## 2. DIVIDEND

The board has decided to pull back its profits for business expansion and hence is not declaring any dividend.

## 3. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

The outbreak of COVID-19, the subsequent lockdown implemented by the Govt. and the disruption in conducting business on account of the Pandemic have affected adversely the Revenues of not only UDS but also on a consolidated basis. Profits of UDS was also affected significantly on account of the weak business scenario during the year. However, on a consolidated basis, Profits rose marginally on account of some of the subsidiaries' stellar performance. The Total Income of the Company for the year ended 31st March 2021 was Rs. 1,00,369.03 Lakhs as compared to the Previous Year of Rs. 1,09,475.14 Lakhs. Profit before Tax was Rs.2,611.89lakhs as against Rs.3,576.64 lakhs for the previous year and the Profit after Tax considering Other Comprehensive Income/(Loss) was Rs.2,744.25lakhs compared to Rs. 3,102.89 lakhsduring the last year. Your Directors are optimistic about company's business prospects and hopeful of better performance with considerable increase in revenue and profits in the FY22.

## 4. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT

There are no material changes and commitments affecting the Financial position of the Company between 31st March 2021 and the date of Board's Report.

## 5. TRANSFER TO RESERVE

No amount has been proposed to be transferred to any reserves.

## 6. CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company.

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

The provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company. There was no foreign exchange inflow or Outflow during the year under review.

## 8. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

During the year, your Directors have reviewed the Company's enterprise wide risk management framework in respect of the business activities. The Board is of the opinion that sufficient controls exists which are effective and efficient in identifying, monitoring and managing the risks involved.

## 9. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company hasdeveloped a policy under Corporate Social Responsibility and the same was reviewed. The details of the same is given as **Annexure-A.**

## 10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Details of loans and investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review are given to the Notes of Financial Statements. The Company has given guarantee to one of its Subsidiaries' M/s. Global Flight Handling Services Private Limited to the tune of Rs.11,23,00,000/-(Rupees Eleven Crores Twenty Three Lakhs only).

## 11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were at an arm's length except for the transactions as mentioned in the Annexure - B. The details will form part of notes to accounts and Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) in Form AOC- 2 annexed as **Annexure B**.

## 12. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS

No Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Auditors during the year under review

**13. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The provisions of Section 178(1) of the Companies Act, 2013 relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

**14. ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 is placed in the Company's website and the web-link for accessing the Annual Return is:

www.uds.in/Investors/AnnualReturn.pdf

**15. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

The Board met 13 times during the financial year 2020-2021. The Maximum time gap between 2 board meetings did not exceed 120 days.

The relevant details are as under:

| S.No | Date | Board Strength | No. of Directors present |
|---|---|---|---|
| 1 | 21-Apr-20 | 6 | 6 |
| 2 | 25-Apr-20 | 6 | 6 |
| 3 | 09-July-20 | 7 | 7 |
| 4 | 30- July-20 | 7 | 7 |
| 5 | 10-Aug-20 | 7 | 7 |

| | | | |
|---|---|---|---|
| 6 | 07-Oct-20 | 7 | 7 |
| 7. | 23-Dec-20 | 7 | 7 |
| 8. | 31-Dec-20 | 7 | 7 |
| 9. | 12-Feb-21 | 7 | 7 |
| 10. | 26-Feb-21 | 7 | 7 |
| 11 | 03-Mar-21 | 7 | 7 |
| 12 | 29-Mar-21 | 7 | 7 |
| 13 | 31-Mar-21 | 7 | 7 |

## 16. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

(e) the Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company; and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**17. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company has no Associates and it has not entered into Joint Venture with any other Company during the financial year under review, however, the Company has the following subsidiary Companies as on 31st March 2021:

i. Avon Solutions & Logistics Private Limited
ii. Integrated Technical Staffing and Solutions Private Limited
iii. Tangy Supplies & Solutions Private Limited
iv. Stanworth Management Private Limited
v. Fusion Foods & Catering Private Limited
vi. Wynwy Technologies Private Limited( Earlier known as Zappy Home Solutions Private Limited)
vii. Global Flight Handling Services Private Limited
viii. Updater Services(UDS) Foundation
ix. Matrix Business Services India Private Limited
x. Washroom Hygiene Concepts Private Limited

Pursuant to section 129 and Rule 5 of the Companies (Accounts) Rules 2014, the Financial Performance of the above-mentioned Subsidiary Companies is furnished in **Form AOC – 1** which is enclosed as **AnnexureC** as part of this Report.

**18. DEPOSITS**

The Company has neither accepted nor renewed any deposits during the year under review.

## 19. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the financial year under review Mr. Amit Choudhary was appointed as an Additional Director(Independent Director) in the Board Meeting held on 25th April 2020 and in the same meeting Mr. Shankar Gopalakrishnan was re-designated as Nominee Director. The Board is of the opinion that Mr. Amit Choudhary is a man of integrity and possess requisite expertise and experience for being appointed as an Independent Director. In the Annual General Meeting held on 31st December 2020, Mr. Amit Choudhary was re-appointed as a Director(Independent Director).
The term of Managing Director came to an end on 31st December 2020. The Board in their meeting held on 23.12.2020 have re-appointed Mr, T. Raghunandana, Managing Director for a further period of 3 years i.e.upto 31.12.2023. Except as above there were no other Appointment, Re-appointment, Change in Designation and Resignation of Directors, Managing Directors, Whole Time Directors.

In respect of KMPs', the resignation of the Company Secretary Mr. L.B. Jayaram was taken on record in the Board Meeting held on 23.12.2020 and he was relieved from the position of Company Secretary on 31.12.2020.

Declaration from the Independent Directors

The Board has received declaration from Independent Directors as required under Section 149(7) of the Companies Act, 2013 and the Board is satisfied that the Independent Directors meet the criteria of Independence as mentioned in Section 149(6) of the Companies Act, 2013.

## 20. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Proper and adequate internal control systems pertaining to financial statements have been adopted by your company. Your company ensures that existing internal controls serve to assist the operations in the best possible manner and discrepancies are reduced to the least possible extent, resulting in maximum effectiveness of the operations. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

**21. STATUTORY AUDITORS**

The Auditors M/S. S R BATLIBOI & ASSOCIATES LLP., Chartered Accountants were appointed as Statutory Auditors for a period of 4 years in the Annual General Meeting held for the Financial Year 2018-19 on 31st December 2019. They continue to be the Statutory Auditors of the Company.

There are no qualifications in the Auditors report for the Current financial year

**22. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment.

During the year under review, there were no cases filed pursuant to sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

**23. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is provided as **Annexure D** to the Annual Report.

## 24. DISCLOSURE WITH REGARD TO EMPLOYEES STOCK OPTION SCHEME

The details with regard to**'Updater Employee Stock Option Plan 2019'(ESOP 2019)** is given below**:**

1. No. of Options which can be granted under the Scheme: 16,32,640
2. Options granted: 11,50,015
3. Options vested: 4,06,772
4. Options exercised: Nil
5. The total no. of shares arising as a result of exercise of option: Nil
6. Options lapsed/cancelled: 1,73,745
7. The exercise price: Rs.10/- or Rs.111/- as applicable
8. Variation of terms of options: Nil
9. Money realized by exercise of options: Nil
10. Total number of options in force:9,76,270

## 25. FRAUD REPORTING

The Company has not entered into transactions which are fraudulent or illegal of the Company's code of conduct. During the year, no frauds were reported by the Auditors of the Company.

## 26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

**27. VIGIL MECHANISM:**

The Company has framed vigil mechanism for Directors / Employees and every employee has the right to report to the concerned Director, genuine concerns or grievances about unprofessional conduct, malpractices, wrongful conduct, fraud, violation of the Company's policies & values, violation of law without any fear of reprisal. The Vigil Mechanism ensures standards of professionalism, honesty, integrity and ethical behaviour.

**28. MAINTENANCE OF COST RECORDS**

Maintenance of cost records is not required under the provisions of Section 148 of the Companies Act, 2013.

**29. COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARD - 1 AND SECRETARIAL STANDARD - 2**

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied by your Company.

30 **PROCEEDINGS PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016**

During the year under review there were no application made or any proceedings were instigated under the Insolvency and Bankruptcy Code, 2016.

31. **LOAN FROM BANKS OR FINANCIAL INSTITUTION AND SETTLEMENT THEREOF**

During the year under review there were no instances of one-time settlement and/or the valuation done while taking loan from the Banks or Financial Institutions.

31.**ADDITIONAL INFORMATION AS PER RULE 8(5) OF COMPANIES (ACCOUNTS) RULES, 2014.**

| Sl No | Particulars | |
|---|---|---|
| (i) | the financial summary or highlights; | Please refer Financial Results in the Directors Report |
| (ii) | the change in the nature of business, if any; | No change in the nature of business |
| (iii) | the details of directors or key managerial personnel who were appointed or have resigned during the year; | Mr. Amit Choudhary has been re-appointed as an Independent Director on 31st December 2020.<br><br>Mr, T. Raghunandana, has been appointed as a Managing Director for a further period of 3 years i.e.upto 31.12.2023 |
| (iv) | the names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year | Nil |
| (v) | the details relating to deposits, covered under Chapter V of the Act,<br>(a) accepted during the year;<br>(b) remained unpaid or unclaimed as at the end of the year;<br>(c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved- | The Company has not accepted deposit during the year and there are no overdue deposits during the year |

| | | |
|---|---|---|
| | **(i) at the beginning of the year;**<br>**(ii) maximum during the year;**<br>**(iii) at the end of the year;** | |
| **(vi)** | **the details of deposits which are not in compliance with the requirements of Chapter V of the Act;** | Not applicable |
| **(vii)** | **the details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future;** | Not applicable |
| **(viii)** | **the details in respect of adequacy of internal financial controls with reference to the Financial Statements.** | The Company has adequate Internal Control Systems commensurate with the size of the Company |

## 30. ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. YourDirectors' also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**DATE: 24.09.2021**
**PLACE: CHENNAI**

-sd -sd

**RAGHUNANDANA TANGIRALA**
**MANAGING DIRECTOR**
**DIN 00628914**

**SHANTHI TANGIRALA**
**DIRECTOR**
**DIN 00939218**

**Updater Services Private Limited**
**Consolidated Balance sheet as at March 31, 2021**
*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

| Particulars | Notes | As at 31-Mar-2021 | As at 31-Mar-2020 (Restated) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non- current assets** | | | |
| Property plant and equipment | 3 | 1,351.56 | 1,995.02 |
| Capital Work in Progress | | 32.00 | - |
| Goodwill | 3A | 4,570.27 | 4,570.27 |
| Other Intangible assets | 3A | 1,201.60 | 1,444.17 |
| Right-of-use assets | 41 | 366.92 | 534.42 |
| **Financial assets** | | | |
| (i) Investments | 4 | 1.00 | 1.00 |
| (ii) Loans | 5 | 569.21 | 587.73 |
| (iii) Other financial assets | 6 | 1,924.30 | 1,606.79 |
| Deferred tax asset (Net) | 15 | 3,643.21 | 2,717.62 |
| Non-Current tax assets (net) | 9 | 4,895.31 | 4,971.82 |
| Other non-current assets | 7 | 88.20 | 10.27 |
| | | **18,643.58** | **18,439.11** |
| **Current assets** | | | |
| Inventories | 8 | 501.41 | 663.03 |
| Financial assets | | | |
| (i) Investments | 4 | 403.40 | 153.40 |
| (ii) Trade receivables | 10 | 20,815.30 | 29,231.08 |
| (iii) Cash and cash equivalents | 11 | 4,558.87 | 1,743.45 |
| (iv) Bank balances other than (iii) above | 11A | 1,862.63 | 722.79 |
| (v) Loans | 12 | 571.34 | 490.46 |
| (vi) Other financial assets | 13 | 8,070.39 | 6,641.47 |
| Other current assets | 14 | 3,022.95 | 3,295.52 |
| | | **39,804.29** | **42,941.20** |
| **Total Assets** | | **58,447.87** | **61,380.31** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 16 | 5,281.75 | 5,281.75 |
| Other equity | 17 | 23,743.39 | 19,569.00 |
| **Equity attributable to equity holders of the parent** | | **29,025.14** | **24,850.75** |
| Non controlling interest | | 692.67 | 454.33 |
| **Total Equity** | | **29,717.81** | **25,305.08** |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 18 | - | 0.91 |
| (ii) Lease Liabilities | 41 | 231.87 | 394.54 |
| (iii) Other Financial liabilities | 22A | 844.83 | 1,363.51 |
| Provisions | 19 | 3,396.37 | 3,234.83 |
| Deferred Tax Liabilities | 23 | 255.61 | 310.72 |
| | | **4,728.68** | **5,304.51** |
| **Current Liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 20 | 1,161.01 | 8,995.23 |
| (ii) Lease Liabilities | 41 | 217.50 | 318.80 |
| (iii) Trade payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | 21 | 388.78 | 769.77 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 21 | 2,796.47 | 2,923.27 |
| (iv) Other financial liabilities | 22 | 11,743.68 | 11,045.77 |
| Provisions | 24 | 2,786.90 | 2,290.85 |
| Current tax liabilities (net) | 25 | 383.68 | 119.48 |
| Other current liabilities | 26 | 4,523.36 | 4,307.55 |
| | | **24,001.38** | **30,770.72** |
| **Total Liabilities** | | **28,730.06** | **36,075.23** |
| **TOTAL EQUITY AND LIABLITIES** | | **58,447.87** | **61,380.31** |
| Summary of significant accounting policies | 1 - 2 | | |
| The accompanying notes form an integral part of the Consolidated Financial Statements. | 3 - 61 | | |

As per our report of even date

**For S.R.Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

**per Chirag Shah**
**Partner**
Membership No. 121648

S.R. Batliboi & Associates LLP
Chennai
Chartered Accountants

Place: Chennai
Date : September 24, 2021

For and on behalf of Board of Directors
**Updater Services Private Limited**

**T. Raghunandana**
Managing Director
DIN : 0000628914

**T.Shanthi**
Director
DIN : 00006939218

**Balaji Swaminathan**
Chief Financial Officer

**L.B. Jayaram**
Company Secretary

Place: Chennai
Date : September 24, 2021

**Updater Services Private Limited**
**Consolidated Statement of Profit and Loss for the year ended March 31, 2021**
*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

| Particulars | Note No. | Year Ended 31-Mar-2021 | Year Ended 31-Mar-2020 (Restated) |
|---|---|---|---|
| **Income** | | | |
| Revenue from contracts with customers | 27 | 120,358.57 | 132,396.04 |
| Other income | 28 | 416.04 | 118.61 |
| Finance income | 29 | 215.86 | 70.92 |
| **Total Income** | | **120,990.47** | **132,585.57** |
| **Expenses** | | | |
| Cost of materials consumed | 30 | 1,593.16 | 2,338.92 |
| Purchases of traded goods | 31 | 1,411.54 | 2,398.38 |
| Changes in inventories of Finished goods and traded goods | 32 | 156.14 | (295.76) |
| Employee benefits expense | 33 | 98,165.48 | 105,425.71 |
| Finance costs | 34 | 684.60 | 1,053.86 |
| Depreciation and amortization expense | 35 | 1,498.33 | 1,616.64 |
| Impairment losses on financial instrument and contract assets | 36 | 468.76 | 503.51 |
| Other expenses | 37 | 12,128.52 | 14,805.77 |
| **Total Expense** | | **116,106.53** | **127,849.03** |
| **Profit before tax** | | **4,883.94** | **4,736.54** |
| **Tax Expense :** | | | |
| Current tax | 38 | 1,534.25 | 675.79 |
| Adjustment of tax relating to earlier periods | 38 | 13.90 | 2.94 |
| Deferred tax Charge/ (Credit) | 38 | (1,002.32) | (66.44) |
| **Income tax expense** | | **545.83** | **612.29** |
| **Profit for the year** | | **4,338.11** | **4,124.25** |
| **Other Comprehensive Income:** | | | |
| **Items that will not to be reclassified to profit or loss in subsequent periods:** | | | |
| Re-measurement gains/(losses) on defined benefit obligations (net) | | 81.96 | (129.79) |
| Income tax effect | | (21.63) | 15.41 |
| **Other comprehensive income for the year, net of tax** | | **60.33** | **(114.38)** |
| **Total comprehensive Income for the year, net of tax attributable to:** | | **4,398.44** | **4,009.87** |
| **Profit for the year** | | | |
| Attributable to: | | | |
| Equity holders of the parent | | 4,086.25 | 4,134.46 |
| Non-controlling interests | | 251.86 | (10.21) |
| **Other Comprehensive income for the year** | | | |
| Attributable to: | | | |
| Equity holders of the parent | | 73.12 | (136.74) |
| Non-controlling interests | | (12.79) | 22.38 |
| **Total comprehensive income for the year** | | | |
| Attributable to: | | | |
| Equity holders of the parent | | 4,159.37 | 3,997.72 |
| Non-controlling interests | | 239.07 | 12.16 |
| **Earnings per equity share** | | | |
| Basic (Amount in ₹ ) | 39 | 7.74 | 7.83 |
| Diluted (Amount in ₹ ) | 39 | 7.68 | 7.78 |
| Summary of significant accounting policies | 1 - 2 | | |
| The accompanying notes form an integral part of the Consolidated Financial Statements. | 3 - 61 | | |

As per report of even date

**For S.R.Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

**per Chirag Shah**
**Partner**
Membership No. 121648

S.R. Batliboi & Associates LLP
Chennai
Chartered Accountants

Place: Chennai
Date : September 24, 2021

For and on behalf of Board of Directors
**Updater Services Private Limited**

**T. Raghunandana**
Managing Director
DIN : 00006238914

**T.Shanthi**
Director
DIN : 00009339218

**Balaji Swaminathan**
Chief Financial Officer

**L.B. Jayaraj**
Company Secretary

Place: Chennai
Date : September 24, 2021

Updater Services Private Limited
**Consolidated Statement of Changes in Equity for the year ended March 31, 2021**
*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

**(a) Equity share capital**

| Equity shares of Rs 10 each issued, subscribed and fully paid | No. of shares (in lakhs) | Amount |
|---|---|---|
| **Balance as on March 31, 2019** | **528.17** | **5,281.75** |
| Add: Shares issued during the year | - | - |
| **Balance as on March 31, 2020** | **528.17** | **5,281.75** |
| Add: Shares issued during the year | - | - |
| **Balance as on March 31, 2021** | **528.17** | **5,281.75** |

**(b) Other equity (Restated)**

| Particulars | Retained Earnings (Restated) | Capital redemption reserve | General reserve | Securities Premium | Employee Stock Options Reserve | Total Equity attributable to equity shareholders of parent | Non-Controlling Interest | Total |
|---|---|---|---|---|---|---|---|---|
| **At 1 April 2019** | **9,507.54** | **207.50** | **150.43** | **5,594.28** | - | **15,459.75** | **441.16** | **15,900.91** |
| Profit for the year (Restated) | 4,134.46 | - | - | - | - | 4,134.46 | (10.21) | 4,124.25 |
| Other Comprehensive Income | (136.74) | - | - | - | - | (136.74) | 22.38 | (114.36) |
| **Total comprehensive income** | **3,997.72** | - | - | - | - | **3,997.72** | **12.17** | **4,009.89** |
| | | | | | | - | | - |
| Effect of adoption of Ind AS 116 | (214.12) | - | - | - | - | (214.12) | - | (214.12) |
| Transfer to general reserve | (22.26) | - | 22.26 | - | - | - | - | - |
| Employee stock options provided | - | - | - | - | 325.64 | 325.64 | - | 325.64 |
| **As at March 31, 2020** | **13,268.88** | **207.50** | **172.69** | **5,594.28** | **325.64** | **19,568.99** | **454.33** | **20,023.32** |
| | | | | | | - | | - |
| Profit for the year | 4,086.25 | | | | | 4,086.25 | 251.86 | 4,338.11 |
| Other Comprehensive Income | 73.27 | | | | | 73.27 | (13.53) | 59.74 |
| **Total comprehensive income** | **4,159.52** | - | - | - | - | **4,159.52** | **238.33** | **4,397.85** |
| | | | | | | - | | - |
| Transfer to general reserve | (93.28) | | 93.28 | | | - | | - |
| Employee stock options provided | | | | | 14.89 | 14.89 | | 14.89 |
| | | | | | | - | | - |
| **As at March 31, 2021** | **17,335.12** | **207.50** | **265.97** | **5,594.28** | **340.53** | **23,743.40** | **692.66** | **24,436.06** |

The accompanying notes form an integral part of the Financial Statements. 3 - 61

As per our report of even date
**For S R Batliboi & Associates LLP**
Chartered Accountants
Firm Registration no. 101049W/E300004

per Umang B Shah
Partner
Membership No. 121648

S.R. Batliboi & Associates LLP * Chennai * Chartered Accountants

Place: Chennai
Date : September 24, 2021

For and on behalf of Board of Directors
**Updater Services Private Limited**

**T.Raghunandana**
Managing Director
DIN : 00000026914

**Balaji Swaminathan**
Chief Financial Officer

Place: Chennai
Date : September 24, 2021

**T.Shanthi**
Director
DIN : 00000059218

**L.B. Jayaram**
Company Secretary

**Updater Services Private Limited**
**Consolidated Statement of Cash flows for the year ended March 31, 2021**
*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

| Particulars | | Year ended 31-Mar-21 | Year ended 31-Mar-2020 (Restated) |
|---|---|---|---|
| Profit before tax | | 4,883.94 | 4,736.54 |
| **Adjustment to reconcile profit before tax to net cash flows** | | | |
| Depreciation and amortization expense | | 1,498.33 | 1,616.64 |
| Interest expenses | | 484.60 | 1,053.86 |
| Interest income | | (215.86) | (70.92) |
| Dividend income | | - | (0.60) |
| Impairment for expected credit loss of trade receivables | | 398.34 | 442.11 |
| Impairment for doubtful advances | | 10.59 | 61.40 |
| Impairment for reimbursement of gratuity | | 59.83 | - |
| Bad debts and advances written off | | 109.03 | 258.12 |
| Provision for onerous contract | | 101.30 | - |
| Fair value gain on Financial Assets at FVTPL | | (55.28) | (30.66) |
| Provision no longer required written back | | (114.96) | (45.60) |
| Liability payable to promoters of acquired subsidiary no longer required written back * | | (197.35) | |
| (Profit)/Loss on sale of investments | | - | (4.15) |
| Loss on sale of Property, plant and equipment | | 0.97 | 7.88 |
| Profit on Sale of Property, plant and equipment | | (21.88) | |
| Employee stock option expenses | | 14.89 | 325.64 |
| Unrealised exchange differences (net) | | 0.98 | 6.45 |
| **Operating cash flow before working capital changes** | | **7,157.47** | **8,356.71** |
| *Movements in working capital :* | | | |
| (Increase)/decrease in trade receivables | | 7,955.04 | (5,690.24) |
| (Increase)/decrease in other financial assets | | (1,775.63) | (2,159.57) |
| (Increase)/decrease in non - financial assets | | 240.35 | (591.36) |
| (Increase)/decrease in Loans | | (7.78) | (107.31) |
| (Increase)/decrease in Inventory | | 101.62 | (183.52) |
| Increase/ (decrease) in Provision | | 556.28 | 1,619.50 |
| Increase/(decrease) in trade payables | | (393.81) | 611.67 |
| Increase/ (decrease) in financial liabilities | | (10.80) | 1,700.06 |
| Increase/ (decrease) in other liabilities | | 215.81 | (574.78) |
| **Cash generated from /(used in) operations** | | **14,100.55** | **2,981.16** |
| Income taxes paid (net of refunds) | | (1,251.05) | (2,448.91) |
| **Net cash flow from/ (used in) operating activities** | | **12,849.50** | **532.25** |
| **Cash flow from investing activities** | | | |
| Purchase of property, plant and equipment | | (427.35) | (1,345.05) |
| Purchase of Investments | | (250.00) | (75.85) |
| Investments in fixed deposits (having original maturity of more than three months) | | (10,116.03) | (554.97) |
| Redemption/Maturity of fixed deposits | | 8,976.20 | 1,018.55 |
| Proceeds from sale of property, plant and equipment | | 67.27 | 17.54 |
| Interest received | | 182.22 | 102.17 |
| Dividend received | | - | 0.60 |
| Acquisition of subsidiary | | - | (5,435.15) |
| **Net cash flow from/ (used in) investing activities** | | **(1,567.69)** | **(6,270.16)** |
| **Cash flow from financing activities** | | | |
| Repayment of long-term borrowings | | (0.91) | (18.90) |
| Proceeds from short-term-borrowings | | 1,947.07 | 31,683.77 |
| Repayment of short-term-borrowings | | (9,781.29) | (25,536.87) |
| Payment of principal portion of lease liabilities | | (334.17) | (304.07) |
| Interest paid | | (297.09) | (191.91) |
| **Net cash flow from/ (used in) in financing activities** | **C** | **(8,466.39)** | **5,632.02** |
| **Net increase/(decrease) in cash and cash equivalents** | **A+B+C** | **2,815.42** | **(105.88)** |
| Cash and cash equivalents at the beginning of the year | | 1,743.45 | 1,040.33 |
| Additions on acquisition of Subsidiaries | | - | 809.00 |
| Cash and cash equivalents at the end of the year | | 4,558.87 | 1,743.45 |
| **Non Cash investing and financing activities** | | | |
| Acquisition of Right of use assets | | 70.19 | 362.34 |

Summary of significant accounting policies 1-2

The accompanying notes form an integral part of the Consolidated Financial Statements. 3 - 61

As per our report of even date
**For S.R.Batliboi & Associates LLP**
Chartered Accountants
Firm Registration no. 101049W/E300004

per Chirag Shah
Partner
Membership No. 121648

S.R. Batliboi & Associates LLP
Chennai
Chartered Accountants

Place: Chennai
Date : September 24, 2021

for and on behalf of Board of Directors of
**Updater Services Private Limited**

**T.Raghunandana**
Managing Director
DIN : 0000628914

**T.Shanthi**
Director
DIN : 0000939218

**Balaji Swaminathan**
Chief Financial Officer
Place: Chennai
Date : September 24, 2021

**L.B. Jayaram**
Company Secretary

## 1. Corporate information

The consolidated financial statements comprise financial statements of Updater Services Private Limited ('UDS'/ 'Company') and its subsidiaries (collectively, the Group) for the year ended March 31, 2021. The group is engaged in providing facility management services like integrated facility management services to various industries such as information technology enabled services, manufacturing, hospitality and other industries and catering services, which includes industrial catering, and services at food courts.

Facility management services includes housekeeping, janitorial, garden management, pest control, waste management, vendor management, cleaning and mail room services, mechanical and electrical services, water management, hygiene management, plumbing, energy/safety audit, design erection, installation, testing and commissioning and catering solutions. Information on the Group's structure is provided in Note 53 Group information. Information on other related party relationships of the Group is provided in Note 47 Related party transactions.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on September 24, 2021.

## 2. Significant accounting policies

### 2.1 Basis of accounting and preparation of financial statements

#### i. Compliance with Ind-AS

The consolidated financial statements of the Group are prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read together with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

The consolidated financial statements are presented in Indian Rupees (INR) which is also the Group's functional currency. All values are rounded to nearest lakhs except when otherwise stated.

The consolidated financial statements have been prepared on a historical cost basis, except for the following:
a) Certain financial assets and liabilities measured at fair value as explained in the accounting policies; and
b) Defined benefit plan assets measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### ii. Basis of consolidation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee

- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

S.R. Batliboi & Associates LLP Chartered Accountants Chennai

## 2.2 Summary of Significant accounting policies

### a. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the

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Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

**b. Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

The group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

**c. Foreign currencies**

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation.

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**Transactions and Balances**

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

**d. Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

The cost of property, plant and equipment not ready for intended use before such date is disclosed under capital work-in-progress.

For depreciation purposes, the group identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the life of the principal asset and depreciates them separately based on their specific useful lives. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

S.R. Batliboi & Associates LLP
Chennai
Chartered Accountants

**Depreciation**

The group, based on technical assessment made by experts and management estimates, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation is calculated on a written down value basis/straight line basis that closely reflects the expected pattern of consumption of future economic benefits embodied in the respective assets over the estimated useful lives of the assets.

| Asset Classification | Estimated Useful Life (Years) |
|---|---|
| Plant and machinery | 5 to 15 |
| Furniture and fittings | 10 |
| Office equipment | 5 |
| Vehicles | 8 |
| Computer and accessories | 3 |
| Building | 60 |
| Leasehold improvements # | 1-5 years |

# Leasehold Improvements are depreciated over the leasehold period or useful life estimated by management whichever is lesser.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**e. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss. when the asset is derecognised.

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| Asset Classification | Useful Life (Years) | Amortisation method | Internally generated or acquired |
|---|---|---|---|
| Software | 3 to 10 years | Amortised on a straight-line basis over the life | Acquired |
| Goodwill | Indefinite | Assessed for impairment at the end of every year | Acquired |
| Customer Relationship | 5 years | Amortised on a straight-line basis over the life | Acquired |
| Non-compete | 8 – 10 years | Amortised on a straight-line basis over the life | Acquired |
| Vendor Contract | 5 years | Amortised on a straight-line basis over the life | Acquired |
| Brand | Indefinite | Assessed for impairment at the end of every year | Acquired |

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

The group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the services, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation / amortization is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation / amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

**g. Revenue from contracts with customers**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded

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that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is the tax collected on value added on the services and commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Revenues in excess of invoicing are classified as contract assets (referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred to as income received in advance).
Revenue is adjusted for expected price concessions based on the management estimates.

The specific recognition criteria described below must also be met before revenue is recognised.

**Income from facility management services**
Revenues from facility management service contracts are recognized pro-rata over the period of the contract as and when services are rendered and are net of discounts.

**Dividend income**
Dividend income is recognised when the unconditional right to receive the payment is established.

**Interest income**
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Financial income" in the statement of profit and loss.

**Contract balances**

**Contract assets**
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract Assets (Unbilled revenue) represents revenue in excess of billing.

**Trade receivables**
A receivable represents the group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**Contract liabilities**
A contract liability is the obligation to transfer goods or services to a customer for which the group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the group performs under the contract.

**h. Inventories**
Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**i. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

**Effective interest method**

The effective interest method (EIR) is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 10* (Trade Receivables).

**Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Group does not have any debt instrument as at FVTOCI.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. The Group does not have any debt instrument at FVTPL.

**Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and "contingent consideration classified as liability" recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, entities in the Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value. Such election is made on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

**Derecognition**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

**Impairment of financial assets**

The group applies expected credit loss model for recognising impairment loss on financial assets measured at amortised cost.

The group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Provision for ECL is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expenses in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

**Reclassification of financial assets**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model.

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**Financial liabilities**
**Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortized cost, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, borrowings including bank overdrafts, redemption liability and financial guarantee contracts.

**Subsequent measurement**

All financial liabilities except derivatives are subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Equity investment in Subsidiaries**

Investment in subsidiaries are carried at cost in the separate financial statements as permitted under Ind-AS 27.

**j. Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Group as a lessee**
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. **Right-of-use assets**
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a written-down value basis/straight line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

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| Asset Classification | Estimated Useful Life (Years) |
|---|---|
| Building | 1 – 5 |
| Vehicles | 1 – 3 |
| Furniture and fittings | 1 – 2 |

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (d) Impairment of non-financial assets.

**ii. Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings (see Note 41).

**iii. Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of Buildings and Machinery and Equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Group as a lessor**

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**k. Retirement and other employee benefits**

**a. Compensated absences**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

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Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The group treats accumulated leave expected to be carried forward beyond twelve months, as non-current employee benefit for measurement purposes. Such non-current compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains / losses are immediately taken to the statement of profit and loss and are not deferred.

**b. Post-employment obligations**

The group operates the following post-employment schemes:

**i. Gratuity obligations**

Gratuity liability under the Payment of Gratuity Act, 1972 is a defined benefit obligation. The Plan provides payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The group provides the gratuity benefit through annual contribution to a fund managed by the Life Insurance Corporation of India (LIC). Under this scheme the settlement obligation remains with the group although the LIC administers the scheme and determines the contribution premium required to be paid by the group. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method.

In addition to the above, the group recognises its liability in respect of gratuity for employees (where customer reimburses gratuity) and its right of reimbursement as an asset. Employee benefits expense in respect of gratuity to employees and reimbursement right is presented in accordance with Ind AS – 19.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement is not reclassified to profit or loss in subsequent periods.

Past service cost is recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the group recognises related restructuring costs.
Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
- Service costs comprising current service costs, past-service costs and
- Net interest expense or income.

**ii. Retirement benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The group has no obligation, other than the contribution payable to the provident fund. The group recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

**l. Taxes**

**Current income tax**

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Income tax expense comprises current tax expense and deferred tax charge or credit during the year. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is recognised using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

• When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
• In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the group recognizes MAT credit as a deferred tax asset. The group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

The carrying amount of deferred tax assets is reviewed at each reporting date and written off to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**m. Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

The Group has opted for the Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) scheme. The PMRPY Scheme aims to incentivise employers for employment generation by the Government paying the full employers' EPS contribution of 12%, for the new employees, for the first three years of their employment and is proposed to be made applicable for unemployed persons that are semi-skilled and unskilled.

**n. Financial guarantee contracts**

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**o. Fair value measurement**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Involvement of external valuers is decided upon annually by the Group. At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. Other fair value related disclosures are given in the relevant notes.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above (Refer Note 50 Fair value hierarchy).

**p. Segment reporting**

The Management monitors the operating results of its business as a single primary segment "facility management service" for the purpose of making decisions about resource allocation and performance assessment. The business of the Group falls under a single primary segment i.e. 'facility management service' for the purpose of Ind AS 108.

**q. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**r. Dividend**

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**s. Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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The amount recognised as a provision is the best estimate of the consideration required to settle present obligation at the end of reporting period, taking into account the risk and uncertainty surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

**Onerous Contract**

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

**t. Contingent liabilities & Contingent Assets**

Contingent liability is disclosed for,

(i) Possible obligation which will be confirmed only by future events not wholly within the control of the group or

(ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

**u. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above. Bank overdrafts are shown within borrowings in financial liabilities in the balance sheet.

**v. Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**w. Share-based payments**

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

**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 42.

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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.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. 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.

**x. Changes in accounting policies and disclosures**

**New and amended standards**

**(i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions.**

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019. This amendment had no impact on the consolidated financial statements of the Group.

**(ii) Amendments to Ind AS 103 *Business Combinations***

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. This amendment had no impact on the consolidated financial statements of the Group but may impact future periods should the Group enter into any business combinations.

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**(iii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material**

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Group's consolidated financial statements.

**y. Recent Pronouncements**

The Ministry of Corporate Affairs through a notification dated 24 March 2021 amended Schedule III to the Companies Act, 2013. These amendments are applicable from 1 April 2021 and enhances the disclosures required to be made by the Company in its financial statements. The Company is evaluating the effect of these amendments on its financial statements.

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*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

3 Property, Plant and Equipment (Restated)

| Particulars | Property, Plant and Equipment | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Particulars | Plant and machinery | Furniture and fixtures | Office equipments | Vehicles | Computer and accessories | Building | Leasehold improvements | Total |
| **Gross carrying value** | | | | | | | | |
| At 1 April 2019 | 1,835.24 | 187.95 | 163.63 | 177.01 | 309.69 | 177.57 | 67.93 | 2,919.02 |
| Additions | 987.43 | 123.18 | 109.80 | 61.93 | 282.76 | 23.27 | 64.75 | 1,653.12 |
| Transfer to RoU (Refer Note a) | - | - | - | (13.60) | - | - | - | (13.60) |
| Disposals | (83.84) | (15.87) | (8.29) | (23.57) | (7.75) | - | - | (139.32) |
| At 31 March 2020 (Restated) | 2,738.83 | 295.26 | 265.14 | 201.77 | 584.70 | 200.84 | 132.68 | 4,419.22 |
| Additions | 245.84 | 15.21 | 39.41 | - | 61.54 | - | 9.96 | 371.98 |
| Disposals | (40.57) | (53.97) | (47.62) | (10.60) | (22.16) | - | (7.73) | (182.65) |
| At 31 March 2021 | 2,944.10 | 256.50 | 256.93 | 191.17 | 624.08 | 200.84 | 134.89 | 4,608.55 |
| | | | | | | | | |
| **Depreciation** | | | | | | | | |
| At 1 April 2019 | 916.97 | 52.12 | 75.37 | 69.74 | 172.77 | 25.16 | 47.02 | 1,359.15 |
| Charge for the year | 831.60 | 57.32 | 62.64 | 34.08 | 152.59 | 37.74 | 14.68 | 1,190.65 |
| Transfer to RoU (Refer Note a) | - | - | - | (0.91) | - | - | - | (0.91) |
| Disposals | (76.63) | (15.87) | (8.29) | (16.13) | (7.75) | - | - | (124.69) |
| At 31 March 2020 | 1,671.94 | 93.57 | 129.72 | 86.76 | 317.61 | 62.90 | 61.70 | 2,424.20 |
| Charge for the year | 651.34 | 38.81 | 60.59 | 35.34 | 137.44 | 13.30 | 32.24 | 909.06 |
| Disposals | (34.60) | (37.67) | (26.65) | (10.60) | (19.04) | - | (7.73) | (136.29) |
| At 31 March 2021 | 2,288.68 | 94.71 | 163.66 | 111.50 | 436.01 | 76.20 | 86.20 | 3,256.97 |
| **Net Block** | | | | | | | | |
| At 31 March 2020 (Restated) | 1,066.89 | 201.69 | 135.42 | 115.01 | 267.09 | 137.94 | 70.98 | 1,995.02 |
| At 31 March 2021 | 655.42 | 161.79 | 93.27 | 79.67 | 188.07 | 124.64 | 48.69 | 1,351.56 |

Note:

a. Certain finance lease vehicles have been reclassified from Property, Plant and Equipments to Right-of-use assets in line with Ind AS 116.

b) Cash credit and working capital loan are secured by first pari-passu charge on certain moveable assets. (Refer Note 20)

3A Intangible assets & Goodwill on consolidation (Restated)

| Particulars | Intangibles Assets (Refer note below) | | | | | |
|---|---|---|---|---|---|---|
| | Computer software | Customer relationship | Non Compete | Vendor Contract | Brand | Total |
| **Gross carrying value** | | | | | | |
| At 1 April 2019 | 90.69 | - | - | - | - | 90.69 |
| Additions | 269.46 | 365.00 | 215.00 | 617.00 | 155.00 | 1,621.46 |
| Disposals | (5.94) | - | - | - | - | (5.94) |
| At 31 March 2020 | 354.21 | 365.00 | 215.00 | 617.00 | 155.00 | 1,706.21 |
| Additions | 36.59 | | | | | 36.59 |
| Disposals | - | | | | | - |
| At 31 March 2021 | 390.80 | 365.00 | 215.00 | 617.00 | 155.00 | 1,742.80 |
| **Amortization** | | | | | | |
| At 1 April 2019 | 63.64 | - | - | - | - | 63.64 |
| Charge for the year | 59.10 | 47.36 | 16.28 | 70.66 | - | 193.40 |
| Impairment | 5.39 | - | - | - | - | 5.39 |
| Other adjustments | (0.39) | - | - | - | - | (0.39) |
| At 31 March 2020 | 127.74 | 47.36 | 16.28 | 70.66 | - | 262.04 |
| Charge for the year | 60.18 | 72.91 | 22.66 | 123.40 | | 279.15 |
| At 31 March 2021 | 187.92 | 120.27 | 38.94 | 194.06 | - | 541.19 |
| **Net Block** | | | | | | |
| At 31 March 2020 | 226.47 | 317.64 | 198.72 | 546.34 | 155.00 | 1,444.17 |
| At 31 March 2021 | 202.88 | 244.73 | 176.06 | 422.94 | 155.00 | 1,201.61 |

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Opening Balance of Impairment | 31.16 | 25.77 |
| Charge during the year | - | 5.39 |
| Closing balance of Impairment | 31.16 | 31.16 |

Goodwill on Consolidation (Restated)

| Particulars | Goodwill on Consolidation |
|---|---|
| At 1 April 2019 | 1,575.59 |
| Additions | 2,994.68 |
| At 31 March 2020 | 4,570.27 |
| Additions | - |
| At 31 March 2021 | 4,570.27 |

The Goodwill and intangible asset with indefinite life is recognized at the time of acquisition of the Subsidiaries (Avon Logistics & Solutions Private Limited, Fusion Foods and Catering Private Limited, Matrix Business Services India Private Limited, Global Flight Handling Services Private Limited and Washroom Hygiene Concepts Private Limited) by the Group.

The recoverable amount of the Investments has been determined based on Value in Use calculation using cash flow projections from financial budgets approved by the respective Board/ Senior management covering a five year period. The cash flow projections have been updated to reflect the impact of COVID-19. The discount rate applied to cash flow projections for Impairment testing during the current year is 12.9% and cash flow beyond the five years are extrapolated using a growth rate of 2% that is the same as the long term average growth rate for the industry in which the Group operates. It was concluded that the fair value less costs of disposal did not exceed the value in use and the recoverable amounts exceeded their carrying amount.

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**3A Goodwill on consolidation & Intangible assets (continued)**

On April 25, 2019, the Group acquired 75% equity ownership in Matrix Business Services India Private Limited ("Matrix") by investing a total of ₹ 3,915.01 lakhs as equity share capital. Matrix is primarily engaged in the business of providing assurance services, claims processing, including employee background verifications checks and product and process audits inter alia of warehouses, depots, distributors and distribution centres, retail points and outlets and franchisees. Investment recorded during the year includes ₹ 965.16 lakhs on account of obligation to purchase the remaining equity shares in the future, recognised pursuant to Shareholder's Agreement between the Group and the promoters of Matrix.

On September 5, 2019, the Group has acquired 76% equity ownership in Washroom Hygiene Concepts Private Limited ("WHC") by investing a total of ₹ 1,520.00 lakhs as equity share capital. WHC is primarily engaged in the business of providing washroom sanitizing services and hygiene solutions, primarily female hygiene solutions, viz sanitary napkin vending & disposal and supply of third party sanitary products. Investment recorded during the year includes ₹ 360.63 lakhs on account of obligation to purchase the remaining equity shares in the future, recognised pursuant to Shareholder's Agreement between the Company and the promoters of WHC.

Consequent to the future purchases, the Group will hold 100% of the equity shares of Matrix and WHC. The Group has elected not to recognise a non-controlling interest in Matrix and WHC as the unacquired shares from the promoters of Matrix and WHC are recognised as financial liabilities in the consolidated financial statements and both Matrix and WHC are considered to be 100% owned by the Group for the purpose of consolidation.

<u>Intangible assets out of acquisition</u>

**Customer relationship**

Customer contracts and related Customer relationships include the relationships that Matrix and WHC have established with customers that are tied to them through a contract, as well as the potential extension of such contracts/additional relationships that would arise as a result of these contracts, and therefore, meet both the contractual/legal criteria and the separability criterion for recognition of an Intangible Asset under 'Ind AS 38 Intangible Assets'.
The income approach has been considered for arriving at the value of the intangible asset as defined in "Ind AS 113 Fair Value Measurement". The Company has ascertained ascertained the useful life to be 5 years.

**Non Compete**

Non compete is based on a contractual agreement which protects the value of the purchased assets from Matrix and WHC (both tangible and intangible) by restricting the respective promoters' competitive conduct post the respective investment dates and accordingly, meet both the contractual/legal criteria and separability criterion for recognition of an Intangible Asset under 'Ind AS 38 Intangible Assets'.

As per the investment agreements for Matrix and WHC, the promoters have agreed to non-competence for a period of 7 years from the expiry of Contract of service or the promoters ceasing to hold any securities of Matrix and WHC (i.e. after June 30, 2021 and June 30, 2022 respectively). Thus effectively 8 - 10 years from the date of acquisition.

The income approach has been considered for arriving at the value of the intangible asset as defined in "Ind AS 113 Fair Value Measurement".

**Vendor contract**

Vendor Contract is an agreement where the vendor has agreed to supply agreed products for a specified period of time and within a specific geographic area exclusively to WHC and meet both the contractual/legal criteria and the separability criterion for recognition of an Intangible Asset under 'Ind AS 38 Intangible Assets'.

The income approach has been considered for arriving at the value of the intangible asset as defined in "Ind AS 113 Fair Value Measurement". The Company has ascertained ascertained the useful life to be 5 years.

**Brand**

WHC uses the brand 'Washroom Hygiene Concepts' for its traditional as well as new businesses. The Group will continue to use the similar strategy in future for all its new generation businesses. The brand serves to create associations and expectations among products made by WHC. This meets the legal criterion and the separability criterion for recognition of an Intangible Asset under 'Ind AS 38 Intangible Assets'.

The income approach has been considered for arriving at the value of the intangible asset as defined in "Ind AS 113 Fair Value Measurement". The intangible asset is considered having an indefinite useful life and will be assessed for impairment every year.

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| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 4 | **Investments** | | |
| | **Investments at Cost** | | |
| | 9,999 (March 31, 2020 - 9,999) equity shares of Rs.10 each fully paid up in Updater Services (UDS) Foundation (Refer note 47) | 1.00 | 1.00 |
| | **Investments at Fair Value through Profit & Loss** | | |
| | L&T Liquid Fund Direct Plan - Growth - Nil units (March 2020 - 2074.9 Units) | - | 50.33 |
| | L&T Low Duration Fund Direct Plan - Growth - 816,851.04 units (March 2020 - Nil units) | 176.99 | - |
| | Baroda Short Term Bond Fund A/C - 555,288.30 units (March 2020 - 704,489.949 units) | 226.41 | 76.41 |
| | L&T Ultra short fund direct - Dividend reinvestment - Nil units (March 2020 - 2,54,761.771) | - | 28.66 |
| | | **404.40** | **156.40** |
| | Non Current | 1.00 | 1.00 |
| | Current | 403.40 | 155.40 |
| | **Aggregate value of investments** | **404.40** | **156.40** |

| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 5 | **Loans (At Amortised Cost)** | | |
| | **(Considered good, Unsecured unless stated otherwise)** | | |
| | Rental Deposit * | | |
| | - considered good | 418.57 | 424.91 |
| | - credit impaired | 30.36 | 30.36 |
| | | 448.93 | 455.27 |
| | Less: Impairment for doubtful deposits | (30.36) | (30.36) |
| | | **418.57** | **424.91** |
| | Security Deposits | | |
| | - considered good | 150.64 | 162.82 |
| | | **150.64** | **162.82** |
| | | **569.21** | **587.73** |

* - Rental deposit includes amounts held by related parties of ₹ 228.74 lakhs (March 31, 2020 - ₹ 220.45 lakhs) Refer Note 47

| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 6 | **Other non current financial assets (At Amortised Cost)** | | |
| | **(Considered good, Unsecured unless stated otherwise)** | | |
| | Retention Deposits | | |
| | - considered good | 277.48 | 264.37 |
| | - credit impaired | 5.90 | 4.89 |
| | | 283.38 | 269.26 |
| | - Impairment for doubtful deposits | (5.90) | (4.89) |
| | | **277.48** | **264.37** |
| | Reimbursement right of gratuity (Refer Note 40) * | 1,142.84 | 1,109.57 |
| | Other advances | - | - |
| | **Balances with Banks #** | | |
| | - in long term deposits under lien with maturity more than 12 months | 503.98 | 312.77 |
| | Other deposits | - | 0.08 |
| | | **1,924.30** | **1,686.79** |

* The Company has recognised gratuity liability and reimbursement right in respect of employees where there is contractual right to receive reimbursement from customers, pursuant to paragraph 116 of Ind AS - 19. (Refer Note 40)

# Fixed deposits are under lien with various banks with respect to guarantees issued to third parties.

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*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

**7 Other non current assets**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balance with government authorities | | |
| - considered good (Refer Note 43) | 56.12 | - |
| - credit impaired | - | 44.34 |
| | 56.12 | 44.34 |
| Less: Provision for doubtful advances | - | (44.34) |
| | **56.12** | **-** |
| Capital Advance | | |
| - considered good | 27.66 | 4.41 |
| - credit impaired | 44.30 | 44.30 |
| | 71.96 | 48.71 |
| Less: Provision for doubtful advances | (44.30) | (44.30) |
| | **27.66** | **4.41** |
| Prepaid Expenses | 4.42 | 5.86 |
| | **88.20** | **10.27** |

**8 Inventories**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Raw materials | 26.27 | 33.99 |
| Stock-in-trade | 363.15 | 470.39 |
| Finished Goods | 81.63 | 130.53 |
| Consumables | 30.36 | 28.12 |
| | **501.41** | **663.03** |

**9 Non-Current Tax Assets (Net)**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Advance income tax | 13,094.26 | 12,414.00 |
| Less: Provision for income taxes | (8,198.95) | (7,442.18) |
| | **4,895.31** | **4,971.82** |

**10 Trade Receivables (At Amortised Cost)**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Trade receivables | 20,810.21 | 29,224.90 |
| Trade receivable from related parties (Note 47) | 3.09 | 0.19 |
| | **20,813.30** | **29,231.09** |
| **Security details** | | |
| Considered good, Secured | - | - |
| Considered good, Unsecured | 20,813.30 | 29,231.08 |
| Trade Receivables - credit impaired | 1,051.47 | 666.55 |
| | **21,864.77** | **29,897.63** |
| **Impairment allowance** | | |
| Unsecured, considered good | - | - |
| Trade Receivables - credit impaired | (1,051.47) | (666.55) |
| | **(1,051.47)** | **(666.55)** |
| **Total Trade receivables** | **20,813.30** | **29,231.08** |

No trade or other receivables are due from Directors or other officers of the Group either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days based on the type of the customer. For balances, terms and conditions relating to related parties, refer Note 47.

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**11 Cash and cash equivalents**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (i) Balances with banks: | | |
| - On current accounts | 3,302.82 | 1,706.11 |
| - deposits with original maturity of less than three months | 1,027.50 | - |
| - earmarked for DDU-GKY Project * | 225.57 | 13.51 |
| Cash in hand | 2.98 | 23.83 |
| | 4,558.87 | 1,743.45 |

For the purpose of statement of cashflows, cash and cash equivalents comprise the following:

| | | |
|---|---|---|
| On current accounts | 3,302.82 | 1,706.11 |
| Deposits | 1,253.07 | 13.51 |
| Cash on hand | 2.98 | 23.83 |
| **Total Cash and cash equivalents** | 4,558.87 | 1,743.45 |

**11A (ii) Bank Balances other than cash and cash equivalents as above**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| - Deposits with Original Maturity of less than 3 months under lien** | 632.00 | - |
| - in long term deposits under lien with maturity more than 3 months but less than 12 months | 1,230.63 | 722.79 |
| **Total Bank balance other than cash and cash equivalents** | 1,862.63 | 722.79 |

* During the year ended 31 March 2018, the Company had entered into an Memorandum of Understanding (MOU) with Tamil Nadu State Rural Lively Mission on August 26, whereby for a period of 3 years in relation to a particular project (DDU GKY), Company has to train 2,002 workers under the guidelines of the MoRD, Government of India. Pursuant to the same, Company has received an advance of Rs. 1,592.61 lakhs from (March 31, 2018 - Rs. 674.06 and March 31, 2021 - Rs. 918.55) the CEO,Tamil Nadu State Rural Lively Mission. The money can be utilized only for the training and related expenses approved as per the MOU/agreement.

**** Fixed deposits given as security (Bank Balances other than cash and cash equivalents)**
Fixed deposits is under lien with various banks in respect of guarantees issued to third parties.

**12 Loans (At Amortized Cost)**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **(Considered good, Unsecured unless stated otherwise)** | | |
| Security deposits | | |
| - considered good | 364.11 | 413.03 |
| - credit impaired | 71.41 | 70.72 |
| | 435.52 | 483.75 |
| Less: Provision for doubtful deposits | (71.41) | (70.72) |
| | 364.11 | 413.03 |
| Rental Deposit | | |
| - considered good | 161.75 | 59.92 |
| | 161.75 | 59.92 |
| Loans to related party | | |
| - considered good | 0.99 | - |
| - credit impaired | 0.01 | - |
| | 1.00 | - |
| Less: Provision for doubtful deposits | (0.01) | - |
| Loans to related party | 0.99 | - |
| Loans to employees | | |
| - considered good | 44.48 | 17.49 |
| - credit impaired | 9.18 | 9.18 |
| | 53.66 | 26.67 |
| Less: Provision for doubtful loans | (9.18) | (9.18) |
| | 44.48 | 17.49 |
| **Total** | 571.34 | 490.46 |

**13 Other current financial assets (At Amortised Cost)**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **(Considered good, Unsecured unless stated otherwise)** | | |
| Reimbursement right of gratuity (Refer Note 40) * | | |
| - considered good | 1,286.52 | 1,215.41 |
| - credit impaired | 59.83 | - |
| | 1,346.35 | 1,215.41 |
| Less: Provision for doubtful reimbursement right of gratuity | (59.83) | - |
| | 1,286.52 | 1,215.41 |
| Interest accrued | 56.02 | 22.38 |
| Contract Assets- Unbilled revenue # | 6,727.85 | 5,403.68 |
| **Total** | 8,070.39 | 6,641.47 |

* - The Group has recognised gratuity liability and reimbursement right in respect of employees where there is contractual right to receive reimbursement from customers, pursuant to paragraph 116 of Ind AS - 19. (Refer Note 40)
\# - Classified as financial asset as right to consideration is unconditional upon passage of time.

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**Updater Services Private Limited**
**Notes to consolidated financial statements for the year ended March 31, 2021**
*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

**14 Other current assets**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Prepaid expenses * | 611.20 | 771.98 |
| Balance with government authorities | | |
| - considered good | 279.09 | 349.54 |
| - credit impaired | 41.57 | 41.57 |
| | 320.66 | 391.11 |
| Less: Provision for doubtful advances | (41.57) | (41.57) |
| | **279.09** | **349.54** |
| Advances for supply of goods | | |
| - considered good | 86.91 | 100.56 |
| - credit impaired | 194.47 | 216.94 |
| | 281.38 | 317.50 |
| Less: Provision for doubtful advances for supply of goods | (194.47) | (216.94) |
| | **86.91** | **100.56** |
| Advances to employees | | |
| - considered good | 54.77 | 72.51 |
| - credit impaired | 43.78 | 43.78 |
| | 98.55 | 116.29 |
| Less: Provision for doubtful advances | (43.78) | (43.78) |
| | **54.77** | **72.51** |
| Contract Asset- Unbilled revenue # | 1,990.98 | 1,999.26 |
| Other Advances | - | 1.67 |
| **Total** | **3,022.95** | **3,296.52** |

* - Includes cost of uniform and shoes provided to service staff written off over a period of 12 months from the date of purchase - INR 331.54 lakhs (March 31, 2020 - INR 339.30 lakhs)

# - Classified as non-financial asset as the contractual unconditional right to consideration is dependent on completion of contractual obligations. Includes Rs. 597.71 lakhs related to government projects for Skills and Development (DDUGKY) for which milestones have not been achieved due to COVID-19 outbreak, but State government authorities have extended the timelines.

**15 Deferred tax asset (Net)**

| | As at March 31, 2021 | As at March 31, 2020 (Restated) |
|---|---|---|
| Property, plant & equipment and Intangible assets | 585.23 | 506.93 |
| On Account of Ind AS 116 adoption | (4.77) | - |
| Unabsorbed Carry forward Losses | 21.53 | - |
| Provision for Bonus | 39.44 | - |
| Provision for Leave | 7.86 | - |
| Provision for doubtful debts | 911.07 | 348.98 |
| Provision for doubtful advances | 110.71 | 140.80 |
| Provision for gratuity | 824.08 | 665.20 |
| Provision for compensated absences | 281.85 | 255.81 |
| Disallowances on account of TDS | 14.54 | - |
| Provision for litigation | 14.19 | 7.86 |
| Expenses allowable on payment basis | 837.48 | 801.93 |
| **Deferred tax asset (Net)** | **3,643.21** | **2,717.62** |

| | | |
|---|---|---|
| Opening Balance (Deferred Tax Assets) (Refer Note 15) | 2,717.62 | 2,562.18 |
| Opening Balance (Deferred Tax Liabilities) (Refer Note 23) | (310.72) | - |
| **Total Opening Balance (Net)** | **2,406.90** | **2,562.18** |
| Tax Expense during the year recognised in Statement of Profit and Loss | 1,002.32 | 66.44 |
| Tax (Income) / Expense during the year recognised in OCI | (21.63) | 15.41 |
| Deferred Tax Liability on Intangible assets arising out of acquisition | - | (340.29) |
| Tax on acquisition of subsidiaries | - | 90.69 |
| Others | - | 12.47 |
| Closing Balance (Net) | **3,387.59** | **2,406.90** |
| **Closing Balance (Deferred Tax Asset) (Refer Note 15)** | **3,643.21** | **2,717.62** |
| **Closing Balance (Deferred Tax Liabilities (Refer Note 23)** | **(255.61)** | **(310.72)** |

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*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

16 Share capital

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Authorised** | | |
| 530.00 (March 31, 2020: 530.00) equity shares of Rs 10 each | **5,300.00** | **5,300.00** |
| **Issued, subscribed and paid up** | | |
| 528.17 (March 31, 2020: 528.17) equity shares of Rs 10 each fully paid up | **5,281.75** | **5,281.75** |

**a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| Equity shares | | | | |
| At the beginning of the year | 528.17 | 5,281.75 | 528.17 | 5,281.75 |
| Add: Shares issued during the year | - | - | - | - |
| **Outstanding at the end of the year** | **528.17** | **5,281.75** | **528.17** | **5,281.75** |

**b) Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, equity share holders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the financial year 2016-17, the Company has issued equity shares to India Business Excellence Fund – II and India Business Excellence Fund – IIA ("Investors"). The Investors have been provided with certain exit rights after a predetermined period (viz. IPO / Exit Trade Sale / Strategic Sale Right as defined in the share purchase agreement) by the Company and other Shareholders.

**c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|---|---|
| Equity shares allotted as fully paid bonus shares by capitalization of securities premium | - | - | - | - | 395.21 |
| Equity shares bought back by the company | - | - | - | - | 20.75 |

**d) Details of shareholders holding more than 5% shares in the company**

| Name of shareholder | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | No. of shares held | % of holding | No. of shares held | % of holding |
| **Equity shares of Rs. 10 each fully paid** | | | | |
| T Raghunandana | 163.78 | 31.01% | 162.38 | 30.74% |
| T Shanthi | 162.38 | 30.74% | 162.38 | 30.74% |
| Tangi Facility Solutions Pvt Ltd | 111.73 | 21.16% | 113.13 | 21.42% |
| India Business Excellence Fund – II | 28.89 | 5.47% | 28.89 | 5.47% |
| India Business Excellence Fund – IIA | 61.39 | 11.62% | 61.39 | 11.62% |
| **Total** | **528.17** | **100.00%** | **528.17** | **100.00%** |

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**Shares reserved for issue under options**

For details of shares reserved for issue under the Share based payment plan of the company, please refer note 42.

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| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 (Restated) |
|---|---|---|---|
| 17 | **Other equity** | | |
| | Retained earnings | 17,335.12 | 13,268.88 |
| | Capital redemption reserve | 207.50 | 207.50 |
| | General Reserve | 265.97 | 172.69 |
| | Employee stock option reserve (Refer Note 42) | 340.52 | 325.64 |
| | Securities premium | 5,594.28 | 5,594.28 |
| | **Total other equity** | **23,743.39** | **19,569.00** |

| Retained Earnings | Amount in Lakhs |
|---|---|
| **At 1 April 2019** | 9,507.54 |
| Add: Profit for the year | 4,134.46 |
| Less: Other Comprehensive Loss | (136.74) |
| Less Effect of adoption of Ind AS 116 Leases | (214.12) |
| Less: Transfer to General Reserve | (22.26) |
| **At 31 March 2020** | **13,268.88** |
| Add: Profit for the year | 4,086.25 |
| Add: Other Comprehensive Gain | 73.27 |
| Less: Transfer to General Reserve | (93.28) |
| **At 31 March 2021** | **17,335.13** |

| Capital Redemption Reserve | Amount in Lakhs |
|---|---|
| **At 1 April 2019** | 207.50 |
| Changes during the period | - |
| **At 31 March 2020** | **207.50** |
| Changes during the period | - |
| **At 31 March 2021** | - |

| General Reserve | Amount in Lakhs |
|---|---|
| **At 1 April 2019** | 150.43 |
| Add: Transfer from Retained earnings | 22.26 |
| **At 31 March 2020** | **172.69** |
| Add: Transfer from Retained earnings | 93.28 |
| **At 31 March 2021** | **265.97** |

| Employee stock option reserve | Amount in Lakhs |
|---|---|
| **At 1 April 2019** | - |
| Add: Employee stock options provided | 325.64 |
| **At 31 March 2020** | **325.64** |
| Add: Employee stock options provided | 14.88 |
| **At 31 March 2021** | **340.52** |

| Securities Premium | Amount in Lakhs |
|---|---|
| **At 1 April 2019** | 5,594.28 |
| Changes during the period | - |
| **At 31 March 2020** | **5,594.28** |
| Changes during the period | - |
| **At 31 March 2021** | **5,594.28** |

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| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 17A | **Non Controlling Interest** | 692.67 | 454.33 |
| | **Total** | **24,436.06** | **20,023.33** |

**Nature and purpose of other reserves**

**(i) 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 Companies Act, 2013.

**(ii) Capital redemption reserve**

The Company has recognised Capital Redemption Reserve on buy-back of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back. The Company can utilize the same for the purpose of issue of fully paid-up bonus shares to its members.

**(iii) General reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

**(iv) Employee stock option reserve**

Under Ind AS 102, fair value of the options granted is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service.

**v) Retained Earnings**

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above may not be distributable in entirety.

| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 18 | **Borrowings (*Non-current*)** | | |
| | Term loans from banks | - | 0.91 |
| | **Total Non-current borrowings** | **-** | **0.91** |

The Vehicle loans of a subsidiary were secured by the hypothecation of respective vehicles and repayable over a period not exceeding five years carrying interest rate of 10.24% (March 31, 2021 - Nil and March 31, 2020 - INR 0.91 lakhs)

| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 19 | **Long term provisions** | | |
| | Provision for Gratuity (Refer Note 40(A)) | 2,253.53 | 2,045.26 |
| | Provision for gratuity - reimbursement employees (Refer Note 40(B)) | 1,142.84 | 1,189.57 |
| | **Total long term provisions** | **3,396.37** | **3,234.83** |

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| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 20 | **Current borrowings (At Amortised Cost)** | | |
| | Cash credit from banks (secured)* | 447.79 | 8,982.02 |
| | Working capital loan (secured)** | 700.00 | - |
| | Loan from others # | 13.22 | 13.22 |
| | **Total Current borrowings** | **1,161.01** | **8,995.23** |

**Updater Services Private Limited**

* The Company has taken cash credit having interest rate ranging from 6.6% to 10.50% p.a. These facilities are repayable on demand and are secured primarily by way of pari passu first charge on the entire current assets of the Company on both present and future and collateral by way of pari passu first charge on the entire movable assets of the Company both present and future of the Company and personal guarantee of the Managing Director.

** The Company has taken working capital loan from banks having interest rate ranging from 4.9% to 8.50% p.a. These facilities are repayable within 28 - 87 days and are secured primarily by way of pari passu first charge on the entire current assets of the Company on both present and future and collateral by way of pari passu first charge on the entire movable assets of the Company and personal guarantee of the Managing Director.

**Global Flight Handling Services Private Limited**

# The subsidiary has obtained an interest free loan from the director repayable on demand.

| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 21 | **Trade payables (At Amortised Cost)** | | |
| | Dues to micro enterprises and small enterprises (refer note 43) | 388.78 | 769.77 |
| | Dues to Related Party (refer note 47) | - | 69.59 |
| | Dues to other than micro enterprises and small enterprises | 2,796.47 | 2,853.68 |
| | **Total dues outstanding to micro enterprises and small enterprises** | **2,796.47** | **2,923.27** |
| | **Total trade payables** | **3,185.25** | **3,693.04** |

Trade payables are non-interest bearing and are normally settled on 30 to 60 day term. For terms and conditions relating to related parties, refer Note 47.

| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 22 | **Other current financial liabilities (At Amortised Cost)** | | |
| | Capital creditors * | 47.08 | 47.21 |
| | Employee benefits payable | 7,503.53 | 7,150.97 |
| | Security Deposit | 9.00 | 9.00 |
| | Bonus payable | 3,325.00 | 2,935.92 |
| | Director fees payable (Refer note 47) | - | 10.80 |
| | Liability payable to promoters of acquired subsidiary # @ | 842.10 | 875.02 |
| | Other payables | 16.97 | 16.85 |
| | **Total other financial liabilities** | **11,743.68** | **11,045.77** |

* Includes as amount of Rs 2.11 lakhs (March 31, 2020 Rs 3.10 lakhs) payable to Micro enterprises and small enterprises.

# During the previous year, the Company has acquired 75% stake in Matrix Business Services India Private Limited at an agreed price of INR 3,915.01 lakhs from the promoters of Matrix and 76% stake in Washroom Hygiene Solutions Private Limited at an agreed price of INR 1,520.00 lakhs. As per the Shareholder's Agreement between Company, these two companies and its erstwhile promoters, the Company has an obligation to purchase the remaining shares held by the promoters of such companies based on agreed methodology per the purchase agreeement. Accordingly, the Company has recognised a Liability payable to promoters of acquired subsidiary for the present value of such future obligation based on a best estimate available with the mangement. Consequently, such amounts had also been recorded as an Investment in the standalone financial statements of the Company as at March 31, 2020.

The Company has reassessed the Liability payable to promoters of acquired subsidiary during the current year based on the actual results available (applying the agreed methodology) and accordingly reversed an amount of Rs.197.35 Lakhs as the same is no longer required to be paid.(Refer Note 28)

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@ On the date of acquisition of Matrix Business Services India Private Limited ("Matrix"), Matrix had a refund of Income Tax Receivable for the Assessment Years 2018-19 and 2019-20 amounting to INR 619 lakhs. As per the terms of the investment agreement entered for the acquisition of Matrix, upon receipt of the aforementioned refund, the Group is required to pay the refund received to the promotors of Matrix, as defined in the investment agreement. A financial liability towards this refund which was recognised in the consolidated financial statements and the amount outstanding above includes Rs 125 lakhs withheld towards any potential adjustments that may arise upon completion of the income tax assessment.

The Company believes that the amount withheld is adequate to cover for any potential adjustments that may arise upon completion of the assessment for the aforesaid years, post which the amounts will be paid to the erstwhile promoter/ selling shareholders, net of adjustments, if any.

**22A Other non current financial liabilities (At Amortised Cost)**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Liability payable to promoters of acquired subsidiary (Refer note 22) | 844.83 | 1,363.51 |
| | **844.83** | **1,363.51** |

**23 Deferred Tax Liabilities (Non-Current)**

| | As at March 31, 2021 | As at March 31, 2020 (Restated) |
|---|---|---|
| Intangible assets arising on acquisition (Refer Note 3A) | 255.61 | 310.72 |
| | **255.61** | **310.72** |

**24 Short term provisions**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Provision for gratuity (Refer Note 40(A)) | 391.22 | 268.19 |
| Provision for gratuity - reimbursement employees (Refer Note 40(B)) | 1,346.35 | 1,215.41 |
| Provision for leave benefits | 919.98 | 769.05 |
| Provision for tax litigations * | 28.05 | 28.05 |
| Provision for Onerous Contract ** | 101.30 | - |
| Other provisions | - | 10.15 |
| **Total short term provisions** | **2,786.90** | **2,290.85** |

**The table gives the information about movement of the provision :**
*** Provision for litigations (Refer note 34)**

| | | |
|---|---|---|
| At the beginning of the year | 28.05 | 44.74 |
| Created during the year | - | - |
| Utilised during the year | - | (16.69) |
| At the end of the year | **28.05** | **28.05** |

**** The table gives the information about movement of Onerous contract**
**Provision for Onerous Contract**

| | | |
|---|---|---|
| At the beginning of the year | - | - |
| Created during the year | 101.30 | - |
| Utilised during the year | - | - |
| At the end of the year | **101.30** | **-** |

**25 Current tax liabilities (net)**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Provision for income taxes (net of advance income taxes) | 383.68 | 119.48 |
| | **383.68** | **119.48** |

**26 Other current liabilities**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Advance from customers | 18.30 | 72.92 |
| Advance from DDU-GKY | 742.08 | - |
| Statutory dues and related liabilities | 3,734.67 | 4,206.32 |
| Provision against PF order (Refer Note 33) | 28.31 | 28.31 |
| **Total other non-current liabilities** | **4,523.36** | **4,307.55** |

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| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 27 | **Revenue from operations** | | |
| | Sale of services | 1,20,068.36 | 1,32,043.86 |
| | Sale of products | 290.21 | 352.18 |
| | **Total Revenue from operations** | **1,20,358.57** | **1,32,396.04** |

| **Revenue by Geography** | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| India | 1,19,680.51 | 1,32,176.40 |
| Outside India | 678.06 | 219.64 |
| **Total revenue from contracts with customers** | **1,20,358.57** | **1,32,396.04** |

| **Timing of revenue recognition** | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Goods transferred at a point in time | 290.21 | 352.18 |
| Service transferred at a point in time | 3,692.34 | 1,229.79 |
| Service transferred over a period of time | 1,16,376.02 | 1,30,814.07 |
| **Total** | **1,20,358.57** | **1,32,396.04** |

| **Reconciliation of Revenue from sale of products/services with the contracted price** | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Revenue as per contracted price | 1,22,563.15 | 1,33,092.23 |
| Adjustments - Estimated price concessions | (2,204.58) | (696.19) |
| **Total** | **1,20,358.57** | **1,32,396.04** |

| ***The table gives the information about movement of the Estimated price concessions** | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| At the beginning of the year | 848.67 | 704.35 |
| Created during the year * | 2,204.58 | 696.19 |
| Utilised during the year | -1,294.47 | -551.87 |
| At the end of the year | **1,758.78** | **848.67** |

* includes provision in relation to expected penalty amounting to Rs.1,476.38 lakhs (Refer note below)
\# includes credit notes passed in relation to penalty amounting to Rs. 561.98 lakhs (Refer note below)

**Adjustment made in relation to potential penalty from customer**
During the current year, the company has received an intimation from one of its customer intending to withheld certain payments based on their interpretation of the penalty clauses contained in the agreement with the said customer. The Company believes that considering various factual and circumstantial aspects, the interpretation taken by the customer may not be tenable. The Company continues to negotiate with the customer on interpretation and the extent to which the penalties can be levied under the contract. However, on a prudent basis management has made adjustments amounting to Rs. 1,476.38 lakhs (which includes an amount of Rs. 1,299 lakhs for services provided during earlier years) to cover the risk of potential penal adjustments arising on account of such request from the customer. These adjustments are one off in nature and recorded over and above the variable price concession estimates accounted using historical trends. The entire adjustment have been accounted in the current year in line with the timing of the intimation received from the customer as the Company considers this to be a change in estimate.

| **Contract Balances** | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Trade Receivables (Refer Note 10) | 20,813.30 | 29,231.09 |
| Unbilled Revenue (Refer Note 13 & Note 14) | 8,718.83 | 7,402.94 |

Trade receivables are non - interest bearing and are generally on credit terms of up to 90 days (31st March 2020 - 90 days).

| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 28 | **Other income** | | |
| | Profit on sale of investment | - | 4.15 |
| | Profit on sale of property, plant & equipment (net) | 21.88 | 3.04 |
| | Provision no longer required written back | 114.96 | 45.60 |
| | Other non-operating income | 10.03 | 28.71 |
| | Fair value gain on Financial Assets at FVTPL | 55.28 | 30.66 |
| | Exchange Differences (net) | 16.54 | 6.45 |
| | Liability payable to promoters of acquired subsidiary no longer required written back * | 197.35 | - |
| | **Total Other income** | **416.04** | **118.61** |

*** Liability payable to promoters of acquired subsidiary no longer required written back**
During the previous year, the Company has entered the Shareholder's Agreement with the two companies (Matrix Business Services India Private Limited & Washroom Hygiene Solutions Private Limited "WHC") and its erstwhile promoters, the Company has an obligation to purchase the remaining shares held by the promoters of such companies based on agreed methodology per the purchase agreement. Accordingly, the Company has recognised a liability payable to promoters of acquired subsidiary for the present value of such future obligation based on a best estimate available with the management amounting to Rs. 1,619.53.

The Company has reassessed the Liability payable to promoters of acquired subsidiary during the current year based on the actual results available (applying the agreed methodology) and accordingly reversed an amount of Rs. 197.35 Lakhs as the same is no longer required to be paid.

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**29 Finance income**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Interest income - Bank deposits | 124.54 | 63.55 |
| Interest on Income Tax refund | 71.84 | - |
| Interest income - Others | 19.48 | 7.37 |
| **Total Finance income** | **215.86** | **70.92** |

**30 Cost of materials consumed**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Inventory at the beginning of the year | 33.99 | 141.47 |
| Add: Purchase | 1,585.44 | 2,231.44 |
| | 1,619.43 | 2,372.91 |
| Less : Inventory at the end of the year | 26.27 | 33.99 |
| **Cost of materials consumed** | **1,593.16** | **2,338.92** |

**31 Purchase of traded goods**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Purchase of traded goods | 1,411.54 | 2,398.38 |
| **Total Purchase of traded goods** | **1,411.54** | **2,398.38** |

**32 Changes in inventories of finished goods and traded goods**

| | | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **Finished goods** | | | |
| Closing stock | | 81.63 | 130.53 |
| Opening stock | | 130.53 | 121.26 |
| | Sub total (A) | (48.90) | 9.27 |
| **Stock-in-trade** | | | |
| Closing stock | | 363.15 | 470.39 |
| Opening stock | | 470.39 | 185.96 |
| | Sub total (B) | (107.24) | 284.50 |
| **Total Changes in Inventories** | | **156.14** | **(293.76)** |

**33 Employee benefit expenses**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Salaries and wages * | 87,547.54 | 94,050.22 |
| Contribution to provident and other fund ** (Refer Note 40) | 9,844.40 | 10,550.08 |
| Less: Income from government grants # | (319.46) | (802.57) |
| Gratuity expense (Refer Note 40) | 676.55 | 547.02 |
| Staff welfare expenses | 401.55 | 755.32 |
| Employee stock option expenses (Refer Note 42) | 14.89 | 325.64 |
| **Total Employee benefit expenses** | **98,165.48** | **1,05,425.71** |

* The company has during the lockdown period (March 25, 2020 to May 17, 2020), adopted the principle of "No work, No pay", in case of workers working on essential services projects, where certain employees have opted to take voluntary leave. Furthermore, in relation to certain employees working for projects involving non-essential services, the company had verbal consensus/understanding for non / part payment of wages depending on the extent of work performed and amounts recovered from the customers. The company has evaluated the impact of legal provisions in this regard including the requirements of the Ministry of Home Affairs order dated March 29, 2020 as well as obtained an external legal opinion basis which the management considers that the position taken by the company is legally tenable and accordingly no additional provision has been made in this regard in the books of records. No claims have been received as on date in this regard from any of the employees concerned.

**During the previous year, one of the subsidiary Company received an order from the High Court (against the appeal made by the PF department) directing the Company to pay PF on certain allowances to be considered for PF computation for the salary paid for the period FY 2008-11 . Based on the High court order and in compliance with Supreme Court judgement dated February 28, 2019,the said Company has created provision amounting to Rs.Nil for FY 2020-21 (March 31, 2020 : Rs. 72.65). The Company had paid an amount Rs.44.34 Lakhs under protest in earlier years and the same will be utilised against the payment of such liability.

#The Company is availing of benefits under a government scheme - Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) wherein the Central Government is paying the employer's contribution towards Employee Pension Scheme / Provident Fund in respect of new employees (joined till March 2019) meeting specified criteria.

**34 Finance costs**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Interest on borrowings | 248.03 | 695.21 |
| Unwinding of discount on Liability payable to promoters of acquired subsidiary | 387.51 | 293.73 |
| Interest on income tax | - | 13.33 |
| Interest on lease liabilities (Refer Note 41) | 49.06 | 51.59 |
| **Total Finance costs** | **684.60** | **1,053.86** |

**35 Depreciation and amortization expense**

| | As at March 31, 2021 | As at March 31, 2020 (Restated) |
|---|---|---|
| Amortization of intangible assets (Refer Note 3A) | 278.90 | 193.39 |
| Depreciation of property, plant & equipment (Refer Note 3) | 969.06 | 1,190.66 |
| Depreciation of Right To Use Assets (Refer Note 41) | 250.37 | 227.20 |
| Impairment of Intangible Assets (Refer Note 3A) | - | 5.39 |
| **Total Depreciation and amortization expense** | **1,498.33** | **1,616.64** |

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**Updater Services Private Limited**
**Notes to consolidated financial statements for the year ended March 31, 2021**
*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

**36 Impairment losses on financial instrument and contract assets**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Impairment for doubtful trade receivables | 398.34 | 442.11 |
| Impairment on doubtful advances | 10.59 | 61.40 |
| Impairment for doubtful reimbursement right of gratuity | 59.83 | - |
| **Total Impairment Losses on financial instrument and contract assets** | **468.76** | **503.51** |

**37 Other expenses**

| | As at March 31, 2021 | As at March 31, 2020 (Restated) |
|---|---|---|
| Payment to Associates | 644.83 | 701.03 |
| Verification expenses | 635.06 | 874.09 |
| Consumption of stores and spares | 47.96 | 55.79 |
| Communication expenses | 165.04 | 254.74 |
| Canteen materials | 94.77 | 696.30 |
| Cleaning materials and consumables | 2,599.47 | 3,225.50 |
| Advances written off | 44.63 | 20.89 |
| Bad debts written off | 64.40 | 237.23 |
| Freight and forwarding charges | 67.19 | 74.02 |
| Insurance | 185.83 | 22.33 |
| Legal and professional fees | 270.57 | 604.15 |
| Power and fuel | 132.30 | 212.64 |
| Postage and Courier Charges | 1,679.99 | 919.58 |
| Printing and stationery | 163.85 | 123.22 |
| Provision for Onerous Contract | 101.30 | - |
| Provision for Diminution of value of inventories | - | 2.00 |
| Director sitting fees | - | 29.00 |
| Payment to auditor | 75.45 | 79.22 |
| Rates and taxes | 92.38 | 59.88 |
| Rent | 385.46 | 670.32 |
| Repairs and maintenance - Buildings | 93.95 | - |
| Repairs and maintenance - Others | 443.42 | 130.35 |
| CSR expenditure | 73.26 | 69.70 |
| Site maintenance expenses | 3,257.91 | 4,025.42 |
| Travelling and conveyance | 470.13 | 973.85 |
| Loss on sale of tangible assets | 0.97 | 10.92 |
| Training Expense | 185.65 | 545.73 |
| Miscellaneous expenses | 232.75 | 187.87 |
| **Total Other Expenses** | **12,128.52** | **14,805.77** |

| **Payment to auditors :** | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **As auditors :** | | |
| Statutory audit | 71.70 | 67.55 |
| Other Services | 3.75 | 10.00 |
| **In other capacity :** | | |
| Reimbursement of expenses | - | 1.67 |
| | **75.45** | **79.22** |

| **Details of CSR expenditure:** | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Gross amount required to be spent by the Group during the year : | 73.26 | 69.70 |
| **Amount spent during the year ending on 31st March, 2021:** | **In Cash** | **Yet to be Paid In Cash** |
| (i) Construction/acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | 73.26 | - |
| **Amount spent during the year ending on 31st March, 2020:** | **In Cash** | **Yet to be Paid In Cash** |
| (i) Construction/acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | 69.70 | - |

| **Details relating to spent/unspent obligations** | **March 31, 2021** | **March 31, 2020** |
|---|---|---|
| i) Contribution to Charitable Trust | 73.26 | 69.70 |
| | **73.26** | **69.70** |

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| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 (Restated) |
|---|---|---|---|
| 38 | **Income Tax Expense** | | |
| | The major components of income tax expense for the years ended 31st March 2021 and 31st March 2020 are: | | |
| | **Current income tax:** | | |
| | Current income tax charge | 1,534.25 | 675.79 |
| | Tax related to earlier years | 13.90 | 2.94 |
| | **Deferred tax:** | | |
| | Relating to origination and reversal of temporary differences | (1002.32) | (66.44) |
| | **Total Income tax expense reported in the statement of profit or loss** | **545.83** | **612.29** |
| | **Other Comprehensive income (OCI) Section** | | |
| | Deferred tax related to items recognised in OCI during in the year: | - | - |
| | Re-measurement gains and (losses) on defined benefit obligations (net) | (21.63) | 15.41 |
| | **Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:** | | |
| | **Accounting Profit before income tax** | 4,883.94 | 4,736.54 |
| | Enacted tax rate in India | 25.17% | 25.17% |
| | Profit before income tax multiplied by enacted tax rate | 1,229.19 | 1,192.09 |
| | **Effects of:** | | |
| | Effect of change in substantively enacted tax rates on deferred tax | (5.68) | 714.90 |
| | Ind as adjustments | 3.69 | 18.96 |
| | Additional deduction under Income Tax based on employment generation | (846.47) | (1,389.33) |
| | Others income taxable at diffrenent rate | - | 6.37 |
| | Interest on income tax | 5.83 | 4.17 |
| | Adjustment in respect of tax related to earlier years | 16.88 | 7.29 |
| | Adjustment related to change in tax rate | - | (44.56) |
| | Liability payable to promoters of acquired subsidiary re-measurement | 47.86 | 73.92 |
| | Tax exempt income | - | (1.36) |
| | Others | 94.53 | 29.83 |
| | Net effective income tax | **545.83** | **612.29** |
| | **Other Comprehensive income (OCI) Section** | | |
| | Deferred tax related to items recognised in OCI during in the year: | | |
| | Re-measurement gains and (losses) on defined benefit obligations (net) | (21.63) | 15.41 |
| | | **(21.63)** | **15.41** |

Deferred tax liabilities has not been created for tax on potential dividend from undisturbuted profits in subsidiaries, as the group currently intends to retain such reserves for the foreseable future.

**39 Earnings per equity share**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computations:

| Particulars | As at March 31, 2021 | As at March 31, 2020 (Restated) |
|---|---|---|
| Profit attributable to equity shareholders of Group | 4,086.25 | 4,134.46 |
| Profit attributable to equity holders of the Group adjusted for the effect of dilution | 4,086.25 | 4,134.46 |
| Weighted average number of Equity shares for basic EPS | 528.17 | 528.17 |
| **Effect of dilution:** | | |
| Employee Stock Options | 3.63 | 3.48 |
| Weighted average number of Equity shares adjusted for the effect of dilution | 531.80 | 531.65 |
| Earning per share of INR 10 each | | |
| - Basic | 7.74 | 7.83 |
| - Diluted | 7.68 | 7.78 |

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**40 Disclosure pursuant to Ind AS 19 "Employee benefits":**

**(i) Defined contribution plan:**

The Group provident fund are the defined contribution plan. An amount of INR.9,844.40 Lakhs being contribution made to recognised provident fund is recognised as expense for the year ended 31 March 2021 (31 March 2020: INR. 10,550.08 Lakhs and included under Employee benefit expense (Note 33) in the Statement of Profit and loss.

**(ii) Defined benefit plans:**

**A Gratuity (Regular)**

The Group has defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed 4 years and 240 days of service are eligible for gratuity on departure at 15 days salary (last drawn) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement.

The following table summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

**a) The amounts recognised in Balance Sheet are as follows:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Present value of Defined Benefit Obligation | 2,958.23 | 2,583.41 |
| Fair value of plan assets | (313.48) | (269.95) |
| Net Liability or asset | 2,644.75 | 2,313.46 |
| Current | 391.22 | 268.19 |
| Non - Current | 2,253.53 | 2,045.26 |

**b) The amounts recognised in the Statement of Profit and Loss are as follows:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Service cost :** | | |
| Current service cost | 558.38 | 424.68 |
| Past service cost and loss/ (gain) on curtailments and settlement | - | 11.16 |
| **Net interest cost :** | - | |
| Interest Expense on Defined Benefit Obligation | 121.86 | 115.80 |
| Interest Income on Plan Assets | (3.69) | (4.61) |
| **Total included in 'Employee Benefit Expense' (Refer Note 33)** | **676.55** | **547.03** |

**c) Remeasurement recognized in other comprehensive income**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Components of actuarial gain/losses on obligations | | |
| Due to change in financial assumptions | 1.46 | (42.18) |
| Due to change in demographic assumption | 43.79 | 182.69 |
| Due to experience adjustments | (126.39) | (11.81) |
| Return on plan assets | (0.82) | 0.90 |
| **Total** | **(81.96)** | **129.60** |

**d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening defined benefit obligation | 2,583.40 | 1,781.60 |
| Defined benefit obligation for accusition during the year | - | 214.45 |
| Current service cost | 537.94 | 424.68 |
| Interest cost | 125.31 | 123.85 |
| Actuarial losses/(gains) | (1.55) | - |
| Due to change in financial assumptions | 76.88 | (42.20) |
| Due to change in demographic assumption | (104.16) | 182.69 |
| Due to experience adjustments | (19.79) | (12.53) |
| Past Service Cost | - | 11.16 |
| Benefit Paid | (239.81) | (100.30) |
| **Closing balance of the present value of defined benefit obligation** | **2,958.22** | **2,583.40** |

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*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

c) **Reconciliation of Net Liability / (Asset)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Net Liability / (Asset) at the beginning of the period | 2,277.84 | 1,692.09 |
| Defined benefit obligation for accusition during the year | - | 46.63 |
| Defined Benefit cost included in the Profit / Loss | 649.00 | 554.83 |
| Defined Benefit cost included in Other Comprehensive Income | (54.84) | 129.82 |
| Benefit Paid | (259.24) | (145.53) |
| **Net Liability / (Asset) at the end of the period** | **2,612.76** | **2,277.84** |

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40 **Disclosure pursuant to Ind AS 19 "Employee benefits": (continued)**

f) **Principal actuarial assumptions at the Balance Sheet date:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 1) Discount rate | 4.52% - 6.29% | 5.06% - 6.36% |
| 2) Salary growth rate | 5.00% - 8.92% | 5.00% - 11.62% |
| 3) Attrition rate | 31.87% - 51.87% at all ages | 13.73% - 49.25% |
| 4) Retirement age | 58 | 58 |
| 5) Maturity tables | Indian Assured Lives Mortality (2012-14) Ultimate Table | Indian Assured Lives Mortality (2012-14) Ultimate Table |

g) **A quantitative sensitivity analysis for significant assumption as at 31 March 2021 and 31 March 2020**

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Change | Obligation | Change | |
| i) Discount rate | +0.5% | 2,811.42 | +0.5% | 2,309.37 |
| | -0.5% | 2,876.17 | -0.5% | 2,364.89 |
| ii) Salary growth rate | +0.5% | 2,883.28 | +0.5% | 2,369.63 |
| | -0.5% | 2,803.08 | -0.5% | 2,304.47 |

h) **Expected cashflows based on past service liability**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 1) Year 1 | 945.36 | 862.86 |
| 2) Year 2 | 716.16 | 608.84 |
| 3) Year 3 | 516.76 | 483.34 |
| 4) Year 4 | 355.21 | 345.84 |
| 5) Year 5 | 242.09 | 236.83 |
| 6) Next 5 years | 377.94 | 345.19 |

i) **The major categories of plan assets of the fair value of the total plan assets are as follows:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Investment Details** | | |
| Others | 136.20 | 269.95 |
| **Total** | 136.20 | 269.95 |

B **Gratuity (Reimbursement from clients)**

The Group has recognised gratuity liability and reimbursement right in respect of associate employees in accordance with Ind AS 19. The following table summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

a) **Net defined benefit liability**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Present value of Defined Benefit Obligation | 2,489.18 | 2,404.98 |
| Fair value of plan assets | - | - |
| **Net Liability** | **2,489.18** | **2,404.98** |
| Current | 1,346.35 | 1,215.41 |
| Non - Current | 1,142.83 | 1,189.57 |

b) **Net benefit cost (refer note 1 below)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Current service cost | 590.51 | 283.62 |
| Net actuarial (gain) / loss recognised in the year | (541.45) | 729.76 |
| Interest cost on defined benefit obligation | 106.01 | 76.62 |
| **Net benefit expense** | **155.07** | **1,090.00** |

**Note:**

The employee benefits expenses towards gratuity and related reimbursement right for associate employees for year ended March 31, 2021 Rs.155.08 lakhs (March 31, 2020: Rs. 1,090.00 lakhs) have been netted off in the Statement of Profit and Loss.

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*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

c) **Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening defined benefit obligation | 2,404.98 | 1,512.00 |
| Current service cost | 590.51 | 283.62 |
| Interest cost | 106.01 | 76.62 |
| Actuarial losses/(gains) | | |
| Due to change in financial assumptions | - | 68.48 |
| Due to change in demographic assumption | (121.21) | 166.94 |
| Due to experience adjustments | (420.23) | 494.34 |
| Benefit Paid | (70.87) | (197.02) |
| **Closing balance of the present value of defined benefit obligation** | **2,489.19** | **2,404.98** |

**40 Disclosure pursuant to Ind AS 19 "Employee benefits": (continued)**

d) **Principal actuarial assumptions used in determining the gratuity obligations are shown below**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 1) Discount rate | 4.52% | 5.06% |
| 2) Salary growth rate (Duration based) | 7.24% | 10.39% |
| 3) Attrition rate (Age based) | 44.70% at all ages | 45.72% at all ages |
| 4) Retirement age (Years) | 58 | 58 |
| 5) Mortality tables | Indian Assured Lives Mortality (2012-14) Ultimate Table | Indian Assured Lives Mortality (2006-08) Ultimate Table |

e) **Sensitivity analysis**

A quantitative sensitivity analysis for significant assumptions on defined benefit obligation as at March 31, 2021 and March 31, 2020 are as shown below:

**Gratuity Plan (Reimbursement from clients)**

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Change | Obligation | Change | Obligation |
| i) Discount rate | +0.5% | 2,031.14 | +0.5% | 2,382.48 |
| | -0.5% | 2,074.79 | -0.5% | 2,428.02 |
| ii) Salary growth rate | +0.5% | 2,078.91 | +0.5% | 2,431.63 |
| | -0.5% | 2,026.88 | -0.5% | 2,378.71 |

f) **Expected cashflows based on past service liability**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 1) Year 1 | 714.31 | 1008.17 |
| 2) Year 2 | 494.77 | 535.51 |
| 3) Year 3 | 382.68 | 378.4 |
| 4) Year 4 | 263.13 | 279.55 |
| 5) Year 5 | 173.72 | 189.08 |
| 6) Next 5 years | 228.40 | 256.4 |

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**41 Lease details**

The Group has lease contracts for building used in its operations. Leases of building generally have lease terms between 1 - 5 years, vehicles have lease terms of 1 - 3 years and furniture and fittings between 1-2 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group also has certain leases of building, furniture and fittings with lease term less than 12 months where it applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

| Particulars | Building | Vehicle | Furniture & fittings | Total |
|---|---|---|---|---|
| **As at April 01, 2019** | 603.24 | 0.00 | 1.27 | 604.51 |
| Additions | 131.73 | 12.69 | 0.00 | 144.42 |
| Transfer from PPE | 12.69 | 0.00 | 0.00 | 12.69 |
| Depreciation expense | (224.42) | (1.70) | (1.08) | (227.20) |
| **As at March 31, 2020** | **523.24** | **10.99** | **0.19** | **534.43** |
| Additions | 194.15 | - | - | 194.15 |
| Deletions | 22.03 | (9.34) | - | 12.69 |
| Disposal | (123.96) | - | - | (123.96) |
| Depreciation expense | (248.54) | (1.65) | (0.18) | (250.37) |
| **As at March 31, 2021** | **366.92** | **0.00** | **0.01** | **366.92** |

Set out below are the carrying amounts of lease liabilities (included under financial liabilities) and the movements during the period:

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **As at April 01** | 713.33 | 655.06 |
| Additions (net) | 70.19 | 362.34 |
| Accretion of interest | 49.06 | 51.59 |
| Payments | (383.23) | (355.66) |
| **As at March 31** | **449.37** | **713.33** |
| Current | 217.50 | 318.80 |
| Non-current | 231.87 | 394.54 |

The carrying amount of financial assets and financial liabilities in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that eventually be received or settled.

The maturity analysis of lease liabilities are disclosed in Note 51 (Financial risk management objectives and policies).
The effective interest rate for lease liabilities is 8.84%, with maturity between 2021-2025.
The following are the amounts recognised in profit or loss:

| | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Depreciation expense of right-of-use assets | 250.37 | 227.20 |
| Interest expense on lease liabilities | 49.06 | 51.59 |
| Expense relating to short-term leases (included in other expenses) | 385.46 | 670.32 |
| **Total amount recognised in profit or loss** | **684.89** | **949.11** |

The Company had total cash outflows for leases of ₹ 383.23 lakhs in 31 March 2021 ₹ 380.23 in 31 March 2020).

**42 Share-based payments**

**Employee Share-option Plan**

On April 17, 2019, 'Updater Employee Stock Option Plan' 2019 ("ESOP 2019") has been approved by the Board of Directors and also has been approved by Extra-Ordinary General Meeting of the members of the Company. The purpose of the ESOP 2019 is to reward the critical employees for their association, dedication and contribution to the goals of the Company. The options issued under the plan has a term of 1-3 years as provided in the stock grant agreement and vest based on the terms of individual grants. When exercisable, each option is convertible into one equity share.

The expense recognised (net of reversal) for share options during the year is INR 14.89 lakhs (March 31, 2020: 325.64). There are no cancellations or modifications to the awards in March 31, 2021.

**Tranche I (A)**

The Company has granted certain options during the previous year to the employees based on past performance of such employees and vesting condition being continued employment with the Company as on date of vesting. (April 17, 2020)

**Tranche I (B), II and III**

The Company has granted certain options during the previous year with future performance of the Company as criteria which has been defined based on a matrix as per the ESOP 2019 (for Tranche I (B), II and III). Management based on future projections believes that number of options expected to be vested is Nil and accordingly ESOP reserve have not been created for said tranches.

**A. Details of ESOP 2019**

| Name of the scheme - ESOP 2019 | Tranche - I (A) | Tranche - I (B) | Tranche - II | Tranche - III |
|---|---|---|---|---|
| Date of grant | 17-Apr-19 | 17-Apr-19 | 18-Oct-19 | 10-Jan-20 |
| Number granted | 406,772 | 521,235 | 144,788 | 77,220 |
| Exercise price (in INR) | 10 | 111 | 111 | 111 |
| Vesting period | 1 year | 1 - 3 years | 1 - 3 years | 1 - 3 years |

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| | | | | |
|---|---|---|---|---|
| Vesting condition | 100% on April 17, 2020 | 25% on September 30, 2020<br>25% on September 30, 2021<br>50% on September 30, 2022 | 25% on September 30, 2020<br>25% on September 30, 2021<br>50% on September 30, 2022 | 25% on September 30, 2020<br>25% on September 30, 2021<br>50% on September 30, 2022 |

**B. Movement in the options granted to employees**

| Particulars | Number of options | | Number of options | |
|---|---|---|---|---|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| **Outstanding at the beginning of the year** | **1,053,490** | - | **72.00** | - |
| Options granted during the year | - | 1,150,015 | - | 75.28 |
| Options exercised during the year | - | - | - | - |
| Options expired during the year | (219,595) | (96,525) | 111.00 | 111.00 |
| **Outstanding at the end of the year** | **833,895** | **1,053,490** | **61.73** | **72.00** |
| Exercisable at the end of the year | - | - | - | - |

The range of exercise prices for options outstanding at the end of the year was Rs. 10 to Rs. 111 (March 31, 2020: Rs 111)

The weighted average remaining contractual life for the share options outstanding as at March 31, 2021 is 1.5 years (March 31, 2020: 0.50 to 2.5 years).

**42 Share-based payments (continued)**

**C. Fair value of options granted**

The Black-Scholes valuation model has been used for computing the weighted average fair value considering following inputs:

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Exercise price | | 10 to 111 |
| Expected volatility | | 20% |
| Expected dividend yield (%) | No Option have | - |
| Risk free interest rates | been granted | 7.40% |
| Expected life of the option | during the year | 1 - 3 years |
| Weighted average share price | | 93.00 |
| Fair Value of the Option | | 83.71 |

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

**43 Details of dues to Micro enterprises and small enterprises**

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2021 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| Principal amount due to micro and small enterprises | 366.19 | 718.58 |
| Interest due on above | 9.19 | 26.27 |
| (b) Payment made to suppliers (other than interest) beyond the appointed day, during the year | 573.26 | 206.87 |
| (d) Interest due and payable to suppliers under MSMED Act, for payments already made | 13.40 | 24.92 |
| (e) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act | 22.59 | 51.19 |

**44 Capital management**

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Non-current borrowings | - | 0.91 |
| Current borrowings | 1,161.01 | 8,995.23 |
| Lease Liabilities | 449.37 | 713.34 |
| Less: cash and cash equivalents | (4,558.87) | (1,743.45) |
| **Net debt** | **(2,948.49)** | **7,966.04** |
| **Total capital** | **29,025.14** | **24,850.75** |
| **Capital and net debt** | **26,076.65** | **32,816.79** |
| Gearing ratio | -11.31% | 24.27% |

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

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**45 Commitments and Contingencies**

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **a. Contingent Liabilities** | | |
| - Claims made against the Company not acknowledged as debts in respect of income tax matters | - | 97.28 |
| Provision for bonus for FY 2014-15 pursuant to retrospective amendment to "Payment of Bonus Act" for which an interim stay has been granted by the High court | 27.78 | 27.78 |
| - Claims made against the Company not acknowledged as debts in respect of GST | | 27.77 |
| - Others* | 69.56 | 13.44 |
| **b. Commitments** | | |
| -Estimated amount of contracts remaining to be executed on capital account and not provided for net of capital advances | 5.42 | 123.19 |

* (1) Include claim made against the Company by labour department amounting to Rs. 13.44 Lakhs in respect of minimum wages and currently stay order is granted by High Court of Madras.
(2) The Gujarat Panchayats and Municipal Corporations has made claim against the Company for amount Rs. 56.12 Lakhs in respect of Professional Tax. The Company has filed the appeal at Court of Professional Tax Officer and Taluka Development Officer at Sanand and deposited the said amount under Protest and presented same as Balance with Government Authority (Non-current assets) in the consolidated Financial Statements.

No liability is expected to arise. The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.

**46 Segment information**

The Group is engaged in one business namely providing facility management services & associated services and the operations primarily caters to the domestic and foreign market. The Managing Director of the company has been identified as being the chief operating decision maker (CODM), he evaluates the company's performance, allocate resources based on the analysis of the various performance indicator of the company as a single unit. Therefore, there is no reportable segment for the company as per the requirement of Ind-AS 108 "Operating Segments". The Group operates in more than one geographical segment outlined in the table below:

**Geogrpahic information**

The geographical information analyses the Company's revenues by the Company's country of domicile (i.e., India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers. The company has only one geographical location based on location of assets.

| **Revenue from external customers** | **March 31, 2021** | **March 31, 2020** |
|---|---|---|
| India | 119,680.51 | 132,176.40 |
| Outside India | 678.06 | 219.64 |
| **Total revenue as per statement of profit and loss** | **120,358.57** | **132,396.04** |

**Information about Major Customers**

Revenue from one customer amounting to INR 11,508.97 lakhs (31 March 2020: INR 8,437.36 lakhs), constitute more than 10% of the total revenue of the Company in the current year.

| **Non-Current operating assets** | **March 31, 2021** | **March 31, 2020** |
|---|---|---|
| India | 7,522.35 | 8,543.88 |
| Outside India | - | - |
| | **7,522.35** | **8,543.88** |

Non-current assets for this purpose consist of property, plant and equipment, Capital work-in-progress, goodwill, right-of-use assets and intangible assets.

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*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

**47 Related party disclosures**

**(A) Names of related parties and nature of relationship are as follows:**

| Description of Relationship | Name of the related parties |
|---|---|
| Subsidiary | Updater Services Foundation (Section 8 Company)* |
| Entities under Common Control | Best Security Services Private Limited<br>Tangy Facility Solutions Private Limited<br>Tangirala Infrastructure Development Private Limited<br>Updater services Private Limited - Employees group gratuity scheme |
| Key Management Personnel (KMP) | Mr. T Raghunandana, Director<br>Mrs. T Shanthi, Director<br>Mr. Jayaram L B, Company Secretary<br>Mr. Omprakash B R, Chief Financial Officer (from June 01, 2019 till January 10,2020)<br>Mr. Balaji Swaminathan, Chief Financial Officer (from January 10, 2020)<br>Mr. Sunil Rewachand Chandiramani, Director<br>Mr. Shankar Gopalakrishnan, Director |

* The shareholding of this entity is held by the Company and therefore this entity would constitute a subsidiary under the Companies Act, 2013. However, as the Group has determined that the Company does not control the entity since there's neither any exposure nor any right over any kind of returns from investee. Hence, basis the requirements of IND AS 110, the same is not considered a subsidiary for the purpose of this financial statement.

| (B) Transactions entered during the year | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|
| **Rent Expense** | | |
| Mr. T. Raghunandana | 109.61 | 114.37 |
| Mrs. T. Shanthi | 109.61 | 114.37 |
| **Services Provided** | | |
| Tangirala Infrastructure Development Private Limited | 0.13 | 1.03 |
| Updater Services (UDS) Foundation | 3.55 | 4.83 |
| **Services received** | | |
| Best Security Services Private Limited | 172.14 | 206.82 |
| Tangirala Infrastructure Development Private Limited | 2.34 | - |
| **Supply of Material** | | |
| Best Security Services Private Limited | 17.93 | 10.81 |
| **Managerial remuneration** | | |
| Mr. T. Raghunandana | 149.60 | 192.00 |
| Mr. Jayaram L B | 40.09 | 54.80 |
| Mr. Balaji Swaminathan | 40.09 | 16.74 |
| Mr. Om Prakash B.R | - | 44.34 |
| **Director sitting fees** | | |
| Mr. Sunil Rewachand Chandiramani | - | 12.00 |
| Mr. Shankar Gopalakrishnan | - | 12.00 |
| **Reimbursement / (recovery) of expenses** | | |
| Updater Services (UDS) Foundation | - | 0.09 |
| Mr. Shankar Gopalakrishnan | - | 0.10 |
| Best Security Services Private Limited | 1.48 | - |
| **CSR Expenses** | | |
| Updater Services (UDS) Foundation | 67.53 | 69.70 |
| **Security Deposit - Paid / (Refund)** | | |
| Mr. T. Raghunandana | 19.06 | - |

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| | | |
|---|---|---|
| Mrs. T Shanthi, Director | 19.06 | - |
| **Contribution to Gratuity** | | |
| Updater Services Private Limited - Employees Company Gratuity Scheme | 184.97 | 327.31 |

47 **Related party disclosures (continued)**

| **(C) Balance outstanding at the end of the year** | **Year ended 31 March 2021** | **Year ended 31 March 2020** |
|---|---|---|
| **Investment in Equity** | | |
| Updater Services (UDS) Foundation | 1.00 | 1.00 |
| **Security Deposits (Asset)** | | |
| Mr. T. Raghunandana | 114.37 | 95.31 |
| Mrs. T. Shanthi | 114.37 | 95.31 |
| **Trade Payable** | | |
| Best Security Services Private Limited | 15.14 | 38.17 |
| Mr. T. Raghunandana | - | 4.24 |
| Mrs. T. Shanthi | - | 26.93 |
| Tangirala Infrastructure Development Private Limited | - | 0.25 |
| **Director Fee payable** | | |
| Mr. Shankar Gopalakrishnan | - | 5.40 |
| Mr. Sunil Rewachand Chandiramani | - | 5.40 |
| **Trade Receivable** | | |
| Updater Services (UDS) Foundation | 0.61 | 6.19 |

**(D) Compensation to key managerial personnel is follows:**

| **Consideration to key managerial personnel** | **Year ended 31 March 2021** | **Year ended 31 March 2020** |
|---|---|---|
| Salaries and other employee benefits*@ | 210.24 | 307.88 |

@The employee stock compensation expenses for the year ended March 31, 2021 and March 31, 2020 include charges of ₹ 0.85 lakhs and ₹ 19.88 Lakhs towards key managerial personal respectively.

*The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as these are determined on an actuarial basis for the Company as a whole.

**Terms and conditions of transactions with related parties**

The sales to and purchases from related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2021, the group has not recorded any amount towards impairment of loans and receivables relating to amounts owed by related parties (31 March 2020: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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**48 Significant accounting judgements, estimates and assumptions**

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

**Estimates and assumptions**

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

**a) Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and other post-employment leave encashment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about defined benefit obligations are given in Note 40.

**b) Estimate related to expected price concession**

Expected price concessions from customers are based on assumptions relating to risk of credit notes issued. The Group uses judgment in making these assumptions and selecting the inputs to the calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**c) Revenue recognition**

The performance obligation is satisfied over-time and payment is generally due upon completion of service. There is a single performance obligation for providing the facility management services.

**d) Impairment of goodwill and intangible assets with indefinte useful life**

Impairment exists when the carrying value of goodwill or the cash generating unit exceeds its recoverable amount, which is its value in use. The value in use calculation is based on a DCF model. The cash flows are derived from the budgets and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

**e) Determining the lease term of contracts with renewal and termination options – Company as lessee**

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

The Company has lease contracts and rental contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Company included the renewal period as part of the lease term for leases of Building with shorter non-cancellable period (i.e., three to five years). The renewal periods for leases of building with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Refer to Note 41 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

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**f) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 47 for further disclosures.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor. (see 49 for details)

As part of the accounting for the acquisition of Washroom Hygiene Concepts Private Limited Limited, contingent consideration with an estimated fair value of INR 135.55 lakhs was recognised at the acquisition date and remeasured to INR 29.19 lakhs as at the reporting date. The contingent consideration is classified as other financial liability.

**g) Share-based payments**

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimation requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The Black Scholes valuation model has been used by the Management for share-based payment transactions. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 40.

**h) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 3A.

**i) Taxes**

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

These losses relate to subsidiaries that have a history of losses, expire in 8 years and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward, in respect of its subsidiary.

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*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

**49 Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those the carrying amounts that are reasonable approximations of fair values:

| Particulars- Non-Current & Current | Carrying value | | Fair value | |
|---|---|---|---|---|
| | 31-Mar-21 | 31-Mar-20 | 31-Mar-21 | 31-Mar-20 |
| **Financial assets** | | | | |
| Rental deposits | 580.32 | 484.84 | 580.32 | 484.84 |
| Reimbursement right of gratuity | 2,429.36 | 2,404.98 | 2,429.36 | 2,404.98 |
| **Total** | **3,009.68** | **2,889.82** | **3,009.68** | **2,889.82** |
| **Financial liabilities** | | | | |
| Lease Liabilities | 449.37 | 713.34 | 449.37 | 713.34 |
| Liability payable to promoters of acquired subsidiary | 1,686.93 | 2,238.53 | 1,686.93 | 2,238.53 |
| **Total** | **2,136.30** | **2,951.87** | **2,136.30** | **2,951.87** |

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts, other financial assets and Other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Investment are measured at cost.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**50 Fair value hierarchy**

The following table provides the fair value measurement hierarchy of group's asset and liabilities

| Particulars | Fair value Hierarchy | Carrying value | | Fair value | |
|---|---|---|---|---|---|
| | | 31-Mar-21 | 31-Mar-20 | 31-Mar-21 | 31-Mar-20 |
| **Financial assets** | | | | | |
| Investments | Level 1 | 404.40 | 154.40 | 404.40 | 154.40 |
| Rental deposits | Level 3 | 580.32 | 484.84 | 580.32 | 484.84 |
| Reimbursement right of gratuity | Level 3 | 2,429.36 | 2,404.98 | 2,429.36 | 2,404.98 |
| **Total** | | **3,414.08** | **3,044.22** | **3,414.08** | **3,044.22** |
| **Financial liabilities** | | | | | |
| Lease Liabilities | Level 3 | 449.37 | 713.34 | 449.37 | 713.34 |
| Liability payable to promoters of acquired subsidiary | Level 2 | 1,686.93 | 2,238.53 | 1,686.93 | 2,238.53 |
| **Total** | | **2,136.30** | **2,951.87** | **2,136.30** | **2,951.87** |

There have been no transfers between the levels during the year.

The management assessed that cash and cash equivalents, trade receivables, loans, other current financial assets, short term borrowings, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

**Notes**

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 inputs are unobservable inputs for the asset or liability.

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**51 Financial risk management objectives and policies**

The Group's principal financial liabilities is borrowings, trade payables and employee benefit payable. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as loan, trade and other receivables, cash and short-term deposits, which arise directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

**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. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and loans receivables.

**Trade and other receivables**

In cases of customers where credit is allowed, the average credit period on such sale of goods ranges from 1 day to 90 days. The customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits are defined in accordance with this assessment and outstanding customer receivables are regularly monitored.

Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109. The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a age wise provision matrix which is prepared considering the historical data for collection of receivables.

**Exposure to credit risk:**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is Rs. 20,813.30 lakhs (Rs. 29,231.08 Lakhs as of March 31, 2020), being the total of the carrying amount of balances with trade receivables.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rate

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

| Effect on profit before tax | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Increase in rate by 2% | (77.82) | (179.92) |
| Decrease in rate by 2% | 77.82 | 179.92 |

**Liquidity risk**

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The group monitors its risk of a shortage of funds on a regular basis. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

The table below provides details regarding the contractual maturities of financial liabilities based on contractual undiscounted payments:

**As at March 31, 2021**

| Particulars | Within 1 year | 1-3 years | 3-5 years | Total |
|---|---|---|---|---|
| Borrowings | 1,161.01 | - | - | 1,161.01 |
| Trade Payables | 3,185.25 | - | - | 3,185.25 |
| Other financial liabilities | 11,743.68 | 844.83 | - | 12,588.51 |
| Lease Liabilities | 217.50 | 231.87 | - | 449.37 |
| Total | 16,307.44 | 1,076.70 | - | 17,384.14 |

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*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

51 Financial risk management objectives and policies (continued)

As at March 31, 2020

| Particulars | Within 1 year | 1-3 years | 3-5 years | Total |
|---|---|---|---|---|
| Borrowings | 8,995.23 | 0.91 | - | 8,996.14 |
| Trade Payables | 3,693.04 | - | - | 3,693.04 |
| Other financial liabilities | 11,045.77 | 1,363.51 | - | 12,409.28 |
| Lease Liabilities | 318.80 | 394.54 | - | 713.34 |
| **Total** | **24,052.84** | **1,758.96** | - | **25,811.80** |

**Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Company operating activities (when revenue or expense is denominated in a foreign currency). However the net investment in subsidiaries are in Indian rupees, as a result there is no exposure to the risk of changes in foreign exchange rates. Consequently, the group does not uses derivative financial instruments, such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of is forecasted cash flows and trade receivables.

**Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives.

**Foreign Currency Risk Management:**

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows :

| Particulars | Currency | As at 31st March 2021 | | As at 31st March 2020 | |
|---|---|---|---|---|---|
| | | Amount in FC | Amount in Rs. | Amount in FC | Amount in Rs. |
| Trade Receivables | USD | 1.84 | 134.92 | - | - |
| | AED | 4.99 | 99.81 | - | - |
| Trade Payables | USD | 0.02 | 1.25 | - | - |

**Foreign Currency sensitivity analysis :**

The following table details the Group's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies.5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates a increase in profit or equity where the INR Strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity and balance below would be negative.

| USD/AED/SAR TO INR | Profit and Loss | | Equity | |
|---|---|---|---|---|
| | Increase by 5% | Decrease by 5% | Increase by 5% | Decrease by 5% |
| March 31, 2021 | 11.67 | 11.67 | 11.67 | 11.67 |

**Note :**

This is mainly attributable to the exposure of receivable and payable outstanding in the above mentioned currencies to the Group at the end of the reporting period.

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*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

**52 Material Partly - Owned Subsidiaries**

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

**A. Avon Solutions & Logistics Private Limited**

**Summarised balance sheet**

| Particulars | Avon Solutions & Logistics Private Limited | |
|---|---|---|
| | March 31, 2021 | March 31, 2020 |
| Cash and cash equivalents | 61.67 | 40.49 |
| Current assets excluding cash and cash equivalents | 2,425.62 | 1,283.74 |
| Non-current assets | 912.38 | 462.01 |
| Trade payables | 268.32 | 97.40 |
| Provisions | 327.47 | 331.02 |
| Current liabilities excluding trade payables and provisions | 1,003.28 | 463.38 |
| Borrowings | - | 93.20 |
| Non-current liabilities excluding borrowings and provisions | 3.38 | 30.06 |
| Equity | 1,797.22 | 864.37 |
| Share of NCI | 24.00% | 24.00% |
| Attributable to NCI | 431.33 | 207.45 |

**Summarised statement of profit and loss**

| Particulars | Avon Solutions & Logistics Private Limited | |
|---|---|---|
| | March 31, 2021 | March 31, 2020 |
| Total Revenue | 5,714.03 | 4,207.07 |
| Employee benefits expense | 2,252.23 | 2,861.15 |
| Finance costs | 8.88 | 18.58 |
| Depreciation and amortization expense | 30.61 | 35.91 |
| Other expenses | 2,099.67 | 1,118.41 |
| Profit before tax | 1,345.56 | 202.97 |
| Income tax expense | 342.37 | 69.34 |
| Profit for the year | 1,003.19 | 133.63 |
| Other comprehensive income/(loss) | (70.33) | 88.98 |
| Total comprehensive income for the year | 932.86 | 222.62 |
| Attributable to NCI | 223.89 | 53.43 |

**Summarised cash flow statement**

| Particulars | Avon Solutions & Logistics Private Limited | |
|---|---|---|
| | March 31, 2021 | March 31, 2020 |
| Operating activities | 165.29 | 176.10 |
| Investing activities | (14.53) | (157.99) |
| Financing activities | (129.57) | (18.49) |
| Net increase/(decrease) in cash and cash equivalents | 21.19 | (0.38) |

**B. Fusion Foods and Catering Private Limited**

**Summarised balance sheet**

| Particulars | Fusion Foods and Catering Private Limited | |
|---|---|---|
| | March 31, 2021 | March 31, 2020 |
| Cash and cash equivalents | 190.92 | 160.40 |
| Current assets excluding cash and cash equivalents | 1,252.53 | 1,630.70 |
| Non-current assets | 402.83 | 418.41 |
| Trade payables | 646.09 | 1,003.35 |
| Provisions | 76.87 | 62.45 |
| Current liabilities excluding trade payables and provisions | 305.56 | 1,351.42 |
| Borrowings | - | 6.88 |
| Non-current liabilities excluding borrowings and provisions | 80.50 | 182.15 |
| Equity | 737.25 | 675.93 |
| Share of NCI | 34.60% | 34.60% |
| Attributable to NCI | 255.22 | 234.00 |

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*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

**52 Material Partly - Owned Subsidiaries (continued)**

**B. Fusion Foods and Catering Private Limited**

**Summarised statement of profit and loss**

| Particulars | Fusion Foods and Catering Private Limited | |
|---|---|---|
| | March 31, 2021 | March 31, 2020 |
| Total Revenue | 5,480.26 | 7,124.05 |
| Cost of materials consumed | 3,433.32 | 4,772.24 |
| Changes in inventories of Finished goods, work in progress and traded goods | - | - |
| Employee benefits expense | 1,651.06 | 2,066.19 |
| Finance costs | 2.23 | 4.40 |
| Depreciation and amortization expense | 101.51 | 97.72 |
| Other expenses | 285.47 | 345.93 |
| Profit before tax | 23.97 | (162.42) |
| Income tax expense | -25.54 | -29.67 |
| Profit for the year | 49.51 | (132.75) |
| Other comprehensive income/(loss) | 11.81 | 2.98 |
| Total comprehensive income for the year | 61.32 | (129.77) |
| Attributable to NCI | 21.22 | (44.90) |

**Summarised cash flow statement**

| Particulars | Fusion Foods and Catering Private Limited | |
|---|---|---|
| | March 31, 2021 | March 31, 2020 |
| Operating activities | 109.34 | 506.31 |
| Investing activities | (26.07) | (353.78) |
| Financing activities | (52.74) | -12.42 |
| Net increase/(decrease) in cash and cash equivalents | 30.53 | 140.11 |

**C. Global Flight Handling Services Private Limited**

**Summarised balance sheet**

| Particulars | Global Flight Handling Services Private Limited | |
|---|---|---|
| | March 31, 2021 | March 31, 2020 |
| Cash and cash equivalents | 7.76 | 23.33 |
| Current assets excluding cash and cash equivalents | 179.52 | 161.83 |
| Non-current assets | 41.49 | 40.91 |
| Trade payables | 42.46 | - |
| Provisions | 1.78 | 1.78 |
| Current liabilities excluding trade payables and provisions | 53.78 | 193.21 |
| Borrowings | 115.34 | 67.22 |
| Non-current liabilities excluding borrowings | - | - |
| Equity | 15.41 | 32.85 |
| Share of NCI | 26.00% | 30.00% |
| Attributable to NCI | 4.01 | 9.22 |

**Summarised statement of profit and loss**

| Particulars | Global Flight Handling Services Private Limited | |
|---|---|---|
| | March 31, 2021 | March 31, 2020 |
| Total Revenue | 29.16 | 185.45 |
| Cost of materials consumed | - | - |
| Purchases of traded goods | - | - |
| Changes in inventories of Finished goods, work in progress and traded goods | - | - |
| Employee benefits expense | 16.69 | 91.79 |
| Finance costs | 10.77 | - |
| Depreciation and amortization expense | - | 0.06 |
| Other expenses | 28.50 | 90.28 |
| Profit before tax | (26.80) | 3.32 |
| Income tax expense | (6.75) | (3.12) |
| Profit for the year | (20.04) | 2.09 |
| Other comprehensive income/(loss) | - | - |
| Total comprehensive income for the year | (20.04) | 2.09 |
| Attributable to NCI | -5.21 | 0.63 |

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*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

**Summarised cash flow statement**

| Particulars | Global Flight Handling Services Private Limited | |
|---|---|---|
| | March 31, 2021 | March 31, 2020 |
| Operating activities | (54.73) | 21.26 |
| Investing activities | 0.01 | - |
| Financing activities | 36.56 | (0.59) |
| Net increase/(decrease) in cash and cash equivalents | (18.16) | 20.67 |

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*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

## 53 Group information

**A) Subsidiaries**

| Name | Principal activities | Country of incorporation | % equity interest 31-Mar-21 | 31-Mar-20 |
|---|---|---|---|---|
| Avon Solutions & Logistics Private Limited | Mailroom logistics management | India | 76.00% | 76.00% |
| Integrated Technical Staffing and Solutions Private Limited | Technical staffing management | India | 99.99% | 99.99% |
| Stanworth Management Private Limited | Integrated facility management | India | 100.00% | 100.00% |
| Tangy Supplies & Solutions Private Limited | Supply of house keeping products | India | 99.99% | 99.99% |
| Fusion Foods and Catering Private Limited | Corporate and Industrial catering management | India | 65.40% | 65.40% |
| Zappy Home Solutions Private Limited | Home maintenance and household services | India | 99.99% | 99.99% |
| Global Flight Handling Services Private Limited | Ground service support for airlines | India | 70.00% | 70.00% |
| Matrix Business Services India Private Limited (26th April 2019) | People, Product, and Process assurance services | India | 75.00% | 75.00% |
| Washroom Hygiene Concepts Private Limited (1st Oct 2019) | Famile Hygiene Solutions | India | 90.00% | 76.00% |
| Updater Services (UDS) Foundation * | Licensed under Section 8 of Companies Act, 2013 | India | 100% | 100% |

* The shareholding of this entity is held by the Company and therefore this entity would constitute a subsidiary under the Companies Act, 2013. However, as the Group has determined that the Company does not control the entity since there's neither any exposure nor any right over any kind of returns from investee. Hence, basis the requirements of IND AS 110, the same is not considered a subsidiary for the purpose of this financial statement.

**B) Holding/Promoter company**

Updater Services Private Limited

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*This space has been intentionally left blank*

*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

**54 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 as at and for the year ended 31st March 2021 and 31st March 2020**

**Year Ended 31st March 2021**

| Name of the Entities | Net Assets | | Share in Profit or Loss | | Other Comprehensive Income | | Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of Consolidated Assets | Amount | As % of Consolidated Loss | Amount | As % of Consolidated OCI | Amount | As % of Consolidated Total comprehensive income | Amount |
| **I. Parent** | | | | | | | | |
| Updater Services Private Limited | 72.58% | 21,568.62 | 58.62% | 2,543.10 | 130.96% | 79.01 | 59.61% | 2,622.11 |
| **II. Subsidiaries** | | | | | | | | |
| Avon Solutions & Logistics Private Limited | 4.61% | 1,370.63 | 17.58% | 762.43 | -88.60% | (53.45) | 16.12% | 708.98 |
| Integrated Technical Staffing and Solutions Private Limited | 1.86% | 553.54 | 1.59% | 68.96 | 33.66% | 20.31 | 2.03% | 89.27 |
| Stanworth Management Private Limited | 0.76% | 224.83 | 1.39% | 60.29 | 25.17% | 15.19 | 1.72% | 75.47 |
| Tangy Supplies & Solutions Private Limited | 3.14% | 934.37 | 1.92% | 83.51 | -0.44% | (0.27) | 1.89% | 83.24 |
| Fusion Foods and Catering Private Limited | 1.65% | 489.29 | 0.75% | 32.38 | 12.80% | 7.72 | 0.91% | 40.11 |
| Zappy Home Solutions Private Limited | -2.48% | (738.43) | -2.57% | -111.66 | -0.18% | (0.11) | -2.54% | (111.76) |
| Global Flight Handling Services Private Limited | 0.05% | 16.03 | -0.46% | -20.04 | 0.00% | - | -0.46% | (20.04) |
| Matrix Business Services India Private Limited (w.e.f. April 25, 2019) | 13.72% | 4,077.87 | 17.35% | 752.48 | 8.61% | 5.20 | 17.23% | 757.68 |
| Washroom Hygiene Concepts Private Limited (w.e.f. September 05, 2019) | 1.78% | 528.41 | -1.96% | -85.20 | -0.79% | (0.48) | -1.95% | (85.68) |
| Non-Controlling interest in all subsidiaries | 2.33% | 692.67 | 5.81% | 251.86 | -21.20% | (12.79) | 5.44% | 239.07 |
| **Total** | **100%** | **29,717.81** | **100.00%** | **4,338.11** | **100.00%** | **60.33** | **100.00%** | **4,398.44** |

**Year Ended 31st March 2020**

| Name of the Entities | Net Assets | | Share in Profit or Loss | | Other Comprehensive Income | | Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of Consolidated Assets | Amount | As % of Consolidated Loss | Amount | As % of Consolidated OCI | Amount | As % of Consolidated Total comprehensive income | Amount |
| **I. Parent** | | | | | | | | |
| Updater Services Private Limited | 89.74% | 18,932.20 | 76.42% | 3,126.39 | 132.00% | (150.97) | 74.88% | 2,975.42 |
| **II. Subsidiaries** | | | | - | | | | |
| Avon Solutions & Logistics Private Limited | 3.37% | 661.65 | 3.14% | 104.64 | -77.80% | 67.50 | 5.37% | 172.14 |
| Integrated Technical Staffing and Solutions Private Limited | 1.81% | 464.28 | 3.62% | 109.73 | 0.05% | (24.41) | 3.71% | 85.32 |
| Stanworth Management Private Limited | 0.58% | 149.36 | 2.58% | 60.00 | 21.34% | 11.89 | 2.06% | 71.89 |
| Tangy Supplies & Solutions Private Limited | 3.12% | 851.13 | 1.41% | 143.44 | -10.40% | (0.06) | 1.74% | 143.38 |
| Fusion Foods and Catering Private Limited | 2.63% | 449.19 | -3.12% | -92.93 | -2.61% | 2.08 | -3.13% | (90.85) |
| Zappy Home Solutions Private Limited | -2.44% | (626.67) | -1.91% | -81.38 | -1.29% | 1.47 | -1.93% | (79.91) |
| Global Flight Handling Services Private Limited | 0.13% | 36.07 | 0.05% | 1.46 | 0.00% | - | 0.05% | 1.46 |
| Matrix Business Services India Private Limited (w.e.f. April 25, 2019) | 13.10% | 3,320.20 | 15.33% | 679.35 | 38.69% | (44.26) | 14.69% | 635.09 |
| Washroom Hygiene Concepts Private Limited (w.e.f. September 05, 2019) | 2.30% | 614.09 | -1.24% | 83.78 | 0.00% | - | -1.27% | 83.78 |
| Non-Controlling interest in all subsidiaries | -14.34% | 453.60 | 3.73% | -10.21 | 0.00% | 22.38 | 3.83% | 12.16 |
| **Total** | **100.00%** | **25,305.08** | **100.00%** | **4,124.25** | **100.00%** | **(114.38)** | **100.00%** | **4,009.87** |

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**55 Business Combinations and Acquisition of non-controlling interest**

**Acquisitions during the year ended March 31, 2020**

On April 25, 2019, the Group acquired 75% equity ownership in Matrix Business Services India Private Limited ("Matrix") by investing a total of ₹ 3,915.01 lakhs as equity share capital. Matrix is primarily engaged in the business of providing assurance services, claims processing, including employee background verifications checks and product and process audits inter alia of warehouses, depots, distributors and distribution centres, retail points and outlets and franchisees. Investment recorded during the previous year includes ₹ 965.16 lakhs on account of obligation to purchase the remaining equity shares in the future, recognised pursuant to Shareholder's Agreement between the Group and the promoters of Matrix.

On September 5, 2019, the Group acquired 76% equity ownership in Washroom Hygiene Concepts Private Limited ("WHC") by investing a total of ₹ 1,520.00 lakhs as equity share capital. WHC is primarily engaged in the business of providing washroom sanitizing services and hygiene solutions, primarily female hygiene solutions, viz sanitary napkin vending & disposal and supply of third party sanitary products. Investment recorded during the previous year includes ₹ 360.63 lakhs on account of obligation to purchase the remaining equity shares in the future, recognised pursuant to Shareholder's Agreement between the Company and the promoters of WHC.

Consequent to the future purchases, the Group will hold 100% of the equity shares of Matrix and WHC.

The Group has elected not to recognise a non-controlling interest in Matrix and WHC as the unacquired shares from the promoters of Matrix and WHC are recognised as financial liabilities in the consolidated financial statements and both Matrix and WHC are considered to be 100% owned by the Group for the purpose of consolidation.

| **Assets acquired and liabilities assumed** | **Fair Value on acquisition** | | |
|---|---|---|---|
| **Particulars** | **Matrix** | **WHC** | **Total** |
| Property, Plant and Equipment | 173.00 | 436.00 | 609.00 |
| Intangible Assets | 135.00 | - | 135.00 |
| Inventories | 3.00 | 31.00 | 34.00 |
| Trade Receivables | 1,952.00 | 347.00 | 2,299.00 |
| Cash and Bank Balances | 791.00 | 18.00 | 809.00 |
| Loans and Advances | 819.00 | 19.00 | 838.00 |
| Non-current tax assets (Net) | 62.00 | - | 62.00 |
| Other Assets - current and non-current | - | 10.00 | 10.00 |
| Deferred Tax Assets | - | 9.00 | 9.00 |
| **Total Assets taken over (A)** | **3,935.00** | **870.00** | **4,805.00** |
| Trade Payables | -660.00 | -148.00 | -808.00 |
| Other Liabilities - current | -506.00 | -30.00 | -536.00 |
| Provisions - current and non-current | -47.00 | -37.00 | -84.00 |
| Other long term liabilities | -4.00 | -3.00 | -7.00 |
| **Total liabilities assumed (B)** | **-1,217.00** | **-218.00** | **-1,435.00** |
| Liabilities towards promoters of Matrix (Note i) (C) | -619.00 | - | -619.00 |
| **Identifiable Intangible Assets on acquisition** | | | |
| Customer Relationship (Note ii) | 77.00 | 288.00 | 365.00 |
| Non Compete (Note iii) | 111.00 | 104.00 | 215.00 |
| Vendor Contract (Note iv) | - | 617.00 | 617.00 |
| Brand (Note v) | - | 155.00 | 155.00 |
| **Total identifiable intangible assets on acquisition (D)** | **188.00** | **1,164.00** | **1,352.00** |
| **Deferred Tax Liability on account of identified intangible assets on acquisition** | | | |
| Deferred Tax Liabilities | -47.32 | -292.96 | -340.27 |
| **Total Deferred Tax liability on identified intangible assets** | **-47.32** | **-292.96** | **-340.27** |
| Non-controlling interests measured at fair value | - | - | - |
| Goodwill arising on acquisition (Note vi) (E) | 2,637.32 | 356.96 | 2,994.27 |
| **Total purchase consideration (A+B+C+D+E)** | **4,877.00** | **1,880.00** | **6,757.00** |

**Note i**

On the date of acquisition of Matrix, Matrix had a refund of Income Tax Receivable for the Assessment Years 2018-19 and 2019-20 amounting to INR 619 lakhs. As per the terms of the investment agreement entered for the acquisition of Matrix, upon receipt of the aforementioned refund, the Group is required to pay the refund received to the promoters of Matrix, as defined in the investment agreement. A financial liability towards this refund is recognised in the consolidated financial statements as shown above against the refund of Income Tax Receivable asset.

**Note ii**

Customer contracts and related Customer relationships include the relationships that Matrix and WHC have established with customers that are tied to them through a contract, as well as the potential extension of such contracts/additional relationships that would arise as a result of those contracts, and therefore, meet both the contractual/legal criteria and the separability criterion for recognition of an Intangible Asset under 'Ind AS 38 Intangible Assets'.

The income approach has been considered for arriving at the value of the intangible asset as defined in "Ind AS 113 Fair Value Measurement". The intangible asset is considered having a useful life of five years from the date of acquisition.

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**Note iii**

Non compete is based on a contractual agreement which protects the value of the purchased assets from Matrix and WHC (both tangible and intangible) by restricting the respective promoters' competitive conduct post the respective investment dates and accordingly, meet both the contractual/legal criteria and separability criterion for recognition of as Intangible Asset under 'Ind AS 38 Intangible Assets'.

As per the investment agreements for Matrix and WHC, the promoters have agreed to non-competence for a period of 7 years from the expiry of Contract of service or the promoters ceasing to hold any securities of Matrix and WHC (i.e. after June 30, 2021 and June 30, 2022 respectively). Thus effectively 8 - 10 years from the date of acquisition.

The income approach has been considered for arriving at the value of the intangible asset as defined in "Ind AS 113 Fair Value Measurement".

**Note iv**

Vendor Contract is an agreement where the vendor has agreed to supply agreed products for a specified period of time and within a specific geographic area exclusively to WHC and meet both the contractual/legal criteria and the separability criterion for recognition of an Intangible Asset under 'Ind AS 38 Intangible Assets'.

The income approach has been considered for arriving at the value of the intangible asset as defined in "Ind AS 113 Fair Value Measurement". The intangible asset is considered having a useful life of five years from the date of acquisition.

**Note v**

WHC uses the trademark 'Washroom Hygiene Concepts' for its traditional as well as new businesses. The Group will continue to use the similar strategy in future for all its new generation businesses. The brand serves to create associations and expectations among products made by WHC. This meets the legal criterion and the separability criterion for recognition of an Intangible Asset under 'Ind AS 38 Intangible Assets'.

The income approach has been considered for arriving at the value of the intangible asset as defined in "Ind AS 113 Fair Value Measurement". The intangible asset is considered having an indefinite useful life and will be assessed for impairment every year.

**Note vi**

The goodwill of INR 2,994.27 lakhs comprises the value of expected synergies arising from the acquisition which is not separately recognised. None of the goodwill recognised is expected to be deductible for income tax purposes.

The goodwill is considered having an indefinite useful life and will be assessed for impairment every year.

From the date of acquisition, Matrix and WHC have contributed INR 6,977.81 lakhs and INR 809.88 lakhs of revenue respectively and INR 881.95 lakhs and INR (65.24) lakhs to the profit before tax of the Group respectively. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been INR 133,641.30 lakhs and the profit before tax for the Group would have been INR 5,188.07 lakhs.

**Note vii**

The fair value of the trade receivables of Matrix and WHC amount to INR 2,299 lakhs. The gross amount of trade receivables is INR 2,312 lakhs. However, it is expected that the full contractual amounts can be collected.

| **Purchase consideration** | Matrix | WHC | Total |
|---|---|---|---|
| Cash paid for purchase of current equity shareholding | 3,911.84 | 1,520.00 | 5,431.84 |
| Redemption liability | 965.16 | 360.63 | 1,325.79 |
| **Total** | **4,877.00** | **1,880.63** | **6,757.63** |

During the financial year 2019-20, the Company has acquired 75% stake in Matrix Business Services India Private Limited at an agreed price of INR 3,911.84 lakhs from the promoters of Matrix and 76% stake in Washroom Hygiene Solutions Private Limited at an agreed price of INR 1,520.00 lakhs. As per the Shareholder's Agreement between Company, these two companies and its erstwhile promoters, the Company has an obligation to purchase the remaining shares held by the promoters of such companies based on agreed methodology per the purchase agreement. Accordingly, the Company has recognised a redemption liability for the present value of such future obligation based on a best estimate available with the mangement.

Significant increase/ (decrease) in the EBITDA of Matrix and WHC would result in higher/ (lower) fair value of the redemption liability. Changes to the fair value of the redemption liability will be recognised in the statement of profit and loss.

The purchase consideration has been computed as follows:

**Matrix**

| Particulars | No of shares | Price per share | Purchase consideration in lakhs | Stake |
|---|---|---|---|---|
| Tranche I | 3,13,660 | 1,248 | 3,915 | 75.0% |
| Tranche II (on or before June 30, 2021) | 52,276 | 1,395 | 729 | 12.5% |
| Tranche III (on or before June 30, 2022) | 52,276 | 2,167 | 1,133 | 12.5% |
| **Total shares** | **4,18,211** | | **5,777** | **100.0%** |

**WHC**

| Particulars | No of shares | Price per share | Purchase consideration in lakhs | Stake |
|---|---|---|---|---|
| Tranche I (acquired) | 73,833 | 2,059 | 1,520 | 76.0% |
| Tranche II (on or before June 30, 2020) | 13,600 | 2,059 | 280 | 14.0% |
| Tranche III (on or before June 30, 2021) | 9,715 | 2,059 | 200 | 10.0% |
| **Total** | **97,148** | | **2,000** | **100.0%** |

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Chennai
Chartered Accountants

*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

56 The Ind AS financial statements of the Group for the year ended March 31, 2020, included in these consolidated Ind AS financial statements have been restated during the current period for reasons stated below. These adjustments to the consolidated Ind AS financial statements have been made to the respective comparative consolidated Ind AS financial statements presented as at March 31, 2020.

| Sn No | Particulars | 31st March 2020 (Restated) | 31st March 2020 (Published) | Adjustments | Nature |
|---|---|---|---|---|---|
| A | Intangible asset arising on acquisition | 1,217.71 | 1,335.11 | (117.40) | Lower amortization now corrected. (Having effect to Profit & Loss) |
| B | Depreciation and amortization | 1,616.64 | 1,499.24 | 117.40 | |
| C | Property, Plant and Equipment | 1,995.02 | 2,083.92 | (88.90) | Revenue expenditure capitalized now rectified. (Having effect to Profit & Loss) |
| D | Repairs & Maintenance | 130.35 | 41.45 | 88.90 | |
| E | Goodwill on consolidation | 4,569.90 | 4,229.63 | 340.27 | Goodwill and Deferred tax liability netted off earlier, now grossed. (No effect to Profit & Loss) |
| F | Deferred Tax Liability | 310.72 | - | 310.72 | |
| G | Retained earnings as on April 01, 2019 | 9,507.54 | 9,736.44 | (228.90) | Deferred Tax Assets on items eliminated during consolidation not reversed now rectified. |
| H | Deferred Tax Expense | (66.44) | 5.75 | (72.19) | |
| I | Deferred Tax Assets (Net) | 2,715.35 | 2,903.86 | (188.51) | |
| | **Profit/(Loss) before Tax** | **4,736.54** | **4,942.84** | **(206.30)** | **B+D** |
| | **Profit/(Loss) after Tax** | **4,124.25** | **4,258.36** | **(134.11)** | **B+D+H** |
| | **Total Comprehensive Income** | **4,009.87** | **4,143.98** | **(134.11)** | |
| | **Earnings per share (Rs)** | **7.79** | **8.04** | **(0.25)** | |
| | **Diluted earnings per share (Rs)** | **7.73** | **7.99** | **(0.25)** | |

**57 Impact of Covid-19 Pandemic**

The outbreak of Coronavirus (COVID -19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investments, property, plant & Equipment, right of use assets and intangible assets including goodwill. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information and economic forecasts. Basis such evaluation, the management does not expect any adverse impact on its future cash flows and shall be able to continue as a going concern and meet its obligations as and when they fall due. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements. The Group will continue to monitor future economic conditions for any significant change.

**58 Code on wages, 2019 and Code on Social Security, 2020**

Parliament has approved the Code on Wages, 2019 and the Code on Social Security, 2020 which govern, and are likely to impact, the contributions by the Company towards certain employee benefits. The government has released draft rules for these Codes and has invited suggestions from stakeholders which are under active consideration by the concerned Ministry. The effective date of these Codes have not yet been notified and the Company will assess the impact of these codes as and when they become effective and will provide for the appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**59 Events after the Reporting Period**

There were no significant adjusting events that occurred subsequent to the reporting period.

**60 Standards issued but not effective**

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Group's financial statements.

**61 Previous Year Figures**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date
**For S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

**per Chirag Shah**
**Partner**
Membership No. 121648

S.R. Batliboi & Associates LLP * Chennai * Chartered Accountants

Place: Chennai
Date : September 24, 2021

For and on behalf of Board of Directors
**Updater Services Private Limited**

**T. Raghunandana**
Managing Director
DIN : 0000628914

**T.Shanthi**
Director
DIN : 0000939218

**Balaji Swaminathan**
Chief Financial Officer

**L.B. Jayaram**
Company Secretary

Place: Chennai
Date : September 24, 2021

6th Floor - "A" Block
Tidel Park, No. 4
Rajiv Gandhi Salai
Taramani, Chennai - 600 113, India
Tel : +91 44 6117 9000

# INDEPENDENT AUDITOR'S REPORT

To the Members of Updater Services Private Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Updater Services Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Other Information

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

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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, 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.

S.R. Batliboi & Associates LLP
Chennai
Chartered Accountants

**Responsibility of Management for the standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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.

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Chartered Accountants

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone 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.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

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(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021;

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 35 to the standalone 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 were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

**per Chirag Shah**
Partner
Membership Number: 121648
UDIN: 21121648AAAABY6179
Place of Signature: Chennai
Date: September 24, 2021

S.R. Batliboi & Associates LLP
Chennai
Chartered Accountants

**Annexure 1 referred to under paragraph 1 of the Report on Other Legal and Regulatory Requirements of the Auditors' Report**

Re: Updater Services Private Limited ("Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management and audit procedures performed by us, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii)(a) The Company has granted loans to three subsidiary companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest. However, the loan amount granted to two of the subsidiaries have been fully provided for in the standalone financial statements.

(b) The Company has granted loans that are re-payable on demand, to Companies covered in the register maintained under section 189 of the Companies Act, 2013. We are informed that the company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. However, the loan amount granted to two of the subsidiaries and the related interest have been fully provided for in the standalone financial statements.

(c) There are no amounts of loans granted to Companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are 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 Companies Act, 2013, for the services of the Company.

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, professional tax, income-tax, goods and services tax, cess and other statutory dues have been regularly deposited with the appropriate authorities though there have been delays in respect of: Provident Fund (upto 85 days); Employee State Insurance (upto 50 days); Professional Tax (upto 93 days) and Labour Welfare Fund (upto 365 days). The provisions relating to excise duty and customs duty are not applicable to the Company.

(b) According to the information and explanations given to us and audit procedures performed by us. no undisputed dues in respect of provident fund, income-tax, service tax, sales-tax, goods and service tax, duty of custom, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable other than those mentioned below:

| Name of the Statute | Nature of the Dues | Amount (Rs.) | Period to which the amount relates |
|---|---|---|---|
| Labour Welfare Fund Act, 1965 | Dues relating to gratuity payable to employees unpaid for a period greater than 3 years to be transferred to Labour Welfare Fund | 12,668,664 | FY 2016-17 and FY 2017-18 |

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax. duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

| Name of the Statute | Nature of the Dues | Amount (Rs.) | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|
| The Gujarat Panchayats, Municipalities, Municipal Corporations and State Tax on Professions, Traders, Callings and Employments Act, 1976 | Professional Tax | 56,11,749* | March 2011 to December 2019 | The Court of Professional Tax Officer and Taluka Development Officer at Sanand |

*The Company has paid an amount of INR 56,11,749 under protest.

(viii) In our opinion and according to the information and explanations given by the management. the Company has not defaulted in repayment of loans or borrowing to a bank. There are no loans or borrowings due in respect of financial institution or government dues or dues to debenture holders.

(ix) According to the information and explanations given by the management and audit procedures performed by us, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management. we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

S.R. Batliboi & Associates LLP * Chartered Accountants * Chennai

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act and hence not commented upon.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
**ICAI Firm Registration Number**: 101049W/E300004

S.R. Batliboi & Associates LLP
Chennai
Chartered Accountants

per **Chirag Shah**
Partner
Membership No: 121648
UDIN: 21121648AAAABY6179
Place of signature: Chennai
Date: September 24, 2021

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF UPDATER SERVICES PRIVATE LIMTED**

**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 with reference to standalone financial statements of Updater Services Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by 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 with reference to these standalone financial statements 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

**Meaning of Internal Financial Controls with Reference to these standalone Financial Statements**

A company's internal financial controls with reference to standalone financial statements 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

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accounting principles. A company's internal financial controls with reference to standalone financial statements 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 with Reference to standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates LLP
Chennai
Chartered Accountants

**per Chirag Shah**
Partner
Membership Number: 121648
UDIN: 21121648AAAABY6179
Place of Signature: Chennai
Date: September 24, 2021

**Updater Services Private Limited**
**Standalone Balance sheet as at March 31, 2021**
*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

| Particulars | Notes | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 881.86 | 1,218.01 |
| Other intangible assets | 4 | 1.85 | 5.69 |
| Right-of-use assets | 31 | 0.01 | 1.44 |
| Financial assets | | | |
| (i) Investments | 5 | 9,276.76 | 9,276.76 |
| (ii) Loans | 6 | 454.77 | 423.07 |
| (ii) Other financial assets | 7 | 1,461.05 | 1,526.09 |
| Non-current tax assets (net) | 8 | 4,301.81 | 3,718.04 |
| Deferred tax asset (net) | 12 | 3,203.33 | 2,371.09 |
| Other non-current assets | 9 | 56.23 | 4.41 |
| | | **19,637.67** | **18,544.60** |
| **Current assets** | | | |
| Financial assets | | | |
| (i) Trade receivables | 10 | 16,346.60 | 24,466.51 |
| (ii) Cash and cash equivalents | 11A | 2,341.70 | 713.45 |
| (iii) Bank balances other than (ii) above | 11B | 1,466.26 | 36.06 |
| (iv) Loans | 6 | 433.22 | 625.59 |
| (v) Other financial assets | 7 | 6,254.70 | 6,380.14 |
| Other current assets | 9 | 2,899.56 | 2,553.28 |
| | | **29,742.04** | **34,775.03** |
| **Total Assets** | | **49,379.71** | **53,319.63** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 13 | 5,281.75 | 5,281.75 |
| Other equity | 14 | 20,512.28 | 17,753.14 |
| **Total equity** | | **25,794.03** | **23,034.89** |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Lease liabilities | 31 | 24.23 | 65.09 |
| (ii) Other Financial liabilities | 18 | 844.83 | 1,363.51 |
| Long Term Provisions | 15A | 3,126.30 | 2,891.08 |
| | | **3,995.36** | **4,319.68** |
| **Current Liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 16 | 1,147.60 | 8,880.63 |
| (ii) Lease Liabilities | 31 | 41.32 | 67.30 |
| (iii) Trade payables | 17 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 111.96 | 90.44 |
| Total outstanding dues other than micro enterprises and small enterprises | | 1,991.72 | 1,999.78 |
| (iv) Other current financial liabilities | 18 | 9,824.39 | 9,154.59 |
| Other current liabilities | 19 | 3,994.24 | 3,731.04 |
| Current tax liabilities (net) | 15B | 91.43 | 91.43 |
| Short Term Provisions | 15A | 2,387.66 | 1,949.85 |
| | | **19,590.32** | **25,965.06** |
| **Total Liabilities** | | **23,585.68** | **30,284.74** |
| **TOTAL EQUITY AND LIABLITIES** | | **49,379.71** | **53,319.63** |
| Summary of significant accounting policies | 1 - 2 | | |
| The accompanying notes form an integral part of the Standalone Financial Statements | 3 - 46 | | |

As per our report of even date

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

**per Chirag Shah**
**Partner**
Membership No. 121648

S.R. Batliboi & Associates LLP ★ Chennai ★ Chartered Accountants

Place: Chennai
Date : 24 September 2021

For and on behalf of Board of Directors
**Updater Services Private Limited**

**T. Raghunandana**
Managing Director
DIN : 0000628914

**T.Shanthi**
Director
DIN : 0000939218

**Balaji Swaminathan**
Chief Financial Officer

**L.B. Jayaram**
Company Secretary

Place: Chennai
Date : 24 September 2021

**Updater Services Private Limited**
**Standalone Statement of Profit and Loss for the year ended March 31, 2021**
*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

| Particulars | Notes | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|---|
| **Income** | | | |
| Revenue from contracts with customers | 20 | 99,871.84 | 1,09,379.01 |
| Other income | 21 | 339.06 | 31.33 |
| Finance income | 22 | 158.13 | 64.80 |
| **Total Income** | | **1,00,369.03** | **1,09,475.14** |
| **Expenses** | | | |
| Employee benefits expense | 23 | 88,820.07 | 93,771.85 |
| Finance costs | 24 | 634.46 | 989.64 |
| Depreciation and amortization expense | 25 | 579.52 | 672.44 |
| Impairment losses on financial instrument and contract assets | 26 | 392.10 | 408.07 |
| Other expenses | 27 | 7,330.99 | 10,056.50 |
| **Total Expense** | | **97,757.14** | **1,05,898.50** |
| **Profit before tax** | | **2,611.89** | **3,576.64** |
| **Tax Expense :** | | | |
| Current tax | | 767.37 | 138.95 |
| Adjustment of tax relating to earlier periods | | 38.09 | 2.94 |
| Deferred tax charge / (credit) | | (858.81) | 180.88 |
| **Income tax expense** | 28 | **(53.35)** | **322.77** |
| **Profit for the year** | | **2,665.24** | **3,253.87** |
| **Other Comprehensive Income:** | | | |
| **Items that will not to be reclassified to profit or loss in subsequent periods:** | | | |
| Re-measurement gains/(losses) on defined benefit obligations (net) | | 105.58 | (201.76) |
| Income tax effect | | (26.57) | 50.78 |
| | | **79.01** | **(150.98)** |
| **Other comprehensive income/(loss) for the year, net of tax** | | **79.01** | **(150.98)** |
| **Total comprehensive income for the year, net of tax** | | **2,744.25** | **3,102.89** |
| **Earnings per equity share** | | | |
| Basic ( Amount in ₹ ) | 29 | 5.05 | 6.16 |
| Diluted ( Amount in ₹ ) | 29 | 5.01 | 6.12 |
| Summary of significant accounting policies | 1 - 2 | | |
| The accompanying notes form an integral part of the Standalone Financial Statements | 3 - 46 | | |

As per report of even date

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

**per Chirag Shah**
Partner
Membership No. 121648

Place: Chennai
Date : 24 September 2021

For and on behalf of Board of Directors
**Updater Services Private Limited**

**T. Raghunandana**
Managing Director
DIN : 0000628914

**T.Shanthi**
Director
DIN : 0000939218

**Balaji Swaminathan**
Chief Financial Officer

**L.B. Jayaram**
Company Secretary

Place: Chennai
Date : 24 September 2021

**Updater Services Private Limited**
**Standalone Cash flow statement for the year ended March 31, 2021**
*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

| Particulars | Notes | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|---|
| **Profit before tax** | | **2,611.89** | **3,576.64** |
| **Adjustment to reconcile profit before tax to net cash flows** | | | |
| Depreciation and amortization expense | | 579.52 | 672.44 |
| Interest expenses | | 634.46 | 989.64 |
| Interest (income) | | (158.13) | (34.95) |
| Fair value gain on Financial Assets at FVTPL | | (38.97) | (21.26) |
| Impairment for expected credit loss of trade receivables | | 220.74 | 255.68 |
| Liability payable to promoters of acquired subsidiary | | (197.35) | - |
| Impairment for doubtful advances | | 111.53 | 152.39 |
| Provision for onerous contracts | | 101.30 | - |
| Commission expenses | | - | 5.05 |
| Liability no longer required written back | | (86.62) | - |
| Profit on sales of property, plant and equipment | | (15.32) | (2.47) |
| Rent equalisation reserve | | - | (4.61) |
| Bad debts written off | | - | 146.03 |
| Impairment for doubtful reimbursement right of gratuity | | 59.83 | - |
| Advances written off | | 9.99 | - |
| Unrealised Exchange differences (net) | | 0.98 | - |
| Employee stock option expenses | | 14.89 | 325.64 |
| **Operating cash flow before working capital changes** | | **3,848.74** | **6,060.22** |
| ***Movements in working capital :*** | | | |
| (Increase)/decrease in trade receivables | | 7,898.19 | (6,138.01) |
| (Increase)/decrease in other financial assets | | 59.14 | (2,107.25) |
| (Increase)/decrease in loans | | (61.72) | (51.15) |
| (Increase)/decrease in non - financial assets | | (379.93) | (182.45) |
| Increase/(decrease) in trade payables | | 100.08 | (80.50) |
| Increase/ (decrease) in current liabilities and provisions | | 1,112.32 | 3,654.81 |
| **Cash generated from /(used in) operations** | | **12,576.82** | **1,155.67** |
| Direct taxes paid (net of refunds) | | (1,389.23) | (1,603.53) |
| **Net cash flow from/ (used in) operating activities** | A | **11,187.59** | **(447.86)** |
| **Cash flow from investing activities** | | | |
| Purchase of property, plant and equipment | | (243.29) | (589.27) |
| Investment in Subsidiary company | | (247.76) | (5,435.02) |
| Loans given to subsidiaries | | (56.76) | (112.14) |
| Repayment of Loans from subsidiaries | | 215.44 | 297.03 |
| Investments in fixed deposits (having original maturity of more than three months) | | (10,116.13) | (105.96) |
| Redemption/Maturity of fixed deposits | | 8,877.24 | 1,018.55 |
| Proceeds from sale of property, plant and equipment | | 20.51 | 4.20 |
| Interest received | | 38.22 | 41.34 |
| **Net cash flow from/ (used in) investing activities** | B | **(1,512.53)** | **(4,881.27)** |
| **Cash flow from financing activities** | | | |
| Proceeds from short-term borrowings | | 1,947.60 | 31,672.78 |
| Repayment of short-term borrowings | | (9,680.62) | (25,536.86) |
| Payment of principal portion of lease liabilities | | (66.84) | (71.68) |
| Interest paid | | (246.95) | (709.18) |
| **Net cash flow from/ (used in) in financing activities** | C | **(8,046.81)** | **5,355.06** |
| **Net increase/(decrease) in cash and cash equivalents** | A+B+C | **1,628.25** | **25.93** |
| Cash and cash equivalents at the beginning of the year | 11A | 713.45 | 687.52 |
| Cash and cash equivalents at the end of the year | | 2,341.70 | 713.45 |

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Updater Services Private Limited
**Standalone Cash flow statement for the year ended March 31, 2021**
*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

**Standalone Cash flow statement (continued)**

**Non cash investing and financing activities**

| **Particulars** | **Notes** | **Year ended 31 March 2021** | **Year ended 31 March 2020** |
|---|---|---|---|
| Acquisition of Right of use assets | 31 | - | 7.41 |

| | |
|---|---|
| Summary of significant accounting policies | 1 - 2 |
| The accompanying notes form an integral part of the Standalone Financial Statements | 3 - 46 |

As per our report of even date

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

**per Chirag Shah**
Partner
Membership No. 121648

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

Place: Chennai
Date : 24 September 2021

For and on behalf of Board of Directors
**Updater Services Private Limited**

**T. Raghunandana**
Managing Director
DIN : 0000628914

**T.Shanthi**
Director
DIN : 0000939218

**Balaji Swaminathan**
Chief Financial Officer

**L.B. Jayaram**
Company Secretary

Place: Chennai
Date : 24 September 2021

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## 1. Corporate information

Updater Services Private Limited ("the Company") was incorporated on November 13, 2003. The Company is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at NO.2/302-A, UDS Salai, off Old Mahabalipuram road, Thoraipakkam, Chennai. Updater Services Private Limited is engaged in providing facility management services like integrated facility management services to various industries such as information technology, information technology enabled services, manufacturing, hospitality and other industries and catering services, which includes industrial catering, and services at food courts.

Integrated facility management services include housekeeping, staffing, production support, mechanical and electrical services, garden management, pest control and catering solutions.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on September 24, 2021

## 2. Significant accounting policies

### 2.1 Basis of accounting and preparation of standalooe financial statements

#### i. Compliance with Ind-AS

The standalone financial statements of the Company are prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read together with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

The standalone financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All values are rounded to nearest lakhs except when otherwise stated.

The standalone financial statements have been prepared on a historical cost basis, except for the following:
a) Certain financial assets and liabilities measured at fair value as explained in the accounting policies; and
b) Defined benefit plan assets measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### 2.2 Summary of Significant accounting policies

#### a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or consumed in 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 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.

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Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**b. Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

The cost of property, plant and equipment not ready for intended use before such date is disclosed under capital work-in-progress.

For depreciation purposes, the Company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the life of the principal asset and depreciates them separately based on their specific useful lives. Expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

**Depreciation**

The Company, based on technical assessment made by experts and management estimates, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely te be used.

Depreciation is calculated on a written down value(WDV) method over the estimated useful lives of the assets as follows:

| Asset Classification | Estimated Useful Life (Years) |
|---|---|
| Plant and machinery* | 5 |
| Furniture and fittings | 10 |
| Office equipment | 5 |
| Vehicles | 8 |
| Computer and accessories | 3 |
| Building | 30 |

*The Company is using useful life different from the life prescribed in Schedule II of the Companies act based on technical estimate by expert.

Leasehold Improvements are depreciated over the leasehold period or useful life estimated by management whichever is lesser.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**c. Intangible assets**

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Costs incurred towards purchase of software are depreciated using the straight-line method over a period of 3 years based on management's estimate of useful lives of such software, or over the license period of the software, whichever is shorter.

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

| Asset Classification | Useful Life (Years) | Amortisation method | Internally generated or acquired |
|---|---|---|---|
| Software | Finite – 3 years | Amortised on a straight-line basis over the life | Acquired |

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

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the services, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation / amortization is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation / amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

**e. Revenue from contracts with customers**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is the tax collected on value added on the services and commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Revenues in excess of invoicing are classified as contract assets (referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred to as income received in advance).

Revenue is adjusted for expected price concessions based on the management estimates.

The specific recognition criteria described below must also be met before revenue is recognised.

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**Income from facility management services**
Revenues from facility management service contracts are accounted on accrual basis on performance of the services agreed in the contract with the customers.

**Dividend income**
Dividend income is recognised when the unconditional right to receive the payment is established, which is generally when shareholders approve the dividend.

**Interest income**
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Financial income" in the statement of profit and loss.

**Contract balances**

**(a) Contract assets**
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract Assets (Unbilled revenue) represents revenue in excess of billing.

**(b) Trade receivables**
A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**(c) Contract liabilities**
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**f. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(i) Financial assets**
Debt instruments that meet the following conditions are subsequently measured at amortised cost:
- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments on principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:
- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has determined the classification of debt instruments in terms of whether they meet amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date. Accordingly, the Company has classified all debt instruments as of the transition date at amortised cost.

Investment in equity instruments issued by subsidiaries are measured at cost less impairment.

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**(ii) Effective interest method**
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item.

**(iii) Financial assets at fair value through profit or loss (FVTPL)**
Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. Investments in Mutual funds are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "Other Income" line item.

**(iv) Impairment of financial assets**
The Company applies expected credit loss model for recognising impairment loss on financial assets measured at amortised cost.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Provision for ECL is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expenses in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

**(v) De-recognition of financial assets**
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the assets carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

**(vi) Reclassification of financial assets**
The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model.

**(vii) Financial liabilities and equity instruments**
**(vii)(1) Classification as debt or equity**
Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**(vii)(2) Equity instruments**
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

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**(viii) Financial liabilities**
All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at FVTPL are recognised in profit or loss.

**(ix) Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held—for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the "Finance Costs" line item.

**(x) Effective interest method**
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**(xi) De-recognition of financial liabilities**
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

The Company has applied the de-recognition requirements. of financial liabilities prospectively for transactions occurring on or after April 01, 2017 (the transition date).

**(xii) Derivative financial instruments**
The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency interest rate swaps.
Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

**(xiii) Offsetting of financial instruments**
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**g. Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**As a lessee**
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**i. Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a written-down value basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

| Asset Classification | Estimated Useful Life (Years) |
|---|---|
| Building | 1 – 5 |

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (d) Impairment of non-financial assets.

**ii. Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Interest-bearing loans and borrowings (see Note 31).

**iii. Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of Buildings and Machinery and Equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**As a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**h. Retirement and other employee benefits**

**a. Compensated absences**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

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Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as non-current employee benefit for measurement purposes. Such non-current compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains / losses are immediately taken to the statement of profit and loss and are not deferred.

**b. Post-employment obligations**

The Company operates the following post-employment schemes:

**i. Gratuity obligations**

Gratuity liability under the Payment of Gratuity Act, 1972 is a defined benefit obligation. The Plan provides payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company provides the gratuity benefit through annual contribution to Updater Services Private Limited - Employee benefit scheme. Under this scheme the settlement obligation remains with the Company although the LIC administers the scheme and determines the contribution premium required to be paid by the Company. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method.

In addition to the above, the Company recognises its liability in respect of gratuity for employees (where customer reimburses gratuity) and its right of reimbursement as an asset. Employee benefits expense in respect of gratuity to employees and reimbursement right is presented in accordance with Ind AS – 19.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement is not reclassified to profit or loss in subsequent periods.

Past service cost is recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognises related restructuring costs.
Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs and
- Net interest expense or income.

**ii. Retirement benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

**i. Taxes on Income**

**Current income tax**

Income tax expense comprises current tax expense and deferred tax charge or credit during the year. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

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Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is recognised using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax liabilities are recognised for all taxable temporary differences, except:

• In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

The carrying amount of deferred tax assets is reviewed at each reporting date and written off to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

**j. Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

The Company is availing of benefits under a government scheme - Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) wherein the Central Government is paying the employer's contribution towards Employee Pension Scheme / Provident Fund in respect of new employees meeting specified criteria.

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**k. Financial guarantee contracts**

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**l. Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

• In the principal market for the asset or liability, or
• In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Involvement of external valuers is decided upon annually by the Company. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. Other fair value related disclosures are given in the relevant notes (Refer Note 39).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above (Refer Note 40).

**m. Segment reporting**

The Management monitors the operating results of its business as a single primary segment "facility management service" for the purpose of making decisions about resource allocation and performance assessment. The business of the Company falls under a single primary segment i.e. 'facility management service' for the purpose of Ind AS 108.

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**n. Earnings per share**

Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**o. Provisions**

**General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Onerous Contract**

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

**p. Contingent liabilities & Contingent Assets**

Contingent liability is disclosed for,

(i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or

(ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the standalone financial statements.

Contingent assets are disclosed in the Standalone financial statements by way of notes to accounts when an inflow of economic benefits is probable.

**q. Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

Bank overdrafts are shown within borrowings in financial liabilities in the balance sheet.

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**r. Borrowing costs**
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

**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 32.

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 Company'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.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. 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.

**t. Foreign currencies**

**Functional and presentation currency**
Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates, i.e., the "functional currency". The standalone financial statements are presented in Indian rupee (INR), which is functional and presentation currency of the Company.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

**u. Contingent Consideration**

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

**v. Changes in accounting policies and disclosures**

**New and amended standards**

**(i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions.**

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the standalone financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019. This amendment had no impact on the standalone financial statements of the Company.

**(ii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material**

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose standalone financial statements make on the basis of those standalone financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the standalone financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated standalone financial statements of, nor is there expected to be any future impact to the Company.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Company's standalone financial statements.

**(iii) Amendments to Ind AS 103 Business Combinations**

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. This amendment had no impact on the standalone financial statements of the Company but may impact future periods should the Company enter into any business combinations.

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Chartered Accountants

**w. Recent pronouncements**

The Ministry of Corporate Affairs through a notification dated 24 March 2021 amended Schedule III to the Companies Act, 2013. These amendments are applicable from 1 April 2021 and enhances the disclosures required to be made by the Company in its financial statements. The Company is evaluating the effect of these amendments on its financial statements.

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**Updater Services Private Limited**
**Standalone Statement of Changes in Equity for the year ended March 31, 2021**
*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

**(a) Equity share capital**

| Equity shares of Rs 10 each issued, subscribed and fully paid | No. of shares (in lakhs) | Amount |
|---|---|---|
| **Opening balance as on April 01, 2019** | 528.17 | 5,281.75 |
| Add: Shares issued during the year | - | - |
| **Balance as on March 31, 2020** | 528.17 | 5,281.75 |
| Add: Shares issued during the year | - | - |
| **Balance as on March 31, 2021** | 528.17 | 5,281.75 |

**(b) Other equity**

| Particulars | Retained Earnings | Capital redemption reserve | Securities Premium | Employee Stock Options Reserve | Total |
|---|---|---|---|---|---|
| **As at April 01, 2019** | 8,716.72 | 207.50 | 5,594.28 | - | 14,518.50 |
| Add: Profit for the year | 3,253.87 | - | - | - | 3,253.87 |
| Employee stock options provided | - | - | - | 325.64 | 325.64 |
| Other Comprehensive Income | (150.98) | - | - | - | (150.98) |
| Effect of adoption of Ind AS 116 Leases | (193.89) | | | | (193.89) |
| **As at March 31, 2020** | 11,625.72 | 207.50 | 5,594.28 | 325.64 | 17,753.14 |
| Add: Profit for the year | 2,665.24 | - | - | - | 2,665.24 |
| Other Comprehensive Income | 79.01 | - | - | - | 79.01 |
| Employee stock options provided | - | - | - | 14.89 | 14.89 |
| **As at March 31, 2021** | 14,369.97 | 207.50 | 5,594.28 | 340.53 | 20,512.28 |

Summary of significant accounting policies 1 - 2
The accompanying notes form an integral part of the Standalone Financial Statements 3 - 46

As per our report of even date

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

**per Chirag Shah**
Partner
Membership No. 121648

S.R. Batliboi & Associates LLP
Chennai
Chartered Accountants

Place: Chennai
Date : 24 September 2021

For and on behalf of Board of Directors
**Updater Services Private Limited**

**T. Raghunandana**
Managing Director
DIN : 0000628914

**T.Shanthi**
Director
DIN : 0000939218

**Balaji Swaminathan**
Chief Financial Officer

**L.B. Jayaram**
Company Secretary

Place: Chennai
Date : 24 September 2021

*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

**3 Property, plant and equipment**

| Particulars | Building | Plant and machinery | Furniture and fixtures | Office equipments | Vehicles | Computer and accessories | Leasehold improvements | Total |
|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | |
| **At April 01, 2019** | **177.57** | **1,772.42** | **73.33** | **81.45** | **121.49** | **200.31** | **60.20** | **2,486.77** |
| Additions | - | 429.24 | 40.55 | 20.51 | 20.29 | 57.12 | - | 567.71 |
| Disposals | - | (71.05) | (15.87) | (8.00) | (9.59) | (7.75) | - | (112.26) |
| **At March 31, 2020** | **177.57** | **2,130.61** | **98.01** | **93.96** | **132.19** | **249.68** | **60.20** | **2,942.22** |
| Additions | - | 187.82 | 4.59 | 9.46 | - | 31.46 | 9.96 | 243.29 |
| Disposals | - | (38.11) | - | - | - | - | - | (38.11) |
| **At March 31, 2021** | **177.57** | **2,280.32** | **102.60** | **103.42** | **132.19** | **281.14** | **70.16** | **3,147.40** |
| **Depreciation** | | | | | | | | |
| **At April 01, 2019** | **25.16** | **838.31** | **31.19** | **53.68** | **55.99** | **130.36** | **43.30** | **1,177.99** |
| Charge for the year | 14.48 | 517.65 | 17.34 | 19.50 | 20.31 | 56.79 | 10.68 | 656.75 |
| Disposals | - | (71.05) | (15.87) | (8.00) | (7.86) | (7.75) | - | (110.53) |
| **At March 31, 2020** | **39.64** | **1,284.91** | **32.66** | **65.18** | **68.44** | **179.40** | **53.98** | **1,724.21** |
| Charge for the year | 13.30 | 448.45 | 15.47 | 18.08 | 21.11 | 49.48 | 8.36 | 574.25 |
| Disposals | - | (32.92) | - | - | - | - | - | (32.92) |
| **At March 31, 2021** | **52.94** | **1,700.44** | **48.13** | **83.26** | **89.55** | **228.88** | **62.34** | **2,265.54** |
| **Net Block** | | | | | | | | |
| **At March 31, 2021** | **124.63** | **579.88** | **54.47** | **20.16** | **42.64** | **52.26** | **7.82** | **881.86** |
| At March 31, 2020 | 137.93 | 845.70 | 65.35 | 28.78 | 63.75 | 70.28 | 6.22 | 1,218.01 |

**Note:**
Cash credit and working capital loan are secured by first pari-passu charge on certain moveable assets. (Refer Note 16)

**4 Other intangible assets**

| Particulars | Computer software | Total |
|---|---|---|
| **Cost** | | |
| **At April 01, 2019** | **35.76** | 35.76 |
| Additions | - | - |
| **At March 31, 2020** | **35.76** | **35.76** |
| **At March 31, 2021** | **35.76** | **35.76** |
| **Amortisation** | | |
| **At April 01, 2019** | **23.12** | **23.12** |
| Charge for the year | 6.95 | 6.95 |
| **At March 31, 2020** | **30.07** | **30.07** |
| Charge for the year | 3.84 | 3.84 |
| **At March 31, 2021** | **33.91** | **33.91** |
| **Net Block** | | |
| **At March 31, 2021** | **1.85** | **1.85** |
| At March 31, 2020 | 5.69 | 5.69 |

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| | | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|---|
| **5** | **Investments** | | |
| **A** | **Non-current investments** | | |
| | **Investments at Cost** | | |
| | **Unquoted equity instruments in subsidiaries** | | |
| a. | Matrix Business Services India Private Limited<br>3,13,660 (March 31, 2020: 3,13,660) Equity Shares of ₹ 10 Each, fully paid up | 4,880.18 | 4,880.18 |
| b. | Washroom Hygiene Concepts Private Limited<br>87,433 (March 31, 2020: 73,833) Equity Shares of ₹ 10 Each, fully paid up | 1,880.63 | 1,880.63 |
| c. | Fusion Foods India Private Limited<br>11,381 (March 31, 2020: 11,381) equity shares of ₹ 10 each fully paid up | 1,421.93 | 1,421.93 |
| d. | Avon Solutions and Logistics Private Limited<br>21,923 (March 31, 2020: 21,923) equity shares of ₹ 100 each fully paid up | 796.92 | 796.92 |
| e. | Stanworth Management Private Limited<br>17,32,000 (March 31, 2020: 17,32,000) equity shares of ₹ 10 each fully paid up | 263.23 | 263.23 |
| f. | Global Flight Handling Services Private Limited<br>7,000 (March 31, 2020: 7,000) equity shares of ₹ 10 each fully paid up | 11.87 | 11.87 |
| g. | Tangy Supplies & Solutions Private Limited<br>99,999 (March 31, 2020: 99,999) equity shares of ₹ 10 each fully paid up | 10.00 | 10.00 |
| h. | Wynwy Technologies Private Limited (formerly known as Zappy Home Solutions Private Limited)<br>99,999 (March 31, 2020: 99,999) equity shares of ₹ 10 each fully paid up | 10.00 | 10.00 |
| i. | Integrated Technical and Staffing Solutions Private Limited<br>9,999 (March 31, 2020: 9,999) equity shares of ₹ 10 each fully paid up | 1.00 | 1.00 |
| j. | Updater Services (UDS) Foundation<br>9,999 (March 31, 2020: 9,999) equity shares of ₹ 10 each fully paid up | 1.00 | 1.00 |
| | | 9,276.76 | 9,276.76 |
| | Current | - | - |
| | Non Current | 9,276.76 | 9,276.76 |
| | Aggregate value of unquoted investments | 9,276.76 | 9,276.76 |

*Notes:*

a) **Matrix Business Services India Private Limited** - During the previous year ended 31 March 2020, the Company has acquired 75% equity ownership in Matrix Business Services India Private Limited ("Matrix") by investing a total of ₹ 3,915.01 lakhs as equity share capital. Matrix is primarily engaged in the business of providing assurance services, claims processing, including employee background verifications checks and product and process audits inter alia of warehouses, depots, distributors and distribution centres, retail points and outlets and franchisees. Investment recorded during the previous year includes ₹ 965.16 lakhs on account of obligation to purchase future share, recognised pursuant to Shareholder's Agreement between the Company and the promoters of Matrix. (Also refer note 18)

b) **Washroom Hygiene Concepts Private Limited** - During the previous year ended 31 March 2020, the Company has acquired 76% equity ownership in Washroom Hygiene Concepts Private Limited ("WHC") by investing a total of ₹ 1,520.00 lakhs as equity share capital. WHC is primarily engaged in the business of providing washroom sanitizing services and hygiene solutions, primarily female hygiene solutions, viz sanitary napkin vending & disposal and supply of third party sanitary products. Investment recorded during the previous year includes ₹ 360.63 lakhs on account of obligation to purchase future share, recognised pursuant to Shareholder's Agreement between the Company and the promoters of WHC. During the year ended 31 March 2021 the company has acquired 14% Equity ownership in WHC, out of total obligation of future purchase of shares. (Also refer note 18)

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| 6 | Loans (At Amortised Cost) | Non-current | | Current | |
|---|---|---|---|---|---|
| | | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 |
| | **(Considered good, Unsecured unless stated otherwise)** | | | | |
| | **Loans to related parties #** | | | | |
| | - considered good | - | - | 37.71 | 233.93 |
| | - credit impaired | - | - | 787.30 | 749.77 |
| | | - | - | 825.01 | 983.70 |
| | Less: Impairment on loans to related parties | - | - | (787.30) | (749.77) |
| | | - | - | **37.71** | **233.93** |
| | **Loans to employees** | | | | |
| | - considered good | - | - | 44.48 | 17.13 |
| | - credit impaired | - | - | 9.18 | 9.18 |
| | | - | - | 53.66 | 26.31 |
| | Less: Impairment for doubtful loans | - | - | (9.18) | (9.18) |
| | | - | - | **44.48** | **17.13** |
| | **Security Deposits** | | | | |
| | - considered good | 122.71 | 117.69 | 351.03 | 374.53 |
| | - credit impaired | - | - | 61.85 | 70.72 |
| | | 122.71 | 117.69 | 412.88 | 445.25 |
| | Less: Impairment for doubtful deposits | - | - | (61.85) | (70.72) |
| | | **122.71** | **117.69** | **351.03** | **374.53** |
| | **Rental deposits @** | | | | |
| | - considered good | 332.06 | 305.38 | - | - |
| | - credit impaired | 26.57 | 26.57 | - | - |
| | | 358.63 | 331.95 | - | - |
| | Less: Impairment for doubtful deposits | (26.57) | (26.57) | - | - |
| | | **332.06** | **305.38** | - | - |
| | | **454.77** | **423.07** | **433.22** | **625.59** |

# - The Company has given loans of ₹ 696.84 lakhs and ₹90.46 lakhs (March 31, 2020 ₹ 695.84 lakhs and ₹ 53.93) to Wynwy Technologies Private Limited (formerly known as Zappy Home Solutions Private Limited) and Global Flight Handling Services Private Limited respectively as at March 31, 2021. In view of the losses / insufficient profit incurred, the management of the Company has made a provision for the loans receivable.

@ - Rental deposit includes amounts held by related parties of ₹ 228.74 lakhs (March 31, 2020 - ₹ 220.45 lakhs)

| 7 | Other financial assets (At Amortised Cost) | Non-current | | Current | |
|---|---|---|---|---|---|
| | | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 |
| | **(Considered good, Unsecured unless stated otherwise)** | | | | |
| | **Retention Deposits** | | | | |
| | - considered good | 277.48 | 104.37 | - | - |
| | - credit impaired | 5.90 | 4.89 | - | - |
| | | 283.38 | 109.26 | - | - |
| | Less: Impairment for doubtful deposits | (5.90) | (4.89) | - | - |
| | | **277.48** | **104.37** | - | - |
| | **Interest accrued and due on loan to related parties** | | | | |
| | - considered good | - | - | 13.74 | - |
| | - credit impaired | - | - | 73.00 | - |
| | | - | - | 86.74 | - |
| | Less: Impairment for Interest accrued and due on loan to related parties | - | - | (73.00) | - |
| | | - | - | **13.74** | - |

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| 7 Other financial assets (continued) | Non-current | | Current | |
|---|---|---|---|---|
| | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 |
| **Reimbursement right of gratuity ^^^** | | | | |
| - considered good | 1,142.84 | 1,189.57 | 1,286.52 | 1,215.41 |
| - credit impaired | - | - | 59.83 | - |
| | 1,142.84 | 1,189.57 | 1,346.35 | 1,215.41 |
| Less: Impairment for doubtful reimbursement right of gratuity | - | - | (59.83) | - |
| | 1,142.84 | 1,189.57 | 1,286.52 | 1,215.41 |
| **Advances recoverable in cash** | | | | |
| - considered good | - | - | 1.77 | 1.82 |
| - credit impaired | - | - | 29.04 | 29.04 |
| | - | - | 30.81 | 30.86 |
| Less: Impairment for doubtful advances | - | - | (29.04) | (29.04) |
| | - | - | **1.77** | **1.82** |
| Interest accrued and not due on bank deposits | - | - | 39.37 | 6.20 |
| Contract Assets - Unbilled revenue *** | - | - | 4,913.30 | 5,133.77 |
| Receivable from related parties (refer Note 37) | - | - | - | 22.94 |
| **Bank balances other than cash and cash equivalents**** | | | | |
| - in long term deposits under lien with maturity more than 12 months | 40.73 | 232.15 | - | - |
| | **1,461.05** | **1,526.09** | **6,254.70** | **6,380.14** |

^^^ The Company has recognised gratuity liability and reimbursement right in respect of employees where there is contractual right to receive reimbursement from customers, pursuant to paragraph 116 of Ind AS - 19. Refer Note 30(B)

*** Classified as financial asset as right to consideration is unconditional upon passage of time

**** Fixed deposits given as security (as part of non-current assets)**

Fixed deposits with a carrying amount of Rs. 31.00 lakhs (31 March 2020: Rs. 232.15 Lakhs) is under lien with various banks for guarantees issued to third parties.

| 8 Income tax assets (net) | Non-current | | Current | |
|---|---|---|---|---|
| | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 |
| Advance income taxes | 11,796.54 | 10,400.46 | - | - |
| Less: Provision for income taxes | (7,494.73) | (6,682.42) | - | - |
| | **4,301.81** | **3,718.04** | - | - |

| 9 Other assets (At Amortised Cost) | Non-current | | Current | |
|---|---|---|---|---|
| | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 |
| **(Considered good, Unsecured unless stated otherwise)** | | | | |
| Prepaid expenses ^^^ | - | - | 588.17 | 749.92 |
| Balance with government authorities (Refer Note 35) | | | | |
| - considered good | 56.12 | - | 211.62 | 169.98 |
| - credit impaired | - | - | 41.57 | 41.57 |
| | 56.12 | - | 253.19 | 211.55 |
| Less: Provision for doubtful balance with government authorities | - | - | (41.57) | (41.57) |
| | **56.12** | - | **211.62** | **169.98** |
| Capital Advance | | | | |
| - considered good | 0.11 | 4.41 | - | - |
| - credit impaired | 44.30 | 44.30 | - | - |
| | 44.41 | 48.71 | - | - |
| Less: Provision for doubtful capital advances | (44.30) | (44.30) | - | - |
| | **0.11** | **4.41** | - | - |

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| 9 Other assets (continued) | Non-current | | Current | |
|---|---|---|---|---|
| | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 |
| Advances for supply of goods | | | | |
| - considered good | - | - | 61.85 | 73.48 |
| - credit impaired | - | - | 151.43 | 173.90 |
| | - | - | 213.28 | 247.38 |
| Less: Provision for doubtful advances for supply of goods | - | - | (151.43) | (173.90) |
| | - | - | **61.85** | **73.48** |
| Advances to employees | | | | |
| - considered good | - | - | 47.06 | 56.01 |
| - credit impaired | - | - | 38.61 | 38.61 |
| | - | - | 85.67 | 94.62 |
| Less: Provision for doubtful advances to employees | - | - | (38.61) | (38.61) |
| | - | - | **47.06** | **56.01** |
| Contract Assets - Unbilled revenue *** | | | 1,990.86 | 1,503.89 |
| | **56.23** | **4.41** | **2,899.56** | **2,553.28** |

^^^ Includes cost of uniform and shoes provided to service staff written off over a period of 12 months from the date of purchase ₹ 372.56 lakhs (March 31, 2020 - ₹ 401.85 lakhs)

*** Classified as non-financial asset as the contractual unconditional right to consideration is dependent on completion of contractual obligations. Includes Rs. 597.71 lakhs related to government projects for Skills and Development (DDUGKY) for which milestones have not been achieved due to COVID-19 outbreak, but State government authorities have extended the timelines.

| 10 Trade Receivables | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **(At Amortised Cost)** | | |
| Trade receivables | 16,345.90 | 24,450.53 |
| Trade receivable from related parties (Note 37) | 0.70 | 15.98 |
| | **16,346.60** | **24,466.51** |
| **Security details** | | |
| Considered good, Secured | - | - |
| Considered good, Unsecured | 16,346.60 | 24,466.51 |
| Trade Receivables which have significant increase in credit risk | - | - |
| Trade Receivables - credit impaired | 513.11 | 294.31 |
| | 16,859.71 | 24,760.82 |
| **Impairment allowance (allowance for bad and doubtful debts)** | | |
| Considered good, Unsecured | - | - |
| Trade Receivables - credit impaired | (513.11) | (294.31) |
| | (513.11) | (294.31) |
| **Total Trade receivables** | **16,346.60** | **24,466.51** |

No trade or other receivables are due from Directors or other officers of the Company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days based on the type of the customers. For balances, terms and conditions relating to related parties, refer note 37.

| 11A Cash and cash equivalents | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| (i) Balances with banks: | | |
| - On current accounts | 2,116.19 | 681.93 |
| - earmarked for DDU GKY Project *** | 225.51 | 13.49 |
| (ii) Cash in hand | - | 18.03 |
| | **2,341.70** | **713.45** |

For the purpose of statement of cashflows, cash and cash equivalents comprise the following:

| | | |
|---|---|---|
| On current accounts | 2,341.70 | 695.42 |
| Cash on hand | - | 18.03 |
| **Total Cash and cash equivalents** | **2,341.70** | **713.45** |

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**11B Bank Balances other than cash and cash equivalents as above**

| | Non-current | | Current | |
|---|---|---|---|---|
| | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 |
| - Deposits with Original Maturity of less than 3 months under lien** | - | - | 632.00 | - |
| - in long term deposits under lien with maturity more than 3 months but less than 12 months** | - | - | 834.26 | 36.06 |
| - in long term deposits under lien with maturity more than 12 months | 40.73 | 232.15 | - | - |
| Less: disclosed as part of other financial assets | (40.73) | (232.15) | - | - |
| **Total Bank balance other than cash and cash equivalents** | **-** | **-** | **1,466.26** | **36.06** |

*** During the year ended 31 March 2018, the Company had entered into an Memorandum of Understanding (MOU) with Tamil Nadu State Rural Lively Mission on August 26, whereby for a period of 3 years in relation to a particular project (DDU GKY), Company has to train 2,002 workers under the guidelines of the MoRD, Government of India. Pursuant to the same, Company has received an advance of Rs. 1,592.61 lakhs from (March 31, 2018 - Rs. 674.06 lakhs and March 31, 2021 - Rs. 918.55 lakhs) the CEO,Tamil Nadu State Rural Lively Mission. The money can be utilised only for the training and related expenses approved as per the MOU/agreement.

**** Fixed deposits given as security (Bank Balances other than cash and cash equivalents)**
Fixed deposits with a carrying amount of Rs. 1431.69 lakhs (31 March 2020: Rs. 36.06 Lakhs) is under lien with various banks for guarantees issued to third parties.

**12 Deferred tax asset (net)**

| | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Deferred tax assets** | | |
| Difference between books balance and Tax balance of Property, plant and equipment | 383.82 | 346.02 |
| Provision for litigation | 7.06 | 7.06 |
| Impairment for doubtful advances and Loan | 334.38 | 299.13 |
| Impairment for doubtful debts and estimated price concession | 778.20 | 287.18 |
| Provision for gratuity | 781.07 | 610.55 |
| Provision for compensated absences | 179.19 | 146.32 |
| Expenses allowable on payment basis | 771.91 | 690.67 |
| **Deferred tax liability** | | |
| Ind AS 116 - Lease Adjustments | (32.30) | (15.84) |
| | **3,203.33** | **2,371.09** |

**Reconciliation of deferred tax liabilities (net):**

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|
| **Opening balance as of 1 April** | 2,371.09 | 2,501.19 |
| Tax income/(expense) during the period recognised in profit or loss | 858.81 | (180.88) |
| Tax income/(expense) during the period recognised in OCI | (26.57) | 50.78 |
| **Closing balance as at 31 March** | **3,203.33** | **2,371.09** |

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**13 Equity share capital**

| | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Authorised | | |
| 530.00 (March 31, 2020: 530.00) equity shares of Rs 10 each | 5,300.00 | 5,300.00 |
| Issued, subscribed and paid up | | |
| 528.17 (March 31, 2020: 528.17) equity shares of Rs 10 each fully paid up | 5,281.75 | 5,281.75 |
| | 5,281.75 | 5,281.75 |

**a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

| | As at 31 March 2021 | | As at 31 March 2020 | |
|---|---|---|---|---|
| | No. of shares (in lakhs) | Amount | No. of shares (in lakhs) | Amount |
| **Equity shares** | | | | |
| At the beginning of the year | 528.17 | 5,281.75 | 528.17 | 5,281.75 |
| Add: Shares issued during the year | - | - | - | - |
| Outstanding at the end of the year | 528.17 | 5,281.75 | 528.17 | 5,281.75 |

**b) Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, equity share holders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the financial year 2016-17, the Company has issued equity shares to India Business Excellence Fund – II and India Business Excellence Fund – IIA ("Investors"). The Investors have been provided with certain exit rights after a predetermined period (viz. IPO / Exit Trade Sale / Strategic Sale Right as defined in the share purchase agreement) by the Company and other Shareholders.

**c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

| | 31 March 2021 | 31 March 2020 | 31 March 2019 | 31 March 2018 | 31 March 2017 |
|---|---|---|---|---|---|
| Equity shares allotted as fully paid bonus shares by capitalization of securities premium | - | - | - | - | 395.21 |
| Equity shares bought back by the company | - | - | - | - | 20.75 |

**d) Details of shareholders holding more than 5% shares in the company**

| Name of shareholder | As at 31 March 2021 | | As at 31 March 2020 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| **Equity shares of Rs. 10 each fully paid** | | | | |
| T Raghunandana | 163.78 | 31.01% | 162.38 | 30.74% |
| T Shanthi | 162.38 | 30.74% | 162.38 | 30.74% |
| Tangi Facility Solutions Pvt Ltd | 111.73 | 21.15% | 113.13 | 21.42% |
| India Business Excellence Fund – II | 28.89 | 5.47% | 28.89 | 5.47% |
| India Business Excellence Fund – IIA | 61.39 | 11.63% | 61.39 | 11.63% |
| | 528.17 | 100.00% | 528.17 | 100.00% |

**Shares reserved for issue under options**

For details of shares reserved for issue under the Share based payment plan of the company, please refer note 32

**14 Other equity**

| | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Retained earnings | 14,369.97 | 11,625.72 |
| Capital redemption reserve | 207.50 | 207.50 |
| Securities premium | 5,594.28 | 5,594.28 |
| Employee stock option reserve (Refer Note 32) | 340.53 | 325.64 |
| | 20,512.28 | 17,753.14 |

**a. Retained earnings**

| | Amount in lakhs |
|---|---|
| **At 1 April 2019** | **8,716.72** |
| Add: Profit for the year | 3,253.87 |
| Less: Other Comprehensive Loss | (150.98) |
| Less Effect of adoption of Ind AS 116 Leases | (193.89) |
| **At 31 March 2020** | **11,625.72** |
| Add: Profit for the year | 2,665.24 |
| Add: Other Comprehensive Gain | 79.01 |
| **At 31 March 2021** | **14,369.97** |

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**14 Other equity (continued)**

**b. Capital redemption reserve**

| | Amount in lakhs |
|---|---|
| **At 1 April 2019** | **207.50** |
| Changes during the period | - |
| **At 31 March 2020** | **207.50** |
| Changes during the period | - |
| **At 31 March 2021** | **207.50** |

**c. Securities premium**

| | Amount in lakhs |
|---|---|
| **At 1 April 2019** | **5,594.28** |
| Changes during the period | - |
| **At 31 March 2020** | **5,594.28** |
| Changes during the period | - |
| **At 31 March 2021** | **5,594.28** |

**d. Employee stock option reserve**

| | Amount in lakhs |
|---|---|
| **At 1 April 2019** | - |
| Add: Employee stock options provided | 325.64 |
| **At 31 March 2020** | **325.64** |
| Add: Employee stock options provided | 14.89 |
| **At 31 March 2021** | **340.53** |

**Nature and purpose of other reserves**

**(i) Securities premium**

Securities premium is used to record the premium on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**(ii) Capital redemption reserve**

The Company has recognised Capital Redemption Reserve on buy-back of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back. The Company can utilize the same for the purpose of issue of fully paid-up bonus shares to its members.

**(iii) Employee stock option reserve**

Under Ind AS 102, fair value of the options granted is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service.

**(iv) Retained earnings**

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the standalone financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above may not be distributable in entirety.

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*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

**15A Long Term Provisions and Short Term Provisions**

| | Non-current | | Current | |
|---|---|---|---|---|
| | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 |
| **Provision for employee benefits** | | | | |
| Provision for gratuity (Refer Note 30) | 1,983.46 | 1,701.51 | 200.00 | 125.00 |
| Provision for gratuity - reimbursement employees (Refer Note 30) | 1,142.84 | 1,189.57 | 1,346.35 | 1,215.41 |
| Provision for Onerous Contract ** | - | - | 101.30 | - |
| Provision for leave benefits | - | - | 711.96 | 581.39 |
| | **3,126.30** | **2,891.08** | **2,359.61** | **1,921.80** |
| **Other provisions** | | | | |
| Provision for litigations *** | - | - | 28.05 | 28.05 |
| | - | - | **28.05** | **28.05** |
| | **3,126.30** | **2,891.08** | **2,387.66** | **1,949.85** |

***** The table gives the information about movement of the provision :**

| | | |
|---|---|---|
| **Provision for litigations (Refer note 35)** | | |
| At the beginning of the year | 28.05 | 44.74 |
| Created during the year | - | - |
| Utilised during the year | - | (16.69) |
| **At the end of the year** | **28.05** | **28.05** |

**** The table gives the information about movement of Onerous contract**

| | | |
|---|---|---|
| **Provision for Onerous Contract** | | |
| At the beginning of the year | - | - |
| Arising during the year | 101.30 | - |
| Utilised | - | - |
| Unused amount reversed | - | - |
| **At the end of the year** | **101.30** | - |

**15B Current tax liabilities (net)**

| | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Provision for income taxes (net of advance income taxes) | 91.43 | 91.43 |
| | **91.43** | **91.43** |

**16 Borrowings**

| | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Cash credit from banks (secured) * | 447.07 | 41.64 |
| Working capital loan (secured) ** | 700.53 | 8,838.99 |
| | 1,147.60 | 8,880.63 |

* The Company has taken cash credit having interest rate ranging from 6.6% to 10.50% p.a. These facilities are repayable on demand and are secured primarily by way of pari passu first charge on the entire current assets of the Company on both present and future and collateral by way of pari passu first charge on the entire movable assets of the Company both present and future of the Company and personal guarantee of the Managing Director.

** The Company has taken working capital loan from banks having interest rate ranging from 4.9% to 8.50% p.a. These facilities are repayable within 28 - 87 days and are secured primarily by way of pari passu first charge on the entire current assets of the Company on both present and future and collateral by way of pari passu first charge on the entire movable assets of the Company and personal guarantee of the Managing Director.

**17 Trade Payables**

| | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **(At Amortised Cost)** | | |
| Dues to micro enterprises and small enterprises (Refer note 33) | 111.96 | 90.44 |
| Dues to Related Party (Refer note 37) | 654.37 | 780.49 |
| Dues to other than micro enterprises and small enterprises | 1,337.35 | 1,219.29 |
| | **1,991.72** | **1,999.78** |
| | **2,103.68** | **2,090.22** |

Trade payables are non-interest bearing and are normally settled on 60-day term. For terms and conditions relating to related parties (refer note 37)

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**18 Other financial liabilities** Non-current Current

| (At Amortised Cost) | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|---|---|
| Capital creditors* | - | - | 35.98 | 31.25 |
| Capital creditors to related parties | - | - | 84.95 | 84.11 |
| Employee benefits payable | - | - | 6,020.65 | 6,028.19 |
| Bonus payable | - | - | 2,965.71 | 2,744.22 |
| Director fees payable | - | - | - | 10.80 |
| Liability payable to promoters of acquired subsidiary** | 844.83 | 1,363.51 | 717.10 | 256.02 |
| | **844.83** | **1,363.51** | **9,824.39** | **9,154.59** |

* Includes as amount of Rs 2.11 lakhs (March 31, 2020 Rs 3.10 lakhs) payable to Micro enterprises and small enterprise.

****Liability payable to promoters of acquired subsidiary**

During the previous year, the Company has acquired 75% stake in Matrix Business Services India Private Limited at an agreed price of INR 3,915.01 lakhs from the promoters of Matrix and 76% stake in Washroom Hygiene Solutions Private Limited at an agreed price of INR 1,520.00 lakhs. As per the Shareholder's Agreement between Company, these two companies and its erstwhile promoters, the Company has an obligation to purchase the remaining shares held by the promoters of such companies based on agreed methodology per the purchase agreement. Accordingly, the Company has recognised a Liability payable to promoters of acquired subsidiary for the present value of such future obligation based on a best estimate available with the management. Consequently, such amounts have also been recorded as an Investment as at March 31, 2020 (Refer Note 5)

The Company has reassessed the Liability payable to promoters of acquired subsidiary during the current year based on the actual results available (applying the agreed methodology) and accordingly reversed an amount of Rs. 197.35 Lakhs as the same is no longer required to be paid.(Refer Note 21)

## 19 Other current liabilities

| | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Advance from customers | 16.83 | 65.13 |
| Advance from DDU-GKY (Refer note 11A) | 742.08 | 6.20 |
| Statutory dues and related liabilities | 3,235.33 | 3,659.71 |
| | **3,994.24** | **3,731.04** |

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| 20 | Revenue from contracts with customers | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|---|
| | Sale of services | 99,871.84 | 1,09,379.01 |
| | | 99,871.84 | 1,09,379.01 |
| | **Other disclosures** | | |
| | **Timing of revenue recognition** | | |
| | Services transferred over time | 99,871.84 | 1,09,379.01 |
| | | 99,871.84 | 1,09,379.01 |
| | **Contract Balances** | | |
| | Trade Receivables (Refer Note 10) | 16,346.60 | 24,466.51 |
| | Unbilled Revenue (Refer Note 7 and 9) | 6,904.16 | 6,637.66 |
| | **Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:** | | |
| | Revenue as per contracted price | 1,02,076.42 | 1,10,075.20 |
| | *Adjustments:* | | |
| | - Estimated price concessions* | (2,204.58) | (696.19) |
| | | 99,871.84 | 1,09,379.01 |
| | ***The table gives the information about movement of the Estimated price concessions** | | |
| | At the beginning of the year | 848.67 | 704.35 |
| | Created during the year** | 2,204.58 | 696.19 |
| | Utilised during the year# | (1,294.47) | (551.87) |
| | **At the end of the year** | **1,758.78** | **848.67** |

** includes provision in relation to expected penalty amounting to Rs.1476.38 lakhs (Refer note below)
# includes credit notes passed in relation to penalty amounting to Rs. 561.98 lakhs (Refer note below)

**Adjustment made in relation to potential penalty from customer**

During the current year, the company has received an intimation from one of its customer intending to withheld certain payments based on their interpretation of the penalty clauses contained in the agreement with the said customer. The Company believes that considering various factual and circumstantial aspects, the interpretation taken by the customer may not be tenable. The Company continues to negotiate with the customer on interpretation and the extent to which the penalties can be levied under the contract. However, on a prudent basis management has made adjustments amounting to Rs. 1,476.38 lakhs (which includes an amount of Rs. 1,299.00 lakhs for services provided during earlier years) to cover the risk of potential penal adjustments arising on account of such request from the customer. These adjustments are one off in nature and recorded over and above the variable price concession estimates accounted using historical trends. The entire adjustment have been accounted in the current year in line with the timing of the intimation received from the customer as the Company considers this to be a change in estimate.

| 21 | Other income | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|---|
| | Profit on sale of property, plant and equipment | 15.32 | 2.47 |
| | Provision no longer required written back | 86.62 | - |
| | Liability payable to promoters of acquired subsidiary no longer required written back * | 197.35 | - |
| | Fair value gain on Financial Assets at FVTPL | 38.97 | 21.26 |
| | Other non-operating income | 0.80 | 7.60 |
| | | 339.06 | 31.33 |

*** Liability payable to promoters of acquired subsidiary no longer required written back**

During the previous year, the Company has entered the Shareholder's Agreement with the two companies (Matrix Business Services India Private Limited & Washroom Hygiene Solutions Private Limited "WHC") and its erstwhile promoters, the Company has an obligation to purchase the remaining shares held by the promoters of such companies based on agreed methodology per the purchase agreement. Accordingly, the Company has recognised a liability payable to promoters of acquired subsidiary for the present value of such future obligation based on a best estimate available with the management amounting to Rs. 1,619.53 lakhs.

The Company has reassessed the Liability payable to promoters of acquired subsidiary during the current year based on the actual results available (applying the agreed methodology) and accordingly reversed an amount of Rs. 197.35 Lakhs as the same is no longer required to be paid

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*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

**22 Finance income**

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|
| Interest income - Bank deposits | 68.81 | 33.86 |
| Interest Income on Loans to related party | 87.85 | 29.85 |
| Interest income - Others | 1.47 | 1.09 |
| | 158.13 | 64.80 |

**23 Employee benefits expense**

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|
| Salaries and wages* | 79,178.96 | 83,784.81 |
| Contribution to provident and other fund (Refer note 30) | 9,084.11 | 9,843.42 |
| Less: Income from government grants# | (319.46) | (800.99) |
| Gratuity expense (Refer note 30) | 519.18 | 389.30 |
| Staff welfare expenses | 342.39 | 229.67 |
| Employee stock option expenses (Refer note 32) | 14.89 | 325.64 |
| | 88,820.07 | 93,771.85 |

#The Company is availing of benefits under a government scheme - Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) wherein the Central Government is paying the employer's contribution towards Employee Pension Scheme / Provident Fund in respect of new employees (joined till March 2019) meeting specified criteria.

* The Company has during the lockdown period (March 25, 2020 to May 17, 2020), adopted the principle of "No work, No pay", in case of workers working on essential services projects, where certain employees have opted to take voluntary leave. Furthermore, in relation to certain employees working for projects involving non-essential services, the Company had verbal consensus/understanding for non / part payment of wages depending on the extent of work performed and amounts recovered from the customers. The Company has evaluated the impact of legal provisions in this regard including the requirements of the Ministry of Home Affairs (MHA) order dated March 29, 2020 as well as obtained an external legal opinion basis which the management considers that the position taken by the Company is legally tenable and accordingly no additional provision has been made in this regard in the books of records. No claims have been received as on date in this regard from any of the employees concerned.

**24 Finance costs**

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|
| Interest on borrowings | 237.34 | 681.17 |
| Unwinding of discount on Liability payable to promoters of acquired subsidiary | 387.51 | 293.73 |
| Interest on lease liabilities | 9.61 | 14.74 |
| | 634.46 | 989.64 |

**25 Depreciation and amortization expense**

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|
| Depreciation of property, plant & equipment (Refer note 3) | 574.25 | 656.75 |
| Amortization of intangible assets (Refer note 4) | 3.84 | 6.95 |
| Depreciation of Right-of-use assets (Refer note 31) | 1.43 | 8.74 |
| | 579.52 | 672.44 |

**26 Impairment losses on financial instrument and contract assets**

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|
| Impairment on loans to related parties | 110.51 | 107.12 |
| Impairment on other advance | 1.02 | 45.27 |
| Impairment for doubtful trade receivables | 220.74 | 255.68 |
| Impairment for doubtful reimbursement right of gratuity | 59.83 | - |
| | 392.10 | 408.07 |

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*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

## 27 Other expenses

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|
| Site maintenance expenses | 3,231.01 | 3,782.10 |
| Cleaning materials and consumables | 2,488.90 | 3,071.17 |
| Canteen materials | 95.82 | 696.30 |
| Travelling and conveyance | 212.02 | 468.68 |
| Rent | 316.52 | 341.71 |
| Legal and professional fees | 130.61 | 239.83 |
| Training expenses | 105.64 | 539.92 |
| Repairs and maintenance - others | 200.83 | 265.40 |
| Communication expenses | 90.56 | 128.42 |
| Rates and taxes | 39.67 | 49.17 |
| Bad debts written off | - | 146.03 |
| CSR expenditure ^^^ | 67.53 | 67.20 |
| Printing and stationery | 49.44 | 69.47 |
| Provision for Onerous Contract | 101.30 | - |
| Power and fuel | 42.09 | 62.04 |
| Payment to auditor *** | 35.76 | 35.17 |
| Director sitting fees | - | 24.00 |
| Advances written off | 9.99 | - |
| Exchange differences (net) | 0.98 | - |
| Miscellaneous expenses | 112.32 | 69.89 |
| | 7,330.99 | 10,056.50 |

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|
| ***** Payment to auditors** | | |
| **As auditors** | | |
| Statutory audit | 35.00 | 33.50 |
| Other Services (Certificates) | 0.50 | 0.60 |
| **In other capacity** | | |
| Reimbursement of expenses | 0.26 | 1.07 |
| | 35.76 | 35.17 |

**^^^ Details of CSR expenditure**

Consequent to the requirements of Section 135 and Schedule VII of the Companies Act, 2013, the Company is required to contribute 2% of its average net profits during the immediately three preceding financial years in pursuance of its Corporate Social Responsibility Policy.

| | | |
|---|---|---|
| Gross amount required to be spent by the company during the year | 67.53 | 67.20 |

| Amount spent during the year ending on 31 March 2021 | In Cash | Yet to be Paid In Cash | Total |
|---|---|---|---|
| (i) Construction/acquisition of any asset | - | - | - |
| (ii) On purposes other than (i) above | 67.53 | - | 67.53 |

| Amount spent during the year ending on 31 March 2020 | In Cash | Yet to be Paid In Cash | Total |
|---|---|---|---|
| (i) Construction/acquisition of any asset | - | - | - |
| (ii) On purposes other than (i) above | 67.20 | - | 67.20 |

## 28 Income tax expense

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|
| The major components of income tax expense are | | |
| **Profit and Loss Section** | | |
| Current income tax: | | |
| Current income tax charge | 767.37 | 138.95 |
| Tax related to earlier years | 38.09 | 2.94 |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | (858.81) | 180.88 |
| | (53.35) | 322.77 |

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**28 Income tax expense (continued)**

| **Other Comprehensive income (OCI) Section** | **Year ended 31 March 2021** | **Year ended 31 March 2020** |
|---|---|---|
| Deferred tax related to items recognised in OCI during in the year: | | |
| Re-measurement gains and (losses) on defined benefit obligations (net) | (26.57) | 50.78 |
| | (26.57) | 50.78 |

| **Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate** | **Year ended 31 March 2021** | **Year ended 31 March 2020** |
|---|---|---|
| **Accounting Profit before income tax** | 2,611.89 | 3,576.64 |
| Enacted tax rate in India | 25.17% | 25.17% |
| Profit before income tax multiplied by enacted tax rate | 657.36 | 900.17 |
| *Effects of:* | | |
| Effect of change in substantively enacted tax rates on deferred tax | - | 699.74 |
| Adjustment in respect of tax related to earlier years | 38.09 | 2.94 |
| Additional deduction under Income Tax based on employment generation | (817.44) | (1,373.59) |
| Liability payable to promoters of acquired subsidiary re-measurement | 47.86 | 73.93 |
| Others | 20.78 | 19.58 |
| **Net effective income tax** | (53.35) | 322.77 |

During the previous year ended March 31, 2020, the Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 with effect from FY 2019-20. Accordingly, the Company had recognised Provision for Income Tax for the year and re-measured its Deferred tax asset basis the rate prescribed in the said section. Accordingly, deferred tax asset have reduced by Rs. 935.42 lakhs during previous year ended March 31, 2020. The tax charge have decreased by Rs. 53.97 lakhs during the previous year ended March 31, 2020.

**Deferred tax**

| **Deferred tax relates to the following:** | **Year ended 31 March 2021** | **Year ended 31 March 2020** |
|---|---|---|
| Difference between books balance and Tax balance of Property, plant and equipment | 37.80 | (54.22) |
| Provision for litigation | - | (8.57) |
| Impairment for doubtful advances and Loan | 35.25 | (62.95) |
| Impairment for doubtful debts and estimated price concession | 491.02 | 28.23 |
| Provision for gratuity | 170.52 | (62.53) |
| Provision for compensated absences | 32.87 | 40.71 |
| Expenses allowable on payment basis | 81.24 | 5.07 |
| Ind AS 116 - Lease Adjustments | (16.46) | (15.84) |
| | 832.24 | (130.10) |

**29 Earnings per equity share**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares

The following reflects the profit and share data used in the basic and diluted EPS computations:

| | **Year ended 31 March 2021** | **Year ended 31 March 2020** |
|---|---|---|
| Profit attributable to equity holders of the Company for basic earnings | 2,665.24 | 3,253.87 |
| Profit attributable to equity holders of the Company adjusted for the effect of dilution | 2,665.24 | 3,253.87 |
| Weighted average number of Equity shares for basic EPS | 528.17 | 528.17 |
| Effect of dilution: | | |
| Employee Stock Options | 3.63 | 3.48 |
| Weighted average number of Equity shares adjusted for the effect of dilution | 531.80 | 531.65 |
| Earning per share of Rs. 10 each | | |
| - Basic | 5.05 | 6.16 |
| - Diluted | 5.01 | 6.12 |

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**30 Disclosure pursuant to Ind AS 19 "Employee benefits":**

**(i) Defined contribution plan:**

The Company provident fund are the defined contribution plan. An amount of ₹ 9,084.11 Lakhs being contribution made to recognised provident fund is recognised as expense for the year ended 31 March 2021 (31 March 2020: ₹ 9,843.42 Lakhs) and included under Employee benefit expense (Note 23) in the Statement of Profit and loss.

**(ii) Defined benefit plans:**

**A. Gratuity (Regular)**

The Company has defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed 4 years and 240 days of service are eligible for gratuity on departure at 15 days salary (last drawn) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement.

The following table summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

**(a) The amounts recognised in Balance Sheet are as follows:**

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Present value of Defined Benefit Obligation | 2,246.80 | 1,890.32 |
| Fair value of plan assets | (63.34) | (63.81) |
| **Net Liability or asset** | **2,183.46** | **1,826.51** |
| Current | 200.00 | 125.00 |
| Non - Current | 1,983.46 | 1,701.51 |

**(b) The amounts recognised in the Statement of Profit and Loss are as follows:**

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Service cost :** | | |
| Current service cost | 428.19 | 307.09 |
| **Net interest cost :** | | |
| Interest Expense on Defined Benefit Obligation | 94.11 | 86.82 |
| Interest Income on Plan Assets | (3.12) | (4.61) |
| **Total included in 'Employee Benefit Expense'** | **519.18** | **389.30** |

**(c) Remeasurement recognized in other comprehensive income**

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Components of actuarial gain/losses on obligations | | |
| Due to change in financial assumptions | (68.31) | 31.53 |
| Due to change in demographic assumption | 43.79 | 182.69 |
| Due to experience adjustments | (80.47) | (13.20) |
| Return on plan assets | (0.59) | 0.74 |
| | **(105.58)** | **201.76** |

**(d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:**

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Opening defined benefit obligation | 1,890.32 | 1,355.70 |
| Current service cost | 428.19 | 307.09 |
| Interest cost | 94.11 | 86.82 |
| Actuarial losses/(gains) | | |
| Due to change in financial assumptions | (68.31) | 31.53 |
| Due to change in demographic assumption | 43.79 | 182.69 |
| Due to experience adjustments | (80.47) | (13.20) |
| Benefit Paid | (60.83) | (60.31) |
| **Closing balance of the present value of defined benefit obligation** | **2,246.80** | **1,890.32** |

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*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

**30 Disclosure pursuant to Ind AS 19 "Employee benefits" (continued)**

**(e) The changes in the present value of plan assets representing reconciliation of opening and closing balances thereof are as follows:**

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Opening plan assets | 63.81 | 80.70 |
| Expected return on plan assets | 3.12 | 4.61 |
| Contributions | 56.64 | 39.55 |
| Benefits paid and charges deducted | (60.83) | (60.31) |
| Actuarial gain/ (loss) on plan assets (balancing figure) | 0.59 | (0.74) |
| **Closing balance of the present value of plan assets** | **63.33** | **63.81** |

**(f) Reconciliation of Net Liability / (Asset)**

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Net Liability / (Asset) at the beginning of the period | 1,826.50 | 1,274.99 |
| Defined Benefit cost included in the Profit / Loss | 519.18 | 389.30 |
| Defined Benefit cost included in Other Comprehensive Income | (105.58) | 201.76 |
| Benefit Paid | (56.65) | (39.55) |
| **Net Liability / (Asset) at the end of the period** | **2,183.45** | **1,826.50** |

**(g) Principal actuarial assumptions at the Balance Sheet date:**

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| 1) Discount rate | 4.52% | 5.06% |
| 2) Salary growth rate | 6.90% | 8.79% |
| 3) Attrition rate | 46.28% at all ages | 47.71% at all ages |
| 4) Retirement age | 58 | 58 |
| 5) Maturity tables | Indian Assured Lives Mortality (2012-14) Ultimate Table | Indian Assured Lives Mortality (2012-14) Ultimate Table |

**(h) A quantitative sensitivity analysis for significant assumptions are as follows**

| | As at 31 March 2021 | | As at 31 March 2020 | |
|---|---|---|---|---|
| | **Change** | **Obligation** | **Change** | **Obligation** |
| (i) Discount rate | +BP50 | 2,222.78 | +BP50 | 1,869.87 |
| | -BP50 | 2,271.38 | -BP50 | 1,911.25 |
| (ii) Salary growth rate | +BP50 | 2,276.06 | +BP50 | 1,914.93 |
| | -BP50 | 2,217.96 | -BP50 | 1,866.07 |

**(i) Expected cashflows based on past service liability**

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Year 1 | 737.73 | 625.46 |
| Year 2 | 582.92 | 444.76 |
| Year 3 | 414.78 | 370.16 |
| Year 4 | 289.36 | 265.09 |
| Year 5 | 192.42 | 179.43 |
| Next 5 years | 255.07 | 226.81 |

**(j) The major categories of plan assets of the fair value of the total plan assets are as follows:**

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Investment Details | | |
| Others | 63.34 | 63.81 |
| | **63.34** | **63.81** |

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**B. Gratuity (Reimbursement from clients)**

The Company has recognised gratuity liability and reimbursement right in respect of associate employees in accordance with Ind AS 19 The following table summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

**(a) Net defined benefit liability**

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Present value of Defined Benefit Obligation | 2,489.18 | 2,404.98 |
| **Net Liability** | **2,489.18** | **2,404.98** |
| Current | 1,346.35 | 1,215.41 |
| Non - Current | 1,142 83 | 1,189.57 |

**(b) Net benefit cost (refer note below)**

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Service cost :** | | |
| Current service cost | 590.51 | 283.62 |
| Net actuarial (gain) / loss recognised in the year | (541.45) | 729.76 |
| Interest cost on defined benefit obligation | 106 01 | 76.62 |
| | **155.07** | **1,090.00** |

**Note:**
The employee benefits expenses towards gratuity and related reimbursement right for associate employees for year ended March 31, 2021 ₹ 155.08 Lakhs (March 31, 2020: ₹ 1,090.00 Lakhs) have been netted off in the Statement of Profit and Loss.

**(c) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:**

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Opening defined benefit obligation | 2,404.98 | 1,512.00 |
| Current service cost | 590.51 | 283.62 |
| Interest cost | 106.01 | 76 62 |
| Actuarial losses/(gains) | | |
| Due to change in financial assumptions | (145.15) | 68.48 |
| Due to change in demographic assumption | 23.93 | 166.94 |
| Due to experience adjustments | (420.23) | 494.34 |
| Benefit Paid | (70.87) | (197.02) |
| **Closing balance of the present value of defined benefit obligation** | **2,489.18** | **2,404.98** |

**(d) The changes in the present value of plan assets representing reconciliation of opening and closing balances thereof are as follows:**

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Opening plan assets | - | - |
| Expected return on plan assets | - | - |
| Contributions | 70.87 | 197.02 |
| Benefits paid and charges deducted | (70.87) | (197 02) |
| Actuarial gain/ (loss) on plan assets (balancing figure) | - | - |
| **Closing balance of the present value of plan assets** | - | - |

**(e) Principal actuarial assumptions used in determining the gratuity obligations are shown below**

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| 1) Discount rate | 4.52% | 5.06% |
| 2) Salary growth rate (duration based) | 7.24% | 10 39% |
| 3) Attrition rate (age based) | 44.70% at all ages | 45.72% at all ages |
| 4) Retirement age (years) | 58.00 | 58.00 |
| 5) Maturity tables | Indian Assured Lives Mortality (2012-14) Ultimate Table | Indian Assured Lives Mortality (2012-14) Ultimate Table |

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**B. Gratuity (Reimbursement from clients) [continued]**

**(f) A quantitative sensitivity analysis for significant assumptions are as follows**

A quantitative sensitivity analysis for significant assumptions on defined benefit obligation as at March 31, 2021 and March 31, 2020 are as shown below:

| | As at 31 March 2021 | | As at 31 March 2020 | |
|---|---|---|---|---|
| | **Change** | **Obligation** | **Change** | **Obligation** |
| (i) Discount rate | +BP50 | 2,031 14 | +BP50 | 2,382.48 |
| | -BP50 | 2,074.79 | -BP50 | 2,428.02 |
| (ii) Salary growth rate | +BP50 | 2,078 91 | +BP50 | 2,431.63 |
| | -BP50 | 2,026 88 | -BP50 | 2,378.71 |

**(g) Expected cashflows based on past service liability**

| **Particulars** | **As at 31 March 2021** | **As at 31 March 2020** |
|---|---|---|
| Year 1 | 714.31 | 1,008.17 |
| Year 2 | 494.77 | 535.51 |
| Year 3 | 382.68 | 378 40 |
| Year 4 | 263.13 | 279.55 |
| Year 5 | 173.72 | 189 08 |
| Next 5 years | 228.40 | 256.40 |

**31 Leases**

The Company has lease contracts for building used in its operations. Leases of building generally have lease terms between 2 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company also has certain leases of machinery with lease terms of 12 months. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

| **Particulars** | **Building** |
|---|---|
| **As at April 01, 2019** | 2.77 |
| Additions | 7.41 |
| Depreciation expense | (8.74) |
| **As at March 31, 2020** | **1.44** |
| Additions | - |
| Depreciation expense | **-1.43** |
| **As at March 31, 2021** | **0.01** |

Set out below are the carrying amounts of lease liabilities (included under financial liabilities) and the movements during the period:

| | **2021** | **2020** |
|---|---|---|
| **As at April 01** | 132.39 | **196.66** |
| Additions | | 7.41 |
| Accretion of interest | 9.61 | 14.74 |
| Payments | (76.45) | (86.42) |
| **As at March 31** | **65.55** | **132.39** |
| Current | 41.32 | 67.30 |
| Non-current | 24.23 | 65.09 |

The maturity analysis of lease liabilities are disclosed in Note 38 (Financial risk management objectives and policies)
The effective interest rate for lease liabilities is 8.84%, with maturity between 2021-2025.

The following are the amounts recognised in profit or loss:

| | **As at 31 March 2021** | **As at 31 March 2020** |
|---|---|---|
| Depreciation expense of right-of-use assets | 1.43 | 8.74 |
| Interest expense on lease liabilities | 9.61 | 14 74 |
| Expense relating to short-term leases (included in other expenses) | 316.52 | 341.71 |
| **Total amount recognised in profit or loss** | **327.56** | **365.19** |

The Company had total cash outflows for leases of ₹ 76.46 lakhs in 31 March 2021 ₹ 86.41 in 31 March 2020)

**32 Share-based payments**

**Employee Share-option Plan**

On April 17, 2019, 'Updater Employee Stock Option Plan' 2019 ("ESOP 2019") has been approved by the Board of Directors and also has been approved by Extra-Ordinary General Meeting of the members of the Company. The purpose of the ESOP 2019 is to reward the critical employees for their association, dedication and contribution to the goals of the Company. The options issued under the plan has a term of 1-3 years as provided in the stock grant agreement and vest based on the terms of individual grants. When exercisable, each option is convertible into one equity share.

The expense recognised (net of reversal) for share options during the year is INR 14 89 lakhs (March 31, 2020: 325 64 lakhs). There are no cancellations or modifications to the awards in March 31, 2021.

**Tranche I (A)**

The Company has granted certain options during the previous year to the employees based on past performance of such employees and vesting condition being continued employment with the Company as on date of vesting. (April 17, 2020)

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*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

**32 Share-based payments (continued)**

**Tranche I (B), II and III**

The Company has granted certain options during the previous year with future performance of the Company as criteria which has been defined based on a matrix as per the ESOP 2019 (for Tranche I (B), II and III). Management based on future projections believes that number of options expected to be vested is Nil and accordingly ESOP reserve have not been created for said tranches.

**A. Details of ESOP 2019**

| Name of the scheme - ESOP 2019 | Tranche - I (A) | Tranche - I (B) | Tranche - II | Tranche - III |
|---|---|---|---|---|
| Date of grant | 17-04-2019 | 17-04-2019 | 18-10-2019 | 10-01-2020 |
| Number granted | 4,06,772 | 5,21,235 | 1,44,788 | 77,220 |
| Exercise price (in INR) | 10 | 111 | 111 | 111 |
| Vesting period | 1 year | 1 - 3 years | 1 - 3 years | 1 - 3 years |
| Vesting condition | 100% on April 17, 2020 | September 30, 2020 25% on September 30, 2021 50% on | 25% on September 30, 2020 25% on September 30, 2021 50% on September 30, 2022 | 25% on September 30, 2020 25% on September 30, 2021 50% on September 30, 2022 |

**B. Movement in the options granted to employees**

| Particulars | Number of options | | Weighted Average Exercise Price | |
|---|---|---|---|---|
| | 31 March 2021 | ############ | 31 March 2021 | 31 March 2020 |
| **Outstanding at the beginning of the year** | **10,53,490** | - | 72.00 | - |
| Options granted during the year | - | 11,50,015 | - | 75.28 |
| Options exercised during the year | - | - | - | - |
| Options expired during the year | (2,19,595) | (96,525) | 111.00 | 111.00 |
| **Outstanding at the end of the year** | **8,33,895** | **10,53,490** | 61.73 | 72.00 |
| Exercisable at the end of the year | - | - | - | - |

The range of exercise prices for options outstanding at the end of the year was Rs. 10 to Rs 111 (March 31, 2020 Rs. 111)

The weighted average remaining contractual life for the share options outstanding as at March 31, 2021 is 1 5 years (March 31, 2020: 0.50 to 2 5 years).

**C. Fair value of options granted**

The Black-Scholes valuation model has been used for computing the weighted average fair value considering following inputs:

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Exercise price | | 10 to 111 |
| Expected volatility | | 20% |
| Expected dividend yield (%) | No Option have | - |
| Risk free interest rates | been granted during | 7.40% |
| Expected life of the option | the year | 1 - 3 years |
| Weighted average share price | | 93.00 |
| Fair Value of the Option | | 83.71 |

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

**33 Details of dues to micro enterprises and small enterprises**

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2021 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each | | |
| Principal amount due to micro enterprises and small enterprises | 93.65 | 68.92 |
| Interest due on above | 7.02 | 14.27 |
| (b) Payment made to suppliers (other than interest) beyond the appointed day, during the year | 573.26 | 206.87 |
| (c) Interest paid to suppliers under MSMED Act (Section 16) | - | - |
| (d) Interest due and payable to suppliers under MSMED Act, for payments already made | 13.40 | 10.35 |
| (e) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act | 20.42 | 24.62 |

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## 34 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Current borrowings | 1,147.60 | 8,880.63 |
| Lease Liabilities | 65.55 | 132.39 |
| Less: cash and cash equivalents | (2,341.70) | (713.45) |
| **Net debt** | **(1,128.55)** | **8,299.57** |
| **Total capital** | **25,794.03** | **23,034.89** |
| **Capital and net debt** | **24,665.48** | **31,334.46** |
| **Gearing ratio** | **-4.58%** | **26.49%** |

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020

## 35 Commitments and Contingencies

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **a. Contingent Liabilities** | | |
| - Others* | 69.56 | 13.44 |
| **b. Commitments** | | |
| -Estimated amount of contracts remaining to be executed on capital account and not provided for net of capital | 5.42 | 123.19 |

*** Others**

(1) Include claim made against the Company by labour department amounting to Rs. 13.44 Lakhs in respect of minimum wages and currently stay order is granted by High Court of Madras.

(2) The Gujarat Panchayats and Municipal Corporations has made claim against the Company for amount Rs. 56.12 Lakhs in respect of Professional Tax. The Company has filed the appeal at Court of Professional Tax Officer and Taluka Development Officer at Sanand and deposited the said amount under Protest and presented same as Balance with Government Authority in the Standalone Financial Statements.

No liability is expected to arise. The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.

## 36 Segment information

The Company is engaged in one business namely providing facility management services & associated services and the operation primarily caters to the domestic market. The Managing director of the company has been identified as being the chief operating decision maker (CODM), he evaluates the company's performance, allocate resources based on the analysis of the various performance indicator of the company as a single unit.

**Geographic information**

The geographical information analyses the Company's revenues by the Company's country of domicile (i.e., India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers. The company has only one geographical location based on location of assets.

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| India | 99,784.38 | 1,09,379.02 |
| Outside India | 87.46 | - |
| **Total Revenue as per Profit and Loss Statement** | **99,871.84** | **1,09,379.02** |

**Non-current operating assets:**

| | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| India | 883.72 | 1,225.14 |
| Outside India | - | - |
| | **883.72** | **1,225.14** |

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets and intangible assets.

**Information about major customers**

Revenue from one customer amounting to INR 11,508.97 lakhs (31 March 2020: INR 8,437.36 lakhs), constitute more than 10% of the total revenue of the Company in the current year.

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*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

## 37 Related party disclosures

**(A) Names of related parties and nature of relationship are as follows:**

| Description of Relationship | Name of the related parties |
|---|---|
| Subsidiary company | Wynwy Technologies Private Limited (Formerly known as Zappy Home Solutions Private Limited) |
| | Stanworth Management Private Limited |
| | Global Flight Handling Services Private Limited |
| | Tangy Supplies and Solutions Private Limited |
| | Integrated Technical Staffing and Solutions Private Limited |
| | Fusion Foods & Catering Services Private Limited |
| | Avon Solutions & Logistics Private Limited |
| | Matrix Business Services India Private Limited (from April 25, 2019) |
| | Washroom Hygiene Concept Private Limited (from September 5, 2019) |
| | Updater Services (UDS) Foundation |
| Entities under Common Control | Best Security Services Private Limited |
| | Tangy Facility Solutions Private Limited |
| | Tangirala Infrastructure Development Private Limited |
| | Updater services Private Limited - Employees group gratuity scheme |
| Key Management Personnel (KMP) | Mr. T Raghunandana, Director<br>Mrs. T Shanthi, Director<br>Mr. Jayaram L B, Company Secretary (till Dec 31, 2020)<br>Mr. Balaji Swaminathan, Chief Financial Officer (from January 10, 2020)<br>Mr. Om Prakash B.R (till January 10, 2020)<br>Mr. Sunil Rewachand Chandiramani, Director<br>Mr. Shankar Gopalakrishnan, Director |

| (B) Transactions entered during the year | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|
| **Materials purchased** | | |
| Tangy Supplies & Solutions Private Limited | 2,006.27 | 2,521.68 |
| **Purchase of capital goods** | | |
| Tangy Supplies & Solutions Private Limited | 168.71 | 377.75 |
| Wynwy Technologies Private Limited (Formerly known as Zappy Home Solutions Private Limited) | 15.50 | - |
| **Rent expense** | | |
| Mr. T. Raghunandana | 109.61 | 114.37 |
| Mrs. T. Shanthi | 109.61 | 114.37 |
| **Interest income** | | |
| Stanworth Management Private Limited | 14.86 | 29.85 |
| Integrated Technical Staffing and Solutions Private Limited | - | 2.61 |
| Wynwy Technologies Private Limited (Formerly known as Zappy Home Solutions Private Limited) | 66.43 | - |
| Global Flight Handling Services Private Limited | 6.57 | - |
| **Services received** | | |
| Avon Solutions and Logistics Private Limited | 0.03 | 0.06 |
| Best Security Services Private Limited | 148.74 | 193.74 |
| StanWorth Management Private Limited | 227.42 | 325.74 |
| Tangirala Infrastructure Development Private Limited | 2.34 | - |
| Wynwy Technologies Private Limited (Formerly known as Zappy Home Solutions Private Limited) | - | 11.47 |
| Integrated Technical Staffing and Solutions Private Limited | 27.73 | 9.83 |
| Global Flight Handling Services Private Limited | - | 12.00 |
| Matrix Business Services India Private Limited | 0.24 | 0.02 |
| Washroom Hygiene Concept Private Limited | 7.30 | 2.08 |

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*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

**37 Related party disclosures (continued)**

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|
| **Services provided** | | |
| Updater Services (UDS) Foundation | 3.55 | 4.83 |
| Tangy Supplies & Solutions Private Limited | 0.73 | 1.47 |
| Matrix Business Services India Private Limited | 1.86 | 41.96 |
| **Impairment on loans to related parties** | | |
| Global Flight Handling Services Private Limited | 44.09 | 53.93 |
| Wynwy Technologies Private Limited (Formerly known as Zappy Home Solutions Private Limited) | 66.43 | 53.19 |

**(B) Transactions entered during the year**

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|
| **Managerial remuneration** | | |
| Mr. T. Raghunandana | 149.60 | 192.00 |
| Mr. Jayaram L B | 20.55 | 54.80 |
| Mr. Balaji Swaminathan | 40.09 | 16.74 |
| Mr. Om Prakash B.R | - | 44.34 |
| **Director sitting fees** | | |
| Mr. Sunil Rewachand Chandiramani | - | 12.00 |
| Mr. Shankar Gopalakrishnan | - | 12.00 |
| **Reimbursement / (recovery) of expenses** | | |
| StanWorth Management Private Limited | - | (0.05) |
| Updater Services (UDS) Foundation | - | (0.09) |
| Washroom Hygiene Concept Private Limited | - | (22.94) |
| Matrix Business Services India Private Limited | - | (23.60) |
| Tangy Supplies & Solutions Private Limited | - | (12.54) |
| Mr. Shankar Gopalakrishnan | - | 0.10 |
| Best Security Private Limited | 1.48 | - |

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|
| **Investment in equity** | | |
| Matrix Business Services India Private Limited | - | 4,880.18 |
| Washroom Hygiene Concept Private Limited | - | 1,880.63 |
| **Financial guarantee Expenses/ (Reversal)** | | |
| Global Flight Handling Services Private Limited | - | (11.34) |
| **Loan given to** | | |
| Wynwy Technologies Private Limited (Formerly known as Zappy Home Solutions Private Limited) | 19.11 | 52.93 |
| Global Flight Handling Services Private Limited | 36.53 | 31.95 |
| **Security Deposit - Paid / (Refund)** | | |
| Mr. T. Raghunandana | 19.06 | - |
| Mrs. T Shanthi, Director | 19.06 | - |
| StanWorth Management Private Limited | (29.83) | - |
| **Loan Repayment from** | | |
| Wynwy Technologies Private Limited (Formerly known as Zappy Home Solutions Private Limited) | 18.46 | 12.82 |
| StanWorth Management Private Limited | 194.37 | 225.36 |
| Integrated Technical Staffing and Solutions Private Limited | 2.61 | 23.91 |
| Global Flight Handling Services Private Limited | - | 34.48 |
| **Share Application Refund Received** | | |
| Fusion Foods and Catering Private Limited | - | 0.11 |
| **Contribution to Gratuity** | | |
| Updater Services Private Limited - Employees Company Gratuity Scheme | 184.97 | 327.31 |
| **Contribution for CSR expenditure** | | |
| Updater Services (UDS) Foundation | 67.53 | 67.20 |

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## 37 Related party disclosures (continued)

**(C) Balance outstanding at the end of the year**

| | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Investment in Equity** | | |
| Tangy Supplies & Solutions Private Limited | 10.00 | 10.00 |
| Avon Solutions and Logistics Private Limited | 796.92 | 796.92 |
| Integrated Technical Staffing and Solutions Private Limited | 1.00 | 1.00 |
| StanWorth Management Private Limited | 263.23 | 263.23 |
| Wynwy Technologies Private Limited (Formerly known as Zappy Home Solutions Private Limited) | 10.00 | 10.00 |
| Fusion Foods and Catering Private Limited | 1,421.93 | 1,421.93 |
| Global Flight Handling Services Private Limited | 11.87 | 11.87 |
| Updater Services (UDS) Foundation | 1.00 | 1.00 |
| Matrix Business Services India Private Limited | 4,880.18 | 4,880.18 |
| Washroom Hygiene Concept Private Limited | 1,880.63 | 1,880.63 |

| | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Security Deposits given to** | | |
| Mr. T. Raghunandana | 114.37 | 95.31 |
| Mrs. T. Shanthi | 114.37 | 95.31 |
| StanWorth Management Private Limited | - | 29.83 |
| **Loan receivable from (Gross of loss allowances)** | | |
| StanWorth Management Private Limited | 37.72 | 204.20 |
| Wynwy Technologies Private Limited (Formerly known as Zappy Home Solutions Private Limited) | 696.84 | 696.19 |
| Global Flight Handling Services Private Limited | 90.46 | 53.93 |
| **Interest accrued and due from (Gross of loss allowances)** | | |
| StanWorth Management Private Limited | 13.74 | 26.76 |
| Wynwy Technologies Private Limited (Formerly known as Zappy Home Solutions Private Limited) | 66.43 | - |
| Global Flight Handling Services Private Limited | 6.57 | - |
| Integrated Technical Staffing and Solutions Private Limited | - | 2.61 |
| **Trade Payable** | | |
| Tangy Supplies & Solutions Private Limited | 585.84 | 674.60 |
| Best Security Services Private Limited | 14.75 | 30.93 |
| Mr. T. Raghunandana | - | 1.74 |
| Mrs. T. Shanthi | - | 24.43 |
| StanWorth Management Private Limited | 31.27 | 38.00 |
| Tangirala Infrastructure Development Private Limited | - | 0.25 |
| Integrated Technical Staffing and Solutions Private Limited | 19.95 | 9.64 |
| Matrix Business Services India Private Limited | 0.02 | 0.09 |
| Washroom Hygiene Concept Private Limited | 2.54 | 0.81 |
| **Director Fee payable** | | |
| Mr. Shankar Gopalakrishnan | - | 5.40 |
| Mr. Sunil Rewachand Chandiramani | - | 5.40 |

| | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Capital creditors** | | |
| Tangy Supplies & Solutions Private Limited | 84.95 | 84.11 |
| **Trade Receivable** | | |
| Tangy Supplies & Solutions Private Limited | 0.09 | 0.55 |
| Updater Services (UDS) Foundation | 0.61 | 6.08 |
| Matrix Business Services India Private Limited | - | 9.35 |
| **Other receivables** | | |
| Washroom Hygiene Concept Private Limited | - | 22.94 |

**(D) Compensation to key managerial personnel is follows:**

| Consideration to key managerial personnel | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|
| Salaries and other employee benefits*@ | 210.24 | 307.88 |

@The employee stock compensation expenses for the year ended March 31, 2021 and March 31, 2020 include charges of ₹ 0.85 lakhs and ₹ 19.88 Lakhs towards key managerial personal respectively.
*The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as these are determined on an actuarial basis for the Company as a whole.

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**Terms and conditions of transactions with related parties**

The sales to and purchases from related party are made on terms equivalent to those that prevail in arm's length transactions Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. As at year ended March 31, 2021, the company has recorded ₹ 860.30 lakhs towards impairment of loans and receivables relating to amounts owed by related parties (As at year ended 31 March 2020: ₹ 749 77 Lakhs) This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## 38 Significant accounting judgements, estimates and assumptions

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

**Estimates and assumptions**

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

**a) Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and other post-employment leave encashment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about defined benefit obligations are given in Note 30

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rate of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on publicly available mortality table in India. The mortality tables tend to change only at interval in response to demographic changes Future salary increases and gratuity increases are based on expected future inflation rates.

**b) Revenue Recognition and Estimate related to expected price concession**

**Revenue Recognition**

The performance obligation is satisfied over-time and payment is generally due upon completion of service. There is a single performance obligation for providing the facility management services.

**Estimate related to expected price concession**

Expected price concessions from customers are based on assumptions relating to risk of credit notes issued The Company uses judgment in making these assumptions and selecting the inputs to the calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period

**c) Share-based payments**

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimation requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The Black Scholes valuation model has been used by the Management for share-based payment transactions. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 32

**d) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

**e) Determining the lease term of contracts with renewal and termination options – Company as lessee**

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

The Company has lease contracts and rental contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Company included the renewal period as part of the lease term for leases of Building with shorter non-cancellable period (i.e., three to five years). The renewal periods for leases of building with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Refer to Note 31 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

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**f) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 39 and 40 for further disclosures.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor. (Refer Note 39 for details)

As part of the accounting for the acquisition of Washroom Hygiene Concepts Private Limited Limited, contingent consideration with an estimated fair value of INR 135.55 lakhs was recognised at the acquisition date and remeasured to INR 29 19 lacs as at the reporting date The contingent consideration is classified as other

**39 Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those the carrying amounts that are reasonable approximations of fair values:

| Particulars - Non-Current and Current | Carrying value | | Fair value | |
|---|---|---|---|---|
| | As at 31 March 2021 | As at 31 March | As at 31 March 2021 | As at 31 March 2020 |
| **Financial Assets** | | | | |
| Rental deposits | 332.06 | 305.38 | 332.06 | 305.38 |
| Reimbursement right of gratuity | 2,429.36 | 2,404.98 | 2,429.36 | 2,404.98 |
| | **2,761.42** | **2,710.36** | **2,761.42** | **2,710.36** |
| **Financial Liability** | | | | |
| Lease Liabilities | 65.55 | 132.39 | 65.55 | 132.39 |
| Liability payable to promoters of acquired subsidiary | 1561.93 | 1619.53 | 1561.93 | 1619.53 |
| | **1,627.48** | **1,751.92** | **1,627.48** | **1,751.92** |

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts, other financial assets and Other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Investment are measured at cost.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**40 Fair value hierarchy**

The following table provides the fair value measurement hierarchy of Company's asset and liabilities

| Particulars | Carrying value | | Fair value | |
|---|---|---|---|---|
| | As at 31 March 2021 | As at 31 March | As at 31 March 2021 | As at 31 March 2020 |
| **Financial assets** | | | | |
| Rental deposits (Level 3) | 332.06 | 305.38 | 332.06 | 305.38 |
| Reimbursement right of gratuity (Level 3) | 2,429.36 | 2,404.98 | 2,429.36 | 2,404.98 |
| | **2,761.42** | **2,710.36** | **2,761.42** | **2,710.36** |
| **Financial liabilities** | | | | |
| Lease Liabilities (Level 3) | 65.55 | 132.39 | 65.55 | 132.39 |
| Liability payable to promoters of acquired subsidiary (Level 3) | 1,561.93 | 1,619.53 | 1,561.93 | 1,619.53 |
| | **1,627.48** | **1,751.92** | **1,627.48** | **1,751.92** |

There have been no transfers between the levels during the year.

Notes

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 inputs are unobservable inputs for the asset or liability.

**41 Financial risk management objectives and policies**

The Company's principal financial liabilities is borrowings and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as loan, trade and other receivables, cash and short-term deposits, which arise directly from its operations

The Company is exposed to credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. The following disclosures summarises the company's exposure to financial risks:

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**41 Financial risk management objectives and policies (continued)**

**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. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit The Company is exposed to credit risk from its operating activities (primarily trade receivables) and loans receivables.

**Trade and other receivables**

In cases of customers where credit is allowed, the average credit period on such sale of service ranges from 1 day to 90 days. The customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management Credit quality of a customer is assessed based on the individual credit limits are defined in accordance with this assessment and outstanding customer receivables are regularly monitored.

Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109. The Company assesses at each date of statements of financial position whether a financial asset or a Company of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a age wise provision matrix which is prepared considering the historical data for collection of receivables.

**Exposure to credit risk:**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 16,296.78 Lakhs and ₹ 24,416.68 Lakhs as of March 31, 2021 and March 31, 2020 respectively, being the total of the carrying amount of balances with trade receivables.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company operating activities (when revenue or expense is denominated in a foreign currency). However the net investment in subsidiaries are in Indian rupees, as a result there is no exposure to the risk of changes in foreign exchange rates. Consequently, the Company does not uses derivative financial instruments, such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of is forecasted cash flows and trade receivables. The Company has not entered into foreign currency swap / derivative transactions to cover the risk exposure on account of foreign currency transactions.

**Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives.

**Foreign Currency Risk Management:**

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows:

| | Year ended March 31, 2021 | | Year ended March 31, 2020 | |
|---|---|---|---|---|
| **Particulars** | **Amount in FC** | **Amount in** | **Amount in FC** | **Amount in Rs.** |
| Trade Receivables - USD | 0.16 | 11.93 | - | - |

The following table details the Company's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates a increase in profit or equity where the INR Strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity and balance below would be negative

| | Profit and loss | | Equity | |
|---|---|---|---|---|
| **USD** | **Increased by 5%** | **Decreased by 5%** | **Increased by 5%** | **Decreased by 5%** |
| March 31, 2021 | 0.60 | (0.60) | 0.60 | 0.60 |
| March 31, 2020 | - | - | - | - |

**Note:**

This is mainly attributable to the exposure of receivable and payable outstanding in the above mentioned currencies to the Company at the end of the reporting period.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rate

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

| **Effect on profit before tax** | **Year ended 31 March 2021** | **Year ended 31 March 2020** |
|---|---|---|
| Increase in rate by 2% | (77.82) | (157.07) |
| Decrease in rate by 2% | 77.82 | 157.07 |

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*(All amounts are in lakhs of Indian Rupees unless otherwise stated)*

**41 Financial risk management objectives and policies (continued)**

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors its risk of a shortage of funds on a regular basis The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

All financial liabilities are due within 1 year from the balance sheet date. The existing surplus funds along with the cash generated by the company are sufficient to meet its current obligations.

The table below provides details regarding the contractual maturities of financial liabilities based on contractual undiscounted payments:

**As at March 31, 2021**

| Particulars | Within 1 year | 1 - 3 years | 3 - 5 years | Total |
|---|---|---|---|---|
| Borrowings | 1,147.60 | - | - | 1,147.60 |
| Trade Payables | 2,103.68 | - | - | 2,103.68 |
| Other financial liabilities | 9,867.53 | 1,132.91 | - | 11,000.44 |
| Lease Liabilities | 45.23 | 25.04 | - | 70.27 |
| | 13,164.04 | 1,157.95 | - | 14,321.99 |

**As at March 31, 2020**

| Particulars | Within 1 year | 1 - 3 years | 3 - 5 years | Total |
|---|---|---|---|---|
| Borrowings | 8,880.63 | - | - | 8,880.63 |
| Trade Payables | 2,090.22 | - | - | 2,090.22 |
| Other financial liabilities | 9,178.57 | 2,062.21 | - | 11,240.78 |
| Lease Liabilities | 76.19 | 69.78 | - | 145.97 |
| | 20,225.61 | 2,131.99 | - | 22,357.60 |

**42 Impact of Covid-19 Pandemic**

The outbreak of Coronavirus (COVID -19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investments. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these standalone financial statements has used internal and external sources of information including credit reports and related information and economic forecasts. Basis such evaluation, the management does not expect any adverse impact on its future cash flows and shall be able to continue as a going concern and meet its obligations as and when they fall due. The impact of COVID-19 on the Company's standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements. The Company will continue to monitor future economic conditions for any significant change.

**43 Standards Issued but not effective**

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's standalone financial statements.

**44 Code on wages, 2019 and Code on Social Security, 2020**

Parliament has approved the Code on Wages, 2019 and the Code on Social Security, 2020 which govern, and are likely to impact, the contributions by the Company towards certain employee benefits. The government has released draft rules for these Codes and has invited suggestions from stakeholders which are under active consideration by the concerned Ministry. The effective date of these Codes have not yet been notified and the Company will assess the impact of these codes as and when they become effective and will provide for the appropriate impact in its standalone financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**45 Events after the reporting period**

There were no significant adjusting events that occurred subsequent to the reporting period.

**46 Previous Year Figures**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date
**For S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

**per Chirag Shah**
**Partner**
Membership No. 121648

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

Place: Chennai
Date : 24 September 2021

For and on behalf of Board of Directors
**Updater Services Private Limited**

**T. Raghunandana**
Managing Director
DIN : 0000628914

**T.Shanthi**
Director
DIN : 0000939218

**Balaji Swaminathan**
Chief Financial Officer

**L.B. Jayaram**
Company Secretary

Place: Chennai
Date : 24 September 2021