

INDEPENDENT AUDITOR'S REPORT

To the Members of Updater Services Limited (formerly known as Updater Services Private Limited)

Report on the Audit of the Consolidated Financial Statements**Opinion**

We have audited the accompanying Consolidated Financial Statements of Updater Services Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance sheet as at March 31 2023, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated 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 consolidated state of affairs of the Group as at March 31, 2023, their consolidated profit and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated 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 Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the 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 Consolidated Financial Statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Director's report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the



other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Director's report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2021 specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of their respective companies 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective those charged with governance of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

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

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

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



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- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 Holding 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.
- 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 ability of the Group 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 Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We also 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.



Other Matter

We did not audit the Standalone / Consolidated Financial Statements and other financial information, in respect of nine subsidiaries, whose Standalone / Consolidated Financial Statements include total assets of Rs. 4,116.22 million as at March 31, 2023, and total revenues of Rs. 7,509.67 million and net cash inflows of Rs. 92.25 for the year ended on that date. These financial statement and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraphs 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:
 - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors, except that with respect to certain subsidiaries as disclosed in Note 59 to the Consolidated Financial Statements, the backup of the books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India on a daily basis.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
 - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Companies (Accounting Standards) Rules, 2021 specified under Section 133 of the Act;



- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2023 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 Consolidated Financial Statements of the Holding Company and its subsidiary companies incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company, its subsidiaries incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other Matter' paragraph:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group in its Consolidated Financial Statements – Refer Note 44 to the Consolidated Financial Statements;
 - ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 19 to the consolidated financial statements in respect of such items as it relates to the Group;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2023.
 - iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, other than as disclosed in the note 58 to the Consolidated Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of



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- the respective Holding Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, other than as disclosed in the note 58 to the Consolidated Financial Statements, no funds have been received by the respective Holding Company or any of such subsidiaries from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor’s notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. No dividend has been declared or paid during the year by the Holding Company, its subsidiaries companies, incorporated in India other than in one subsidiary company in which the interim dividend declared and paid during the year and until the date of the respective audit report of such subsidiary company is in accordance with Section 123 of the Act.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023, for the Holding Company, its subsidiaries companies incorporated in India, hence reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Aravind K

per **Aravind K**

Partner

Membership Number: 221268

UDIN: 23221268BGXPPN6461

Place of Signature: Chennai

Date: July 6, 2023



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Annexure 1 referred to in Paragraph under the heading “Report on other legal and regulatory requirements” of our report of even date

Re: Updater Services Limited (“the Holding Company”)

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief and consideration of report of the other auditors on the separate financial statements and the other financial information of the subsidiary Companies, incorporated in India, we state that:

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

Sn No	Name	CIN	Relationship	Clause number(s) of CARO report which is qualified/adverse
1	Updater Services Limited	U74140TN2003PLC051955	Holding Company	(ii)(b), (iii)(c), (vii)(a), (ix)(d)
2	Washroom Hygiene Concepts Private Limited	U74999DL2003PTC118635	Subsidiary Company	(vii)(a)
3	Wynwy Technologies Private Limited	U74999TN2017PTC119356	Subsidiary Company	(vii)(a)
4	Fusion Foods and Catering Private Limited	U55100TN2008PTC068154	Subsidiary Company	(vii)(a)
5	Avon Solutions & Logistics Private Limited	U72200TN2002PTC049961	Subsidiary Company	(vii)(a)



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF UPDATER SERVICES LIMITED

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

In conjunction with our audit of the Consolidated Financial Statements of Updater Services Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to Consolidated 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, 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 Consolidated 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 Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements.



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Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to Consolidated 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 accounting principles. A company's internal financial control with reference to Consolidated 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 Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated 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 Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated 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 Group which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, in so far as it relates to these nine (9) subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Aravind K

per **Aravind K**

Partner

Membership Number: 221268

UDIN: 23221268BGXPPN6461

Place of Signature: Chennai

Date: July 6, 2023



Updater Services Limited (Formerly known as Updater Services Private Limited)
Consolidated Balance sheet as at March 31, 2023
(All amounts are in millions of Indian Rupees unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	607.94	332.02
Goodwill	3A	1,947.90	1,280.28
Other Intangible Assets	3A	636.06	311.25
Capital Work in Progress (CWIP)	3B	-	41.24
Intangibles asset under development	3C	2.27	-
Right-of-use assets	41	402.09	120.35
Contract Assets	10	221.55	184.77
Financial assets			
(i) Investments	4	0.10	0.10
(ii) Loans	5	1.26	1.58
(iii) Other financial assets	6	273.88	307.27
Deferred tax asset (net)	13	488.07	473.84
Non-Current tax assets (net)	9	547.19	519.42
Other non-current assets	7	23.65	120.78
Total Non-current assets		5,151.96	3,692.90
Current assets			
Inventories	8	69.86	63.26
Contract Assets	10	668.18	560.92
Financial assets			
(i) Investments	4	38.00	-
(ii) Trade receivables	11	4,277.28	3,474.85
(iii) Cash and cash equivalents	12A	1,146.67	572.86
(iv) Bank balances other than (iii) above	12B	504.27	137.31
(v) Loans	5	7.36	6.27
(vi) Other financial assets	6	66.80	89.35
Other current assets	7	239.09	147.94
Total Current assets		7,017.51	5,052.76
Total Assets		12,169.47	8,745.66
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	529.52	528.18
Other equity			
Retained Earnings	15	2,554.32	2,227.14
Capital Redemption Reserve	15	21.09	20.75
General Reserve	15	26.60	26.60
Foreign Currency Translation Reserve	15	21.56	-
Securities premium	15	601.95	559.43
Employee Stock Option Reserve	15	53.89	42.17
Equity attributable to equity holders of the parent		3,808.93	3,404.27
Non controlling interest	16	69.18	53.09
Total Equity		3,878.11	3,457.36
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	179.25	-
(ii) Lease Liabilities	41	284.23	78.68
(iii) Other Financial liabilities	19	1,138.71	804.14
Net Employee defined benefit liabilities	20	539.49	488.00
Deferred Tax Liabilities (net)	21	157.50	108.48
Total Non-current liabilities		2,299.18	1,479.30



Updater Services Limited (Formerly known as Updater Services Private Limited)
 Consolidated Balance sheet as at March 31, 2023
 (All amounts are in millions of Indian Rupees unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
Current Liabilities			
Financial liabilities			
(i) Borrowings	17	1,586.13	586.79
(ii) Lease Liabilities	41	149.02	47.69
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	18	174.35	57.75
Total outstanding dues of creditors other than micro enterprises and small enterprises	18	618.96	399.04
(iv) Other current financial liabilities	19	2,321.90	1,780.58
Short Term Provisions	22	107.52	99.92
Net Employee defined benefit liabilities	20	222.57	192.45
Current tax liabilities (net)	23	57.30	37.13
Other current liabilities	24	754.43	607.65
Total Current Liabilities		5,992.18	3,809.00
Total Liabilities		8,291.36	5,288.30
TOTAL EQUITY AND LIABILITIES		12,169.47	8,745.66

Summary of significant accounting policies 1 - 2
 The accompanying notes form an integral part of the Consolidated Financial Statements. 3 - 62
 As per our report of even date


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

For and on behalf of Board of Directors
Updater Services Limited
 (Formerly known as Updater Services Private Limited)


 per Aravind K
 Partner
 Membership No. 221268
 Place: Chennai
 Date : July 06, 2023




Raghunandana Tangirala
 Managing Director
 DIN : 00628914
 Place: Mumbai
 Date : July 06, 2023


**Pondicherry Chidambaram
 Balasubramanian**
 Director
 DIN : 00584548
 Place: Chennai
 Date : July 06, 2023


Balaji Swaminathan
 Chief Financial Officer
 Place: Chennai
 Date : July 06, 2023


B Ravishankar
 Company Secretary
 Membership No: 08688
 Place: Chennai
 Date : July 06, 2023



Updater Services Limited (Formerly known as Updater Services Private Limited)
Consolidated Statement of Profit and Loss for the year ended March 31, 2023
(All amounts are in millions of Indian Rupees unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from contracts with customers	25	20,988.87	14,835.52
Other income	26	71.79	83.34
Finance income	27	60.24	60.07
Total Income		21,120.90	14,978.93
Expenses			
Cost of materials consumed	28	768.04	387.20
Purchases of traded goods	29	23.72	19.71
Cost of Services	30	2,667.09	954.10
Changes in inventories of Finished goods and traded goods	31	10.41	(13.44)
Employee benefits expenses	32	13,840.58	10,681.77
Finance costs	33	145.67	50.68
Depreciation and amortization expense	34	370.40	165.34
Impairment losses on financial instrument and contract assets	35	36.34	60.01
Fair value change in liability payable/paid to promoters of acquired subsidiary	36	413.63	213.48
Other expenses	37	2,303.14	1,750.67
Total Expense		20,579.02	14,269.52
Profit before tax		541.88	709.41
Tax Expense :			
Current tax	38	227.55	209.48
Adjustment of tax relating to earlier periods	38	9.55	(12.98)
Deferred Tax :			
Deferred tax Charge / (Credit)	38	(41.27)	(60.78)
Income tax expense / (Credit)		195.83	135.72
Profit for the year		346.05	573.69
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss in subsequent year:			
Re-measurement gains/(losses) on defined benefit obligations (net)		12.86	(32.68)
Income tax effect	38	(3.12)	5.51
Other comprehensive income for the year, net of tax		9.74	(27.17)
Total comprehensive Income for the year, net of tax attributable to:		355.79	546.52
Profit for the year			
Attributable to:			
Equity holders of the parent		357.86	552.91
Non-controlling interests		(11.81)	20.78
Other Comprehensive income for the year			
Attributable to:			
Equity holders of the parent		9.65	(27.16)
Non-controlling interests		0.09	(0.01)



Updater Services Limited (Formerly known as Updater Services Private Limited)
 Consolidated Statement of Profit and Loss for the year ended March 31, 2023
 (All amounts are in millions of Indian Rupees unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Total comprehensive income for the year			
Attributable to:			
Equity holders of the parent		367.51	525.75
Non-controlling interests		(11.72)	20.77
Earnings per equity share			
Basic (Amount in ₹)	39	6.77	10.47
Diluted (Amount in ₹)	39	6.70	10.40
Summary of significant accounting policies	1 - 2		
The accompanying notes form an integral part of the Consolidated Financial Statements.	3 - 62		
As per report of even date			

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


per Aravind K
 Partner
 Membership No. 221268
 Place: Chennai
 Date : July 06, 2023



For and on behalf of Board of Directors
Updater Services Limited
 (Formerly Known as Updater Services Private Limited)


Raghunandana Tangirala
 Managing Director
 DIN : 00628914
 Place: Mumbai
 Date : July 06, 2023

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 Company Secretary
 Membership No: 08688
 Place: Chennai
 Date : July 06, 2023



Updater Services Limited (Formerly known as Updater Services Private Limited)
Consolidated Statement of Cash Flows as at March 31, 2023
(All amounts are in millions of Indian Rupees unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	541.88	709.41
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	370.40	165.34
Finance cost	145.67	50.68
Finance Income	(60.24)	(60.07)
Bad Debts recovered	-	(9.44)
Fair value change in Liability payable/paid to promoters of acquired subsidiary	413.63	213.48
Expected credit loss on reimbursement right of gratuity	11.64	43.79
Impairment for doubtful trade receivables	14.21	11.66
Impairment on doubtful advances	10.49	4.56
Bad debts written off	1.55	-
Advances written off	-	11.40
Fair value gain on Financial Assets at FVTPL	(0.79)	(10.17)
Provision no longer required written back	(61.81)	(55.84)
Loss on sale of Property, plant and equipment	5.51	12.23
Profit on Sale of Property, plant and equipment	(4.99)	(0.40)
Employee stock option expenses	38.89	8.12
Unrealised exchange differences (net)	23.87	-
Operating cash flow before working capital changes	1,449.91	1,094.75
Movements in working capital :		
(Increase)/decrease in trade receivables and contracts assets	(673.68)	(721.16)
(Increase)/decrease in other financial assets	(60.22)	(217.84)
(Increase)/decrease in non - financial assets	324.37	164.49
(Increase)/decrease in Loans	(0.77)	7.26
(Increase)/decrease in Inventory	(1.70)	(13.12)
Increase/ (decrease) in Provision	85.99	108.39
Increase/(decrease) in trade payables	213.09	127.06
Increase/ (decrease) in financial liabilities	(92.58)	(105.75)
Increase/ (decrease) in other liabilities	107.27	80.29
Cash generated from operations	1,351.68	524.37
Income taxes paid (net of refunds)	(203.86)	(213.68)
Net cash flow from operating activities	1,147.82	310.69
Cash flow from investing activities		
Purchase of property, plant and equipment including capital work in progress, capital creditors and advances paid	(515.56)	(135.04)
(Purchase) /Sale proceeds of Investments	(38.00)	40.34
Investments in fixed deposits (having original maturity of more than three months)	(3,355.97)	(1,575.82)
Redemption/Maturity of fixed deposits	3,095.47	1,635.21
Proceeds from sale of property, plant and equipment	9.24	-
Finance Income	36.77	58.99
Acquisition of Subsidiary (net of cash)	(761.77)	(495.23)
Net cash flow used in investing activities	(1,529.82)	(471.55)
Cash flow from financing activities		
Proceeds of long-term borrowings	304.00	-
Repayment of long-term borrowings	(47.92)	-
Proceeds from short-term-borrowings	10,493.69	8,789.58
Repayment of short-term-borrowings	(9,569.83)	(8,361.32)
Payment of principal portion towards lease liabilities	(68.92)	(71.11)
Payment of interest towards lease liabilities	(20.97)	(5.16)
Investment by NCI	-	1.69
Buy-back of equity shares relating to non controlling interest portion (including tax)	-	(13.13)
Tax on buy-back of equity shares relating to parent	-	(7.75)
Dividends paid to non-controlling interests	(9.54)	-
Finance cost	(124.70)	(44.91)
Net cash flow from financing activities	955.81	287.89



Updater Services Limited (Formerly known as Updater Services Private Limited)
Consolidated Statement of Cash Flows as at March 31, 2023
(All amounts are in millions of Indian Rupees unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net increase/(decrease) in cash and cash equivalents	A+B+C 573.81	127.03
Cash and cash equivalents at the beginning of the year	572.86	445.83
Cash and cash equivalents at the end of the year	1,146.67	572.86
Non Cash investing and financing activities		
Acquisition of Right of use assets	163.92	119.51
Share issued to erstwhile promoters of acquired subsidiary [Refer note 14 (b)]	43.87	-
Refer Note 12C for change in liabilities arising from financing activities		
Summary of significant accounting policies	1 - 2	
The accompanying notes form an integral part of the Consolidated Financial Statements.	3 - 62	
As per our report of even date		

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

Aravind K
per Aravind K
Partner
Membership No. 221268
Place: Chennai
Date : July 06, 2023



For and on behalf of Board of Directors
Updater Services Limited
(Formerly known as Updater Services Private Limited)

Raghunandana Tangirala
Raghunandana Tangirala
Managing Director
DIN : 00628914
Place: Mumbai
Date : July 06, 2023

Pondicherry Chidambaram
Pondicherry Chidambaram
Balasubramanian
Director
DIN : 00584548
Place: Chennai
Date : July 06, 2023

Balaji Swaminathan
Chief Financial Officer

Place: Chennai
Date : July 06, 2023

B. Ravishankar
B Ravishankar
Company Secretary
Membership No: 08688
Place: Chennai
Date : July 06, 2023



Updater Services Limited (Formerly known as Updater Services Private Limited)
 Consolidated Statement of Changes in Equity for the year ended March 31, 2023
 (All amounts are in millions of Indian Rupees unless otherwise stated)

(a) Equity share capital

Equity shares of Rs 10 each issued, subscribed and fully paid	No. of shares	Amount
For the year ended March 31, 2023		
Balance as on April 01, 2022	5,28,17,479	528.18
Add: Shares issued during the year	1,34,988	1.34
Balance as on March 31, 2023	5,29,52,467	529.52
For the year ended March 31, 2022		
Balance as on April 01, 2021	5,28,17,479	528.18
Add: Shares issued during the year	-	-
Balance as on March 31, 2022	5,28,17,479	528.18

(b) Other equity

Particulars	Retained Earnings	Capital redemption reserve	General reserve	Foreign Currency Translation Reserve	Securities Premium	Employee Stock Options Reserve	Total Equity attributable to equity shareholders of parent	Non-Controlling Interest	Total
As at April 01, 2021	1,683.62	20.75	26.60	-	559.43	34.05	2,324.45	69.28	2,393.73
Profit for the year	552.91	-	-	-	-	-	552.91	20.78	573.69
Other Comprehensive Income/(loss)	(27.16)	-	-	-	-	-	(27.16)	(0.01)	(27.17)
Total comprehensive Income	525.75	-	-	-	-	-	525.75	20.77	546.52
Adjustments relating to acquisition of NCI	25.52	-	-	-	-	-	25.52	(25.52)	-
Additional investment by NCI	-	-	-	-	-	-	-	1.69	1.69
Employee stock options provided (Refer Note 42)	-	-	-	-	-	8.12	8.12	-	8.12
Buyback of Equity Shares #	(7.75)	-	-	-	-	-	(7.75)	(13.13)	(20.88)
As at March 31, 2022	2,227.14	20.75	26.60	-	559.43	42.17	2,876.09	53.09	2,929.18



Updater Services Limited (Formerly known as Updater Services Private Limited)
Consolidated Statement of Changes in Equity for the year ended March 31, 2023
(All amounts are in millions of Indian Rupees unless otherwise stated)
(b) Other equity

Particulars	Retained Earnings	Capital redemption reserve	General reserve	Foreign Currency Translation Reserve	Securities Premium	Employee Stock Options Reserve	Total Equity attributable to equity shareholders of parent	Non-Controlling Interest	Total
As at March 31, 2022	2,227.14	20.75	26.60	-	559.43	42.17	2,876.09	53.09	2,929.18
Profit for the year	357.86	-	-	-	-	-	357.86	(11.81)	346.05
Other Comprehensive Income	9.65	-	-	-	-	-	9.65	0.09	9.74
Total comprehensive Income	367.51	-	-	-	-	-	367.51	(11.72)	355.79
Adjustments relating to acquisition of NCI	(39.99)	-	-	-	-	-	(39.99)	10.18	(29.81)
(Less)/Add: Transfer to Capital Redemption Reserve	(0.34)	0.34	-	-	-	-	-	-	-
Premium on issue of shares for consideration other than cash	-	-	-	-	42.52	-	42.52	-	42.52
Employee stock options provided (Refer Note 42)	-	-	-	-	-	38.89	38.89	-	38.89
NCI in share options**	-	-	-	-	-	(27.17)	(27.17)	27.17	-
Dividend Payment to NCI	-	-	-	-	-	-	-	(9.54)	(9.54)
Foreign currency translation reserve	-	-	-	21.56	-	-	21.56	-	21.56
As at March 31, 2023	2,554.32	21.09	26.60	21.56	601.95	53.89	3,279.41	69.18	3,348.59

Pursuant to special resolution approved by shareholders of one of the subsidiary (Avon Solutions & Logistics Private Limited), the subsidiary bought back 4,000 equity shares of the subsidiary's shareholders. The group has adjusted the buy back payment along with the Income tax (Distribution tax) relating to non-controlling interest against non-controlling interest balance and Income tax (Distribution tax) pertaining to holding company has been adjusted against retained earnings of group.

** Certain subsidiaries have granted the Employee stock option (ESOP) to their employees. Accordingly, such ESOP reserve have been grouped under NCI.



Updater Services Limited (Formerly known as Updater Services Private Limited)
Consolidated Statement of Changes in Equity for the year ended March 31, 2023
(All amounts are in millions of Indian Rupees unless otherwise stated)

The accompanying notes form an integral part of the Consolidated Financial Statements.
As per our report of even date

3 - 62

For S.R.Batliloi & Associates LLP
Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Aravind K

per Aravind K
Partner

Membership No. 221268

Place: Chennai

Date : July 06, 2023



For and on behalf of Board of Directors
Updater Services Limited

(Formerly known as Updater Services Private Limited)

Raghunadana

Raghunadana Tangirala

Managing Director

DIN : 00628914

Place: Mumbai

Date : July 06, 2023

Balaji Swaminathan

Balaji Swaminathan

Chief Financial Officer

Place: Chennai

Date : July 06, 2023

Pondicherry

Pondicherry Chidambaram Balasubramanian

Director

DIN : 00584548

Place: Chennai

Date : July 06, 2023

B Ravishanker

B Ravishanker

Company Secretary

Membership No: 08688

Place: Chennai

Date : July 06, 2023



Updater Services Limited (formerly known as Updater Services Private Limited)

Notes to Consolidated Financial Statements for the year ended March 31, 2023

All amounts are in millions of Indian Rupees unless otherwise stated

1. Corporate information

The consolidated financial statements comprise financial statements of Updater Services Limited ('UDS'/ 'Holding Company', "Parent", and "Parent Company") and its subsidiaries (collectively, the Group) for the year ended March 31, 2023. 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. Business Support services include Mailroom management Services, Employee background verification Services, Retail/Channel/ Trade Audits & Assurance Services, Sales Enablement Services and Airports Ground Handling Services. Information on the Group's structure is provided in Note 52 Group information. Information on other related party relationships of the Group is provided in Note 46 Related party transactions.

The consolidated financial statements were approved for issue in accordance with a resolution of the Board of directors on July 06, 2023.

2. Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

i. Compliance with Ind-AS

The accompanying consolidated financial statements comprising the consolidated Balance Sheet as of March 31, 2023, consolidated statement of profit and loss for the year ended March 31, 2023, consolidated cash flow statement for the year ended March 31, 2023 and the consolidated statement of changes in equity for the year ended March 31, 2023 have been prepared in accordance with Indian Accounting Standard "Financial Reporting", as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 as amended and presentation and disclosure 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 millions except when otherwise stated.

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities measured at fair value as explained in the accounting policies; and
- Defined benefit plan assets measured at fair value.

ii. Basis of consolidation

The accompanying Consolidated financial statements comprising the consolidated Balance Sheet as of March 31, 2023, consolidated statement of profit and loss for the year ended March 31, 2023, consolidated cash flow statement for the Year ended March 31, 2023 and the consolidation statement of changes in equity for the year ended March 31, 2023 have been prepared in accordance with Indian Accounting Standards "Financial Reporting", as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 as amended.

The accounting policies adopted in the preparation of the consolidation financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended March 31, 2023.

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries as at March 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement



Updater Services Limited (formerly known as Updater Services Private Limited)

Notes to Consolidated Financial Statements for the year ended March 31, 2023

All amounts are in millions of Indian Rupees unless otherwise stated

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 period 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, 2023. 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



Updater Services Limited (formerly known as Updater Services Private Limited)

Notes to Consolidated Financial Statements for the year ended March 31, 2023

All amounts are in millions of Indian Rupees unless otherwise stated

-
- 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



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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



Updater Services Limited (formerly known as Updater Services Private Limited)

Notes to Consolidated Financial Statements for the year ended March 31, 2023

All amounts are in millions of Indian Rupees unless otherwise stated

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.



Updater Services Limited (formerly known as Updater Services Private Limited)

Notes to Consolidated Financial Statements for the year ended March 31, 2023

All amounts are in millions of Indian Rupees unless otherwise stated

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.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit and loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (1 April 2017), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.



d. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated 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. Items that are not yet ready to use and have an economic benefit of more than one year have been 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 when recognition criteria are not met.

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.

The Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2017 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

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 based on the pattern of consumption of such assets and having regard to the nature of assets in this industry. 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)	Schedule II Life (years)
Plant and machinery	5 to 15	15
Furniture and fittings	10	10
Office equipment	5	5
Vehicles	8	8
Computer and accessories	3	5
Building	60	30
Leasehold improvements #	1-5 years	NA

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.

The group has elected to continue with the carrying value of Property, plant and equipment recognised as of April 1, 2017 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.



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.

The Group has elected to continue with the carrying value of intangible assets recognised as of April 1, 2017 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

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.

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 – 8.5 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

The group has elected to continue with the carrying value of intangible assets recognised as of April 1, 2017 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

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



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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 for assets excluding goodwill 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

The Group derives revenue primarily from Integrated Facility Management services and Business Support Services.. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable.

Revenue from contracts with customers is recognised when control of the goods or services ("performance obligations") 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 Transaction price 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 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. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The contract with customer for Integrated Facility Management services and Business Support Services, generally contains a single performance obligation. The Holding Company's contracts may include variable consideration including discounts and penalties which are reduced from revenues and recognised based on an estimate of the expected pay out relating to these considerations (expected price concessions). Revenue is adjusted for expected price concessions based on the management estimates.



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Goods and Service Tax (GST) is not received by the Holding Company or Group 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.

If contractual unconditional right to consideration is dependent on completion of contractual obligations including right to receive the reimbursement of gratuity cost from the customers, then such assets are classified as contract assets.

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.

Income from Mailroom services / Courier services

Mailroom services consist of in-house operations of mail room and mail delivery including inter-office mails. It involves MIS generation, cost management, vendor management, inbound and outbound mail management and pre-processing of mails. Revenue from mailroom services is accounted as and when the related services are rendered and is net of discounts and taxes.

Mail logistics / Courier services and pickup & delivery services refer to packing and delivery of goods' articles. Revenue from such services is recognized as the related services are rendered in accordance with the terms and conditions of the contract/agreement with the customer.

Sales Enablement and other staffing services

Revenues from knowledge process outsourcing, human resource outsourcing service contracts are accounted on accrual basis on performance of the services agreed in the contract with the customers.

Audit & Assurance and Employee Background Verification Services

The Groups revenue comprises of Audit and Assurance (A&A) and Employee Background Verification (EBGV) services for customers in India and outside India. Agreements with customers are either on a fixed price – fixed time frame or on a time- and - material basis. Revenue on time-and-material basis contracts is recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from time bound fixed price contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the proportionate completion method to the extent of cost incurred. When there is uncertainty as to the measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Business Process Outsourcing (BPO) services

Revenues from Business Process Outsourcing (BPO) services comprises of time/unit price and fixed fees-based service contracts. Revenue from time/unit price-based contract is recognised as services are rendered and is billed in accordance with the contractual terms specified in the customer contracts. Revenue from fixed fees-based service contracts is recognised on achievement of performance milestones specified in customer contracts.

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 "Finance 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,



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a contract asset is recognised for the earned consideration that is conditional. Upon completion of the service period and acceptance by the customer (generally by confirming the attendance records), the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section "*Financial instruments – initial recognition and subsequent measurement*". Refer section (i)

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).

Refund Liabilities

A refund liability is recognised for the obligation to refund some, or all of the consideration received (or receivable) from the customer. The Group's refund liabilities arise from customers' right of return and volume rebates. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

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:

- **Raw materials:** 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.
- **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on first in, first out basis.
- **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.

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 11 (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.

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.



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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

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

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. It is the Group's policy to measure ECLs on financial assets on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

For recognition of impairment loss on other financial assets, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the group reverts to recognising impairment loss allowance based on 12-month ECL.

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 'Impairment losses on financial instrument and contract assets' 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.



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 or at Fair Value through profit and loss.

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.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

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.

Liability towards unacquired shares of subsidiary:

The Group has elected not to recognise a non-controlling interest in subsidiaries where the group has a right / obligation to purchase the shares held by NCI. The Group has chosen to base its accounting policy on Ind AS 32, i.e. Ind AS 32 takes precedence over Ind AS 110. Consequently, any contractual obligation to purchase NCI, such as an NCI put, gives rise to a financial liability measured at the present value of the redemption amount which is subsequently measured in accordance with Ind AS 109.

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.

Derivative Financial Instruments

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.



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Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- ▶ Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- ▶ Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- ▶ Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the Effective portion of cash flow hedges, while any ineffective portion is recognised immediately in the statement of profit and loss. The Effective portion of cash flow hedges is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.



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The Group designates only the spot element of a forward contract as a hedging instrument. The forward element is recognised in OCI.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit and loss (as a reclassification adjustment).

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:

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 (e) 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 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 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. (Refer 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.

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 actuarial 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:



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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.

I. Taxes

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 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.

The group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment



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.

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. The principle or the most advantageous market must be accessible by the group

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.

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:



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-
- 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 49 Fair value hierarchy).

p. Segment reporting

Segments are identified based on the manner in which the Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Managing Director of the Group has been identified as being the chief operating decision maker (CODM), he evaluates the Group's performance, allocate resources based on the analysis of the various performance indicator of the Group into two segments viz. 'Integrated Facility Management Services' and 'Business Support Services'.

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 Group 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 Group. 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.



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

x. Changes in accounting policies and disclosures

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from April 01, 2022.

i. Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37.

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after April 1, 2022. The group has evaluated the amendment and there is no material impact on Consolidated financial statements.

ii. Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.



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The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the consolidated financial statements of the Group as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

iii. Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after April 1, 2022. The amendments does not have a material impact on the Group.

iv. Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply the exemption in paragraph D16(a) of Ind AS 101 to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent's date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also available to an associate or joint venture that uses exemption in paragraph D16(a) of Ind AS 101.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022 but do not apply to the Group as it is not a first-time adopter.

v. Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are effective for annual reporting periods beginning on or after April 1, 2022. The amendments does not have a material impact on the Group.

vi. Ind AS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments had no impact on the consolidated financial statements of the Group as it did not have assets in scope of Ind AS 41 as at the reporting date.



3 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 Cost/Deemed Cost								
At April 01, 2021	294.40	25.65	25.70	19.11	62.40	20.09	13.50	460.85
Additions	62.53	5.35	8.45	156.94	26.71	-	7.82	267.80
Acquisition of a subsidiary (Note 54B)	-	0.01	0.35	0.26	23.60	-	0.61	24.83
Disposals	(79.01)	(0.68)	(4.31)	(1.92)	(15.75)	-	(6.12)	(107.79)
At March 31, 2022	277.92	30.33	30.19	174.39	96.96	20.09	15.81	645.69
Additions	141.08	6.08	8.14	132.76	58.77	-	1.08	347.91
Acquisition of a subsidiary (Note 54A)	23.54	15.04	-	18.35	48.66	1.21	40.79	147.59
Disposals	(55.04)	(5.58)	(6.78)	(2.05)	(14.18)	-	(0.16)	(83.79)
At March 31, 2023	387.50	45.87	31.55	323.45	190.21	21.30	57.52	1,057.40
Accumulated Depreciation								
At April 01, 2021	228.89	9.48	16.37	11.15	43.60	7.62	8.62	325.73
Charge for the year	41.89	3.22	4.40	15.69	15.09	1.18	2.88	84.35
Disposals	(70.32)	(0.53)	(2.85)	(1.67)	(14.55)	-	(5.72)	(95.64)
Other adjustments	(0.59)	(0.07)	(0.02)	(0.02)	(0.07)	-	-	(0.77)
At March 31, 2022	199.87	12.10	17.90	25.15	44.07	8.80	5.78	313.67
Charge for the year	72.80	4.88	6.81	75.68	41.63	1.11	6.91	209.82
Disposals	(49.68)	(3.33)	(5.71)	(1.80)	(13.35)	-	(0.16)	(74.03)
At March 31, 2023	222.99	13.65	19.00	99.03	72.35	9.91	12.53	449.46
Net Block								
At March 31, 2022	78.05	18.23	12.29	149.24	52.89	11.29	10.03	332.02
At March 31, 2023	164.51	32.22	12.55	224.42	117.86	11.39	44.99	607.94

Note:

Cash Credit, Working Capital Demand Loan, Short term revolving loans are secured by first pari-passu charge on certain moveable assets. Term loan is secured by charge on certain movable Fixed assets of the Holding Company and second charge on current assets of the Holding Company. (Refer Note 17)

3A Other Intangible assets & Goodwill on consolidation

Other Intangible Assets

Particulars	Intangibles Assets (Refer note below)					Total
	Computer software	Customer relationship	Non Compete	Vendor Contract	Brand	
Gross carrying value at Cost/Deemed cost						
At April 01, 2021	39.08	36.50	21.50	61.70	15.50	174.28
Additions	8.47	-	-	-	-	8.47
Acquisition of a subsidiary (Note 54B)	-	148.00	25.70	-	53.70	227.40
Disposals	-	-	-	-	-	-
At March 31, 2022	47.55	184.50	47.20	61.70	69.20	410.15
Additions	38.61	-	-	-	-	38.61
Acquisition of a subsidiary (Note 54A)	10.16	309.70	5.10	-	31.80	356.76
Disposals	-	-	-	-	-	-
At March 31, 2023	96.32	494.20	52.30	61.70	101.00	805.52
Accumulated Amortization						
At April 01, 2021	18.76	12.03	3.89	19.44	-	54.12
Charge for the year	10.56	17.75	4.19	12.32	-	44.82
Disposals	-	-	-	(0.04)	-	(0.04)
Other Adjustments	-	-	-	-	-	-
At March 31, 2022	29.32	29.78	8.08	31.72	-	98.90
Charge for the year	8.51	42.73	6.98	12.34	-	70.56
Disposals	-	-	-	-	-	-
At March 31, 2023	37.83	72.51	15.06	44.06	-	169.46
Net Block						
At March 31, 2022	18.23	154.72	39.12	29.98	69.20	311.25
At March 31, 2023	58.49	421.69	37.24	17.64	101.00	636.06



3A Other Intangible assets & Goodwill on consolidation (Continued)

Goodwill on Consolidation	
Particulars	Goodwill on Consolidation
At 1 April 2021	457.03
Additions	-
Acquisition of a subsidiary (Note 54B)	823.25
At March 31, 2022	1,280.28
Additions	-
Acquisition of a subsidiary (Note 54A)	667.62
At March 31, 2023	1,947.90

The Goodwill and intangible asset (other than computer software) is recognised at the time of acquisition of the Subsidiaries Avon Logistics & Solutions Private Limited - (Avon), Fusion Foods and Catering Private Limited (Fusion), Matrix Business Services India Private Limited (Matrix), Global Flight Handling Services Private Limited (Global), Washroom Hygiene Concepts Private Limited(WHC), Denave India Private Limited (Denave) and Athena BPO Private Limited (Athena) by the Group.

Impairment testing of goodwill and intangible assets with indefinite lives

The Group performed its annual impairment test for the years ended March 31, 2023 and March 31, 2022. The Group considers cash flow projections, profitability, the external factors such as discount rate and growth rate etc, when reviewing for indicators of impairment.

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 four to five year period. The pre-tax discount rate applied to cash flow projections for Impairment testing during the current year is 20% and cash flow beyond the four/five years are extrapolated using a growth rate of 1% to 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.

Key assumptions used for value in use calculations

- Growth rates used to extrapolate cash flows beyond the forecast period
- Discount rates

a. Growth rates used to extrapolate cash flows beyond the forecast period

Growth rate is used in terminal value calculation and is estimated by the Company considering the specific market conditions and historical growth trends of the Industry and the Company.

b. Discount rates

Discount rate is estimated at pre tax rate that reflect current market assessment of time value of money and risks specific to the asset not adjusted in cash flows. For this purposes, Group has arrived at appropriate debt/equity structure and computed Cost of equity and cost of debt using WACC which to fairly represents the pre tax rate required by the standard. Debt cost is considered basis of Group's ability to obtain loans at market interest rates considering its risk profile and country specific market conditions.

On October 27, 2021, the Group acquired 52% equity ownership in Denave India Private Limited ("Denave") for a consideration of ₹ 629.96 million. Denave is primarily engaged in the business of providing sales enablement and other support and staffing services. The total value of purchase consideration of ₹ 1,412.10 million includes ₹ 782.15 million on account of obligation to purchase the remaining equity shares (48%) in the future, pursuant to Shareholder's Agreement between the Group and the erstwhile promoters of Denave.

On December 23, 2022, the Group acquired 57% equity ownership in Athena BPO Private Limited ("Athena") for a consideration of ₹ 819.40 million. Athena is in the business of providing business process outsourcing (BPO) services. The total value of purchase consideration of ₹ 1,437.74 million includes ₹ 656.88 million on account of obligation to purchase the remaining equity shares (43%) in the future, pursuant to Shareholder's Agreement between the Group and the erstwhile promoters of Athena.

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

Intangible assets out of acquisition during the year ended March 31, 2023

Customer relationship

Customer contracts and related Customer relationships include the relationships that Athena has 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 intangible asset is considered having a useful life of 8.5 years from the date of acquisition.

Non Compete

Non compete is based on a contractual agreement which protects the value of the purchased assets from Athena (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 Athena, the promoters have agreed to non-competence for a period of 5 years from the expiry of Contract of service or the promoters ceasing to hold any securities of Athena (i.e. after October 31, 2026). Thus effectively 8 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".

Brand

Brand includes intangible assets acquired through business combinations. Athena uses the brand "Athena" 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 Athena. 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 a useful life of 10 years.



Intangible assets out of acquisition during the year ended March 31, 2022

Customer relationship

Customer contracts and related Customer relationships include intangible assets acquired through business combinations. It represents the relationship established by Denave 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 these intangible asset as defined in "Ind AS 113 Fair Value Measurement". The Company has ascertained the useful life as 6 years for the current year acquisition.

Non Compete

Non compete is based on a contractual agreement which protects the value of the purchased assets from Denave (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 Denave, the promoters have agreed to non-competence for a period of 3 years from the expiry of Contract of service or the promoters ceasing to hold any securities of Denave (i.e. after June 30, 2027). Thus effectively 5.5 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".

Brand

Brand includes intangible assets acquired through business combinations. Denave uses the brand "Denave" 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 Denave. 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.

3B Capital Work in Progress (CWIP)

Particulars	Amount
At April 01, 2021	3.20
Addition	41.24
Less: Capitalised during the year	(3.20)
At March 31, 2022	41.24
Addition	-
Less: Capitalised during the year	(41.24)
At March 31, 2023	-

Capital work in progress (CWIP) Ageing Schedule

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Capital Work in progress (Goods in Transit)					
As at March 31, 2023	-	-	-	-	-
As at March 31, 2022	41.24	-	-	-	41.24

There are no overdue or temporarily suspended Capital Work In Progress

3C Intangibles asset under development

Particulars	Amount
At April 01, 2021	-
Addition	-
Less: Capitalised during the period	-
At March 31, 2022	-
Addition	2.27
Less: Capitalised during the period	-
At March 31, 2023	2.27

Intangible Asset under development Ageing Schedule

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Intangibles asset under development					
As at March 31, 2023	2.27	-	-	-	2.27
As at March 31, 2022	-	-	-	-	-

There are no overdue or temporarily suspended Intangible Asset under development Ageing Schedule



Updater Services Limited (Formerly known as Updater Services Private Limited)
Notes to Consolidated financial statements for the year ended March 31, 2023
(All amounts are in millions of Indian Rupees unless otherwise stated)

Note	Particulars	As at March 31, 2023	As at March 31, 2022
4	Investments		
	Investments at Cost		
	9,999 (March 31, 2022 - 9,999) equity shares of ₹ 10 each fully paid up in Updater Services (UDS) Foundation (Refer note 46)	0.10	0.10
	Investments at Fair Value through Profit & Loss		
	HSBC Ultra Short Duration Fund - Direct Growth (Formerly known as L&T Low Duration Fund Direct Plan - Growth) [3,526.19 units (March 31, 2022: NIL)]	4.00	-
	Baroda BNP Paribas Ultra Short Duration Fund - Direct Plan Growth [3,101.84 units (March 31, 2022: NIL)]	4.00	-
	Aubotz Labs Limited Cumulative Convertible Debentures*	30.00	-
		<u>38.10</u>	<u>0.10</u>
	Non Current	0.10	0.10
	Current	38.00	-
	Aggregate value of investments**	<u>38.10</u>	<u>0.10</u>

Current Market Price for the Above quoted investments as on March 31, 2023:	Quantity	NAV as on March 31, 2023	Value as on March 31, 2023
HSBC Ultra Short Duration Fund - Direct Growth (Formerly known as L&T Low Duration Fund Direct Plan - Growth)	3,526.19	1,135.00	4.00
Baroda BNP Paribas Ultra Short Duration Fund - Direct Plan Growth	3,101.84	1,289.00	4.00

*During the year ended March 31, 2023, one of the subsidiaries, Integrated Technical Staffing and Solutions Private Limited (ITSS), invested in the cumulative convertible debentures of Aubotz Labs Limited (Aubotz) at an amount of ₹ 30 million with a lock-in period of 2 years, during which interest shall not be paid. Further, if Aubotz meets its targets as agreed in the investment agreement, equity shares will be subscribed at a discount of 25% at the time of issuance of shares.

**Impairment on aggregate value of investment for the year ended 31 March 2023 and March 31 2022 is Rs.Nil

5 Loans (At Amortised Cost)

(Unsecured and Considered good, unless otherwise stated)

Loans to Employee
- considered good
- credit impaired

Less: Impairment for doubtful loans

Total Loans (at amortised cost)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
	1.26	1.58	7.36	6.27
	-	-	3.41	3.41
	1.26	1.58	10.77	9.68
	-	-	(3.41)	(3.41)
	<u>1.26</u>	<u>1.58</u>	<u>7.36</u>	<u>6.27</u>
	<u>1.26</u>	<u>1.58</u>	<u>7.36</u>	<u>6.27</u>

Note: The Group has not given any loans or advances to directors or KMPs.

6 Other financial assets (At Amortised Cost)

(Unsecured and Considered good, unless otherwise stated)

Retention Deposits
- considered good
- credit impaired

Less: Impairment for doubtful deposits

Rental Deposit
- considered good
- credit impaired

Less: Impairment for doubtful deposits

Security Deposits
- considered good
- credit impaired

Less: Impairment for doubtful deposits

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
	0.30	12.45	-	-
	0.60	0.59	-	-
	0.90	13.04	-	-
	(0.60)	(0.59)	-	-
	<u>0.30</u>	<u>12.45</u>	<u>-</u>	<u>-</u>
	76.06	22.46	8.15	38.88
	3.08	2.70	-	-
	79.14	25.16	8.15	38.88
	(3.08)	(2.70)	-	-
	<u>76.06</u>	<u>22.46</u>	<u>8.15</u>	<u>38.88</u>
	69.17	37.55	49.04	43.79
	1.56	-	15.49	7.11
	70.73	37.55	64.53	50.90
	(1.56)	-	(15.49)	(7.11)
	<u>69.17</u>	<u>37.55</u>	<u>49.04</u>	<u>43.79</u>



Updater Services Limited (Formerly known as Updater Services Private Limited)
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6 Other financial assets (At Amortised Cost) (contd.)

	Non-Current		Current	
	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Advances recoverable in cash				
- considered good	-	-	0.94	-
- credit impaired	-	-	0.41	0.20
	-	-	1.35	0.20
Less: Impairment for doubtful advances	-	-	(0.41)	(0.20)
	-	-	0.94	-
Interest accrued and not due on bank deposits	-	-	8.67	6.68
Bank balances other than cash and cash equivalents				
- Margin Money deposits with Banks*	30.12	30.21	-	-
- in long term deposits with maturity more than 12 months	98.23	204.60	-	-
Other Financial Assets (at Amortised Cost)	273.88	307.27	66.80	89.35

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

7 Other Assets

	Non-Current		Current	
	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Balance with government authorities				
- considered good (Refer Note 44)	7.45	5.78	66.17	48.15
- credit impaired	-	-	4.16	4.16
	7.45	5.78	70.33	52.31
Less: Provision for doubtful balance with government authorities	-	-	(4.16)	(4.16)
	7.45	5.78	66.17	48.15
Advances for supply of goods				
- considered good	-	-	21.01	19.59
- credit impaired	-	-	15.81	17.65
	-	-	36.82	37.24
Less: Provision for doubtful advances for supply of goods	-	-	(15.81)	(17.65)
	-	-	21.01	19.59
Capital Advance				
- considered good	15.96	111.21	-	-
- credit impaired	0.06	0.96	-	-
	16.02	112.17	-	-
Less: Impairment for doubtful advances	(0.06)	(0.96)	-	-
	15.96	111.21	-	-
Advance to Employees				
- considered good	0.24	-	21.32	11.43
- credit impaired	-	-	2.52	2.52
	0.24	-	23.84	13.95
Less: Impairment for doubtful advances	-	-	(2.52)	(2.52)
	0.24	-	21.32	11.43
Prepaid Expenses	-	1.69	69.15	66.10
Share Issue Expenses*	-	-	59.92	-
Other advances	-	2.10	1.52	2.67
	23.65	120.78	239.09	147.94

* The Holding Company has incurred share issue expenses in connection with proposed public issue of Equity Shares amounting to Rs. 59.92 Millions (March 31, 2022 Rs. NIL). In accordance with the Companies Act, 2013 ("the Act") and also as per the offer agreement entered between the Holding company and the selling shareholders, the selling shareholders shall reimburse the share issue expenses in proportionate to respective shares offered for the sale. Accordingly, the Holding company will recover the expenses incurred in connection with the issue, on completion of Initial Public Offer (IPO). The entire amount has been disclosed under this head

8 Inventories

	As at	As at
	March 31, 2023	March 31, 2022
Raw materials	17.68	3.53
Stock-in-trade	32.38	44.65
Finished Goods	15.13	13.27
Consumables	4.67	1.81
	69.86	63.26



9 Non-Current Tax Assets (net)

Advance income tax	
Less: Provision for income taxes	

As at March 31, 2023	As at March 31, 2022
1,470.76	1,262.29
(923.57)	(742.87)
547.19	519.42

10 Contract Assets

Reimbursement Right of Gratuity (Refer Note 40)*	
Less: Provision for Expected Credit Loss	

Unbilled Revenue*	
Less: Provision for Estimated Price Concession	

Total Contract Assets

Non-Current		Current	
As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
221.55	195.32	179.74	131.78
-	(10.55)	(22.96)	-
221.55	184.77	156.78	131.78
-	-	513.84	432.14
-	-	(2.44)	(3.00)
-	-	511.40	429.14
221.55	184.77	668.18	560.92

*Classified as contract assets as there is no unconditional right to consideration and it is dependent on completion of contractual obligations. The Holding 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.

Movement of Contract Assets

As at April 01	
Add: Addition during the year	
Less: Billed during the year	
Less: Provision for Expected Credit loss and Estimated Price Concession	
As at March 31	

As at March 31, 2023	As at March 31, 2022
745.69	440.03
588.03	753.98
(418.59)	(434.77)
(25.40)	(13.55)
889.73	745.69

11 Trade Receivables

A. Trade Receivables

Trade receivables	
Trade receivable from related parties (Refer Note 46)	

Security Details	
Considered good , Unsecured	
Trade Receivables - credit impaired	

Impairment Allowance	
Considered good , Unsecured	
Trade Receivables - credit impaired	

Sub-Total (A)

B. Unbilled Receivables

Unbilled Receivables [#]	
- considered good	
- credit impaired	

Less: Provision for Estimated Price Concession	
Sub-Total (B)	

Total Trade Receivables (A + B)

[#]Classified as unbilled receivables as right to consideration is unconditional upon passage of time.

Movement of Expected Credit Loss

As at April 01	
Provision for expected credit loss	
As at March 31	

Movement of Unbilled Receivables

As at April 01	
Add: Addition during the year	
Less: Billed during the year	
Less: Provision for Estimated Price Concession	
As at March 31	

As at March 31, 2023	As at March 31, 2022
3,359.88	2,688.39
-	0.13
3,359.88	2,688.52
3,359.88	2,688.52
126.91	165.85
3,486.79	2,854.37
(2.16)	(1.78)
(124.75)	(164.07)
(126.91)	(165.85)
3,359.88	2,688.52
As at March 31, 2023	As at March 31, 2022
917.40	786.33
8.81	6.00
926.21	792.33
(8.81)	(6.00)
917.40	786.33
4,277.28	3,474.85

As at March 31, 2023	As at March 31, 2022
1.78	2.48
0.38	(0.70)
2.16	1.78

As at March 31, 2023	As at March 31, 2022
786.33	668.28
926.21	792.33
(786.33)	(668.28)
(8.81)	(6.00)
917.40	786.33



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 46.

Trade Receivable ageing as on March 31, 2023

Particulars	Unbilled	Current but not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - considered good	917.40	1,854.55	1,425.40	46.67	21.47	5.11	6.68	4,277.28
(ii) Undisputed Trade Receivables - credit impaired	8.81	25.11	13.09	14.01	20.38	17.33	18.39	117.12
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - credit impaired	-	-	1.50	-	2.96	0.77	13.37	18.60
	926.21	1,879.66	1,439.99	60.68	44.81	23.21	38.44	4,413.00

Trade Receivable ageing as on March 31, 2022

Particulars	Unbilled	Current but not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - considered good	786.33	1,379.06	1,196.39	45.30	45.36	17.52	4.89	3,474.85
(ii) Undisputed Trade Receivables - credit impaired	6.00	14.96	16.86	34.62	40.28	27.58	8.35	148.65
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - credit impaired	-	-	6.87	0.03	2.66	1.49	12.15	23.20
	792.33	1,394.02	1,220.12	79.95	88.30	46.59	25.39	3,646.70

12A Cash and cash equivalents

Balances with banks
- On current accounts
- deposits with original maturity of less than three months
Cash in hand

	As at March 31, 2023	As at March 31, 2022
	864.06	401.69
	282.03	170.82
	0.58	0.35
	1,146.67	572.86

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

Balances with banks
- On current accounts
- deposits with original maturity of less than three months
Cash in hand

	As at March 31, 2023	As at March 31, 2022
	864.06	401.69
	282.03	170.82
	0.58	0.35
	1,146.67	572.86

Total Cash and Cash Equivalents

12B Bank Balances other than cash and cash equivalents as above (Current)

Long term deposits with maturity more than 3 months but less than 12 months
Margin money deposit and Earmarked balances with Bank*
Total Bank Balances other than cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
	414.98	73.81
	89.29	63.50
	504.27	137.31

*Fixed deposits is under lien with various banks in respect of guarantees issued to third parties. The earmarked balances represent advances received from Government for DDUGKY project and advances received are utilised only for the said project.

12C Changes in liabilities arising from financing activities

Particulars	Borrowings	Lease Liabilities
As at April 1, 2021	116.10	44.94
Cash Inflows	8,832.00	-
New Leases & Interest	44.91	122.93
Cash Outflows	(8,406.22)	(41.50)
As at March 31, 2022	586.79	126.37
Cash Inflows	10,777.33	-
New Leases & Interest	120.13	394.90
Cash Outflows	(9,718.87)	(88.02)
As at March 31, 2023	1,765.38	433.25



13 Deferred tax asset (Net)

Property, plant & equipment and Intangible assets
Lease Liabilities
Losses available for offsetting against future taxable income*
Provision for impairment of doubtful trade receivables
Provision for doubtful advances
Provision for gratuity
Provision for compensated absences
Expenses allowable on payment basis
Others
Deferred tax asset (Net)

	As at March 31, 2023	As at March 31, 2022
71.88	32.53	
18.73	0.70	
36.14	12.69	
46.47	119.65	
12.86	73.49	
134.20	102.48	
20.58	18.10	
126.98	102.35	
20.23	11.85	
488.07	473.84	

Reconciliation of Deferred tax asset/liabilities

Opening balance (Deferred tax asset)
Opening balance (Deferred tax liabilities)
Tax Expense during the year recognised in Statement of Profit and Loss
Deferred tax on Acquisition (Refer Note 54)
Movement in MAT credit balance (adjusted in tax provisions)
Tax (Income) / Expense during the year recognised in OCI
Closing balance (Net)

473.84	381.12
(108.48)	(25.56)
41.27	60.78
(72.94)	(55.27)
-	(1.22)
(3.12)	5.51
330.57	365.36

Closing balance (Deferred tax asset)

488.07 473.84

Closing balance (Deferred tax liabilities)

(157.50) (108.48)

* One of the subsidiary, Global Flight Handling Services Private Limited ("Global") has been awarded multiple airport contracts for ground handling services/business during the financial year 2021-22, and the operations in those airports have commenced from the current year onwards. As per the projections, the subsidiary has reasonable certainty to earn sufficient taxable income in the future periods to set-off the carry forward losses and corresponding reversal of deferred tax asset relating to such losses. Based on the given facts, the subsidiary has recognized and carried deferred tax asset on the losses in the books of accounts.



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Updater Services Limited (Formerly known as Updater Services Private Limited)
Notes to Consolidated financial statements for the year ended March 31, 2023
(All amounts are in millions of Indian Rupees unless otherwise stated)

Note	Particulars	As at March 31, 2023	As at March 31, 2022
14	Equity share capital		
	Authorised		
	75,000,000 (March 31, 2022: 53,000,000) equity shares of ₹ 10 each	750.00	530.00
	Issued, subscribed and paid up		
	52,952,467 (March 31, 2022: 52,817,479) equity shares of ₹ 10 each fully paid up	529.52	528.18

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
At the beginning of the year	5,28,17,479	528.18	5,28,17,479	528.18
Add: Shares issued during the year	1,34,988	1.34	-	-
Outstanding at the end of the year	5,29,52,467	529.52	5,28,17,479	528.18

(b) Terms / rights attached to equity shares:

The Holding Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Group 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 Holding Company or its subsidiaries, equity share holders will be entitled to receive remaining assets of the Holding Company or its subsidiaries, 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 Holding 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 as defined in the share purchase agreement) by the Holding Company and other Shareholders.

During the year ended March 31 2023, the Holding Company had issued and allotted 134,988 equity shares for consideration other than cash to the promoters of acquired subsidiary.

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:

As at March 31, 2023

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(i) Equity shares allotted as fully paid bonus shares by capitalization of securities premium	-	-	-	-	-
(ii) Equity shares bought back by the company	-	-	-	-	-
(iii) Aggregate number of Equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	1,34,988	-	-	-	-

As at March 31, 2022

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
(i) Equity shares allotted as fully paid bonus shares by capitalization of securities premium	-	-	-	-	-
(ii) Equity shares bought back by the company	-	-	-	-	-
(iii) Aggregate number of Equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-

(d) Details of shareholders holding more than 5% shares in the Holding company:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity shares of ₹ 10 each fully paid				
Mr.Raghunandana Tangirala	1,55,87,702	29.44%	1,63,77,702	31.01%
Ms.Shanthi Tangirala	1,62,37,705	30.66%	1,62,37,705	30.74%
Tangi Facility Solutions Private Limited	1,11,73,440	21.10%	1,11,73,440	21.15%
India Business Excellence Fund – II	28,89,161	5.46%	28,89,161	5.47%
India Business Excellence Fund – IIA	61,39,468	11.59%	61,39,468	11.62%
Total	5,20,27,476	98.25%	5,28,17,476	100.00%



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As per records of the Holding 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.

(e) 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.

(f) Promoter's Shareholding details:

Particulars	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
As at March 31, 2023					
Mr.Raghunandana Tangirala	1,63,77,702	(7,90,000)	1,55,87,702	29.44%	(1.57%)
Ms.Shanthi Tangirala	1,62,37,705	-	1,62,37,705	30.66%	(0.08%)
Tangi Facility Solutions Private Limited	1,11,73,440	-	1,11,73,440	21.10%	(0.05%)
As at March 31, 2022					
Mr.Raghunandana Tangirala	1,63,77,705	(3)	1,63,77,702	31.01%	0.00%
Ms.Shanthi Tangirala	1,62,37,705	-	1,62,37,705	30.74%	0.00%
Tangi Facility Solutions Private Limited	1,11,73,440	-	1,11,73,440	21.15%	0.00%



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Updater Services Limited (Formerly known as Updater Services Private Limited)
Notes to Consolidated financial statements for the year ended March 31, 2023
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Note Particulars	As at March 31, 2023	As at March 31, 2022
15 Other Equity		
Retained Earnings	2,554.32	2,227.14
Capital Redemption Reserve	21.09	20.75
General Reserve	26.60	26.60
Foreign Currency Translation Reserve	21.56	-
Securities premium	601.95	559.43
Employee Stock Option Reserve (Refer Note 42)	53.89	42.17
Total Other Equity	3,279.41	2,876.09
Retained Earnings		
Particulars	Amount	
As at April 1, 2021	1,683.62	
Add: Profit for the year	552.91	
Less: Other Comprehensive Gain / (Loss)	(27.16)	
Add: Adjustments relating to acquisition of NCI	25.52	
Less: Income tax on buyback of equity shares	(7.75)	
As at March 31, 2022	2,227.14	
Add: Profit for the period	357.86	
Less: Transfer to Capital Redemption Reserve	(0.34)	
Less: Other Comprehensive Gain / (Loss)	9.65	
Less: Adjustments relating to acquisition of NCI	(39.99)	
As at March 31, 2023	2,554.32	
Capital Redemption Reserve		
Particulars	Amount	
As at April 1, 2021	20.75	
Changes during the year	-	
As at March 31, 2022	20.75	
Changes during the year	0.34	
As at March 31, 2023	21.09	
General Reserve		
Particulars	Amount	
As at April 1, 2021	26.60	
Changes during the year	-	
As at March 31, 2022	26.60	
Changes during the year	-	
As at March 31, 2023	26.60	
Foreign Currency Translation Reserve		
Particulars	Amount	
As at April 1, 2021	-	
Changes during the year	-	
As at March 31, 2022	-	
Changes during the year	21.56	
As at March 31, 2023	21.56	
Securities premium		
Particulars	Amount	
As at April 1, 2021	559.43	
Changes during the year	-	
As at March 31, 2022	559.43	
Changes during the year	42.52	
As at March 31, 2023	601.95	
Employee Stock Option Reserve		
Particulars	Amount	
As at April 1, 2021	34.05	
Add: Employee stock options provided	8.12	
As at March 31, 2022	42.17	
Add: Employee stock options provided	38.89	
Less: NCI in share options	(27.17)	
As at March 31, 2023	53.89	



Nature and purpose of reserves

(i) Retained Earnings

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

(ii) Capital Redemption Reserve

The Group 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 Group 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) Foreign Currency Translation Reserve

The exchange differences arising from the translation of financial statements of foreign step subsidiaries with functional currency other than the Indian Rupee have been reported as foreign currency translation reserve in the consolidated statement of changes in equity.

(v) 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.

(vi) Employee Stock Option Reserve

The Employee Stock Option reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan

Note Particulars	As at March 31, 2023	As at March 31, 2022
16 Non Controlling Interest (NCI)	69.18	53.09
Total Other Equity (Note 15 + 16)	3,348.60	2,929.18

Movement of NCI

Particulars	Amount
As at April 1, 2021	69.28
Total comprehensive Income for the year	20.77
Adjustments relating to acquisition of NCI	(25.52)
Additional investment by NCI	1.69
Buyback of Equity Shares along with distribution Income Tax	(13.13)
As at March 31, 2022	53.09
Total comprehensive Income for the year	(11.72)
Dividend Payment to NCI	(9.54)
Adjustments relating to acquisition of NCI	10.18
NCI in share options	27.17
As at March 31, 2023	69.18

17 Borrowings (at Amortized Cost)

	Non-Current		Current (at Amortised Cost)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Term Loans from bank (Secured)*	179.25	-	-	-
Current Maturities of Long Term Loans (secured)*	-	-	78.63	-
Cash credit from banks (secured)**	-	-	-	14.64
Working capital loan (secured)***	-	-	1,155.31	572.15
Short Term Revolving Loan (secured) ****	-	-	352.19	-
Total Borrowings	179.25	-	1,586.13	586.79

* During the year ended March 31, 2023, the Holding Company had taken a Term Loan facility with an interest rate of 7.15% to 8.32% p.a. These facilities are secured by way of charge on certain movable fixed assets of the Holding company and second charge on current assets of the Holding company. This facility is repayable by way of 48 equal monthly instalments. The amount repayable within the next 12 months is shown as current borrowings and the balance is shown as non-current borrowings.

** The Holding Company has taken cash credit having interest rate ranging from 6% to 24% p.a. (March 31, 2022: 7% to 13.75% 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 Holding Company on both present and future and collateral by way of pari passu first charge on the entire movable assets of the Holding Company both present and future of the Holding Company.

*** The Holding Company has taken working capital loan from banks having interest rate ranging from 4.46% to 8.40% p.a (March 31, 2022: 4.46% to 8.40% p.a). These facilities are repayable within 4 - 90 days and are secured primarily by way of pari passu first charge on the entire current assets of the Holding Company on both present and future and collateral by way of pari passu first charge on the entire movable assets of the Holding Company.

**** The Holding Company has taken a short term revolving loan with an interest rate ranging from 8.15% to 8.75% p.a (March 31, 2022: 8.15% to 8.75% p.a). These facilities are repayable within 12 months and are secured primarily by way of First Pari Passu Charge over Present and Future Current Assets (Inventory and Book Debt) & First Pari Passu Charge on Movable Fixed Assets (excluding those exclusively charged to term lenders of the borrower).



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There was a breach in the financial covenants relating to the term loan and working capital demand loan facilities availed by the holding company from 2 banks as at March 31, 2023. The holding company has obtained a condonation subsequent to the financial year end for the breach of covenants applicable for the term loan and working capital demand loan obtained from the two banks. hence there have been no changes made to the classification of these loans.

During the year ended March 31, 2022, one of the subsidiary Avon Solutions and Logistics Private Limited had availed current borrowings facility from HDFC Bank and Kotak Mahindra Bank. During the year ended March 31, 2023, there were no borrowings (Interest rate range - March 31, 2022: 8.60% to 10.10%). The overdraft facility limits to Rs. Nil and the same is secured by lien on fixed deposits of Rs. Nil (March 31, 2022: Rs. 20.05 Million and Rs. 15.50 Million)

In one of the subsidiaries (Denave India Private Limited), there were no material differences noted between the amounts of current assets (provided as security for the working capital facilities) reported in the returns submitted to the banks and the books of account, as at the end of each quarter.

The summary of differences noted in quarterly statements filed by the Holding Company with banks are as follows:

As at March 31, 2023

Quarterly Statement Period	Bank Name	Amount as per books of accounts	Amount as reported in the quarterly statement	Difference (Refer below Note)
Debtors				
June 30, 2022	All Banks	2,721.48	3,046.41	(324.93)
September 30, 2022	HDFC, SCB, DBS, ICICI, Kotak	2,866.53	3,399.90	(533.37)
September 30, 2022	Citi	2,866.53	3,386.60	(520.07)
December 31, 2022	All Banks	2,179.65	3,295.16	(1,115.51)
March 31, 2023	All Banks	2,872.48	2,944.43	(71.95)
Creditors				
June 30, 2022	HDFC, SCB, DBS, Citi, Kotak	233.21	66.18	167.03
June 30, 2022	ICICI	233.21	-	233.21
September 30, 2022	HDFC, SCB, DBS, Citi, Kotak	271.76	153.80	117.96
September 30, 2022	ICICI	271.76	-	271.76
December 31, 2022	HDFC, SCB, DBS, Citi, Kotak	306.89	271.49	35.40
December 31, 2022	ICICI	306.89	-	306.89
March 31, 2023	HDFC, SCB, DBS, Citi, Kotak	288.67	348.92	(60.25)
March 31, 2023	ICICI	288.67	-	288.67
Sales				
June 30, 2022	HDFC, SCB, DBS, Citi, Kotak	2,974.45	2,975.50	(1.05)
June 30, 2022	ICICI	2,974.45	29,755.00	(26,780.55)
September 30, 2022	HDFC, SCB, DBS, Citi, Kotak	6,230.53	6,189.40	41.13
September 30, 2022	ICICI	6,230.53	61,894.00	(55,663.47)
December 31, 2022	All Banks	9,672.04	9,690.57	(18.53)
March 31, 2023	All Banks	13,085.42	12,981.21	104.21
Purchases				
June 30, 2022	ICICI	238.24	1,600.00	(1,361.76)
September 30, 2022	ICICI	515.30	5,499.00	(4,983.70)
December 31, 2022	ICICI	808.71	772.22	36.49
March 31, 2023	ICICI	1,102.93	1,152.75	(49.82)
Borrowings				
June 30, 2022	HDFC, SCB, DBS, Citi, Kotak	1,005.08	1,005.00	0.08
June 30, 2022	ICICI	1,005.08	920.00	85.08
September 30, 2022	HDFC, SCB, DBS, Citi	1,698.18	1,441.20	256.98
September 30, 2022	Kotak	1,698.18	1,084.00	614.18
September 30, 2022	ICICI	1,698.18	750.00	948.18
December 31, 2022	HDFC, SCB, DBS, Citi, Kotak	1,934.01	1,853.60	80.41
December 31, 2022	ICICI	1,934.01	1,350.00	584.01
March 31, 2023	Citi, Kotak	1,765.48	2,018.60	(253.12)
March 31, 2023	HDFC, DBS, SCB	1,765.48	1,768.60	(3.12)
March 31, 2023	ICICI	1,765.48	1,755.58	9.90

Note:

- The Holding Company has submitted quarterly returns to the banks in respect of borrowings taken against the security of current assets. These quarterly returns are submitted to HDFC Bank, ICICI Bank, SCB Bank, Citi Bank, DBS Bank and Kotak Mahindra Bank.
- The discrepancy in respect of debtors, creditors, sales for the period, purchases for the period and borrowings for the period were attributable to the Holding Company's financial closure process being not fully completed at the time of filing quarterly statements and clerical errors at the time of filing returns with banks
- The Company has subsequent to year end, re-submitted the above statements to the respective banks in the month of July, 2023



The summary of differences noted in quarterly statements filed by one of the subsidiary, Fusion Foods & Catering Private Limited with banks are as follows:
As at March 31, 2023

Quarterly Statement Period	Bank Name	Amount as per books of accounts	Amount as reported in the quarterly statement	Difference (Refer Note below)
Debtors				
June 30, 2022	HDFC Bank	115.45	112.73	2.72
September 30, 2022	HDFC Bank	156.84	157.90	(1.06)
December 31, 2022	HDFC Bank	194.43	199.80	(5.37)
March 31, 2023	HDFC Bank	234.20	189.67	44.53
Creditors				
June 30, 2022	HDFC Bank	83.62	88.73	(5.11)
September 30, 2022	HDFC Bank	75.51	78.99	(3.48)
December 31, 2022	HDFC Bank	130.89	125.59	5.30
March 31, 2023	HDFC Bank	126.02	125.74	0.28

Note:

The discrepancy in respect of debtors and creditors for the period were attributable to the subsidiary's financial closure process being not fully completed at the time of filing quarterly statements with banks.

The summary of differences noted in quarterly statements filed by the Holding Company with banks are as follows:
As at March 31, 2022

Quarterly Statement Period	Bank Name	Amount as per books of accounts	Amount as reported in the quarterly statement	Difference (Refer below) Note
Debtors				
June 30, 2021	All banks	1,737.85	2,414.39	(676.54)
September 30, 2021	All banks	2,790.08	2,782.76	7.32
December 31, 2021	All banks	2,206.23	2,990.16	(783.93)
March 31, 2022	All banks	1,744.49	2,849.44	(1,104.95)
Creditors				
June 30, 2021	All banks	229.42	160.00	69.42
September 30, 2021	All banks	135.06	160.00	(24.94)
December 31, 2021	All banks	191.23	160.00	31.23
March 31, 2022	All banks	248.38	160.00	88.38
Sales				
June 30, 2021	All banks	2,530.62	2,480.30	50.32
September 30, 2021	All banks	5,112.87	5,100.34	12.53
December 31, 2021	All banks	7,861.71	7,779.21	82.50
March 31, 2022	All banks	10,706.73	10,622.70	84.03
Purchases				
June 30, 2021	All banks	162.07	135.00	27.07
September 30, 2021	All banks	362.98	260.00	102.98
December 31, 2021	All banks	546.27	320.00	226.27
March 31, 2022	All banks	822.03	320.00	502.03
Borrowings				
June 30, 2021	All banks	364.98	194.10	170.88
September 30, 2021	All banks	953.07	95.33	857.74
December 31, 2021	All banks	940.34	94.04	846.30
March 31, 2022	All banks	570.00	57.00	513.00

Note:

- The Holding Company has submitted quarterly returns to the banks in respect of borrowings taken against the security of current assets. These quarterly returns are submitted to HDFC Bank, ICICI Bank, SCB Bank, Citi Bank, DBS Bank and Kotak Mahindra Bank.
- The discrepancy in respect of borrowings outstanding reported for the quarter ending September 30, 2021, December 30, 2021 and March 31, 2022, was attributable to clerical errors while the discrepancies in respect of debtors, creditors, sales for the period, purchases for the period for all the quarters and borrowings for quarter ending June 30, 2021 were attributable to the Holding Company's financial closure process being not fully completed at the time of filing quarterly statements. The Holding Company has subsequent to year end, re-submitted the above statements to the respective banks during December 2021.



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The summary of differences noted in quarterly statements filed by one of the subsidiary, Fusion Foods & Catering Private Limited with banks are as follows:
As at March 31, 2022

Quarterly Statement Period	Bank Name	Amount as per books of accounts	Amount as reported in the quarterly statement	Difference (Refer Note below)
Debtors				
June 30, 2021	HDFC	116.65	87.96	28.69
September 30, 2021	HDFC	93.50	82.39	11.11
December 31, 2021	HDFC	79.07	84.99	(5.92)
March 31, 2022	HDFC	122.41	136.26	(13.85)
Creditors				
June 30, 2021	HDFC	27.99	28.61	(0.62)
September 30, 2021	HDFC	27.80	29.02	(1.22)
December 31, 2021	HDFC	39.73	46.66	(6.93)
March 31, 2022	HDFC	54.95	51.75	3.20

Note:

The discrepancy in respect of debtors and creditors for the period were attributable to the subsidiary's financial closure process being not fully completed at the time of filing quarterly statements with banks.

18 Trade Payables (at Amortised Cost)

Dues to Micro Enterprises and Small Enterprises (MSMEs)
Dues to Related Party (Refer Note 46)
Dues to other than Micro Enterprises and Small Enterprises (MSMEs)
Total Trade Payables

	As at March 31, 2023	As at March 31, 2022
Dues to Micro Enterprises and Small Enterprises (MSMEs)	174.35	57.75
Dues to Related Party (Refer Note 46)	4.32	3.01
Dues to other than Micro Enterprises and Small Enterprises (MSMEs)	614.64	396.03
Total Trade Payables	793.31	456.79

Trade Payables ageing as on March 31, 2023

Particulars	Unbilled	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed outstanding dues of MSMEs	81.61	18.73	71.12	0.67	0.80	1.05	173.98
Undisputed outstanding dues of creditors other than MSMEs	148.94	69.23	354.13	15.50	4.31	20.32	612.43
Disputed outstanding dues of MSMEs	-	-	-	-	-	0.37	0.37
Disputed outstanding dues of creditors other than MSMEs	-	-	-	-	-	6.53	6.53
Total	230.55	87.96	425.25	16.17	5.11	28.27	793.31

Trade Payables ageing as on March 31, 2022

Particulars	Unbilled	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed outstanding dues of MSMEs	10.78	2.51	39.82	2.18	1.57	0.52	57.38
Undisputed outstanding dues of creditors other than MSMEs	103.12	114.51	150.98	9.98	5.30	8.65	392.54
Disputed outstanding dues of MSMEs	-	-	-	-	-	0.37	0.37
Disputed outstanding dues of creditors other than MSMEs	-	-	-	-	-	6.50	6.50
Total	113.90	117.02	190.80	12.16	6.87	16.04	456.79

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 46.

19 Other Financial Liabilities

(At Amortized Cost)

Capital creditors
Employee benefits payable
Security Deposit
Bonus payable
Director Fee Payable
Other payables

(At Fair Value through Profit or Loss)

Liability payable to promoters of acquired subsidiary[#]
Total Other Financial Liabilities

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Capital creditors	-	-	15.03	36.20
Employee benefits payable	-	-	1,162.53	1,080.85
Security Deposit	-	-	-	0.93
Bonus payable	-	-	399.39	402.91
Director Fee Payable	-	-	0.72	-
Other payables	-	-	8.29	1.73
Liability payable to promoters of acquired subsidiary [#]	1,138.71	804.14	735.94	257.96
Total Other Financial Liabilities	1,138.71	804.14	2,321.90	1,780.58

[#] This represents liability payable to the promoters of acquired subsidiaries - Athena BPO Private Limited (March 31, 2023: Rs. 678.30 Million; March 31, 2022: Nil), Denave India Private Limited (March 31, 2023: Rs.1196.35 Million; March 31, 2022: Rs.804.14 Million) and Matrix Business Services Private Limited (March 31, 2023: Nil; March 31, 2022: Rs. 257.96 Million) under the terms of the relevant share purchase agreement for acquisition of future purchase of shares.

20 Net Employee defined benefit liabilities

Provision for Gratuity (Refer Note 40)
Provision for Gratuity - Reimbursement Employees (Refer Note 40)
Total Net Employee defined benefit liabilities

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for Gratuity (Refer Note 40)	319.56	290.64	99.37	98.03
Provision for Gratuity - Reimbursement Employees (Refer Note 40)	219.93	197.36	123.20	94.42
Total Net Employee defined benefit liabilities	539.49	488.00	222.57	192.45



21 Deferred Tax Liabilities (Net)

Intangible assets arising on acquisition
Total Deferred Tax Liabilities (Net)

As at March 31, 2023	As at March 31, 2022
157.50	108.48
157.50	108.48

22 Short Term Provisions

Provision for employee benefits
Provision for leave benefits
Other provisions
Provision for tax litigations*
Total Short Term Provisions

As at March 31, 2023	As at March 31, 2022
104.18	97.11
3.34	2.81
107.52	99.92

*The table gives the information about movement of the provision :

Provision for litigations (Refer Note 44)

At the beginning of the year
Created during the year
Utilised during the year
At the end of the year

2.81	2.81
0.53	-
-	-
3.34	2.81

23 Current tax liabilities (net)

Provision for income taxes (net of advance income taxes)
Total Current Tax Liabilities (net)

As at March 31, 2023	As at March 31, 2022
57.30	37.13
57.30	37.13

24 Other current liabilities

Advance from customers
Statutory dues and related liabilities*
Provision against PF order[†]
Deferred Income
Other Payables
Total other current liabilities

As at March 31, 2023	As at March 31, 2022
16.24	48.48
673.85	500.52
4.22	3.88
10.05	18.63
50.07	36.14
754.43	607.65

*Statutory dues and related liabilities include PF, ESI, PT, TDS, GST and LWF

[†]One of subsidiary Company (Avon Solutions & Logistics Private Limited) had received an order from the High Court (against the appeal made by the PF department) directing the subsidiary to pay PF on certain allowances to be considered for PF computation for the salary paid for the period FY 2007-12 . Based on the High court order and in compliance with Supreme Court judgement in 2019, the subsidiary has created provision. Further, the Subsidiary has also accrued for interest during the year.



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Updater Services Limited (Formerly known as Updater Services Private Limited)
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Note	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
25	Revenue from contracts with customers		
	Sale of services	20,901.07	14,796.35
	Sale of products	87.80	39.17
	Total Revenue from contracts with customers	20,988.87	14,835.52
	Revenue by Geography		
	India	19,368.40	14,736.14
	Outside India	1,620.47	99.38
	Total Revenue from contracts with customers	20,988.87	14,835.52
	Timing of revenue recognition		
	Goods transferred at a point in time	87.80	39.17
	Service transferred at a point in time	381.80	587.51
	Service transferred over a period of time	20,519.27	14,208.84
	Total	20,988.87	14,835.52
	Reconciliation of Revenue from sale of products/services with the contracted price		
	Revenue as per contracted price	21,160.19	15,107.13
	Adjustments - Estimated price concessions*	(171.32)	(271.61)
	Total	20,988.87	14,835.52
	*The table gives the information about movement of the Estimated price concessions:		
	At the beginning of the year	324.56	215.32
	Created during the year	171.32	271.61
	Utilised during the year	(412.36)	(162.37)
	At the end of the year	83.52	324.56
	Contract Balances		
	Trade Receivables (Refer Note 11)	4,277.28	3,474.85
	Contract Assets (Refer Note 10)	889.73	745.69
	Contract Liabilities		
	Advance from customers (Refer Note 24)	16.24	48.48
	Deferred Income (Refer Note 24)	10.05	18.63
26	Other Income		
	Profit on sale of property, plant & equipment (net)	4.99	0.40
	Provision no longer required written back*	61.81	55.84
	Other non-operating income	4.20	1.44
	Bad debts recovered	-	9.44
	Fair value gain on Financial Assets at FVTPL	0.79	10.17
	Exchange Differences (net)	-	6.05
	Total Other income	71.79	83.34
	* Includes reversal of impairment allowance amounting to ₹ 47.18 million relating to certain receivables in respect of which management had estimated the recovery to be the doubtful in the previous year. In the current period, post issuance of credit notes as per the relevant provisions of the Central Goods and Services Act, 2017 and other rules thereunder, such impairment allowance is no longer considered necessary and has accordingly been reversed in the current period.		
27	Finance income		
	Interest income - Bank deposits	25.53	23.53
	Interest income on income tax refund	23.47	32.08
	Interest income - Others	11.24	4.46
	Total Finance income	60.24	60.07



Updater Services Limited (Formerly known as Updater Services Private Limited)
Notes to Consolidated financial statements for the year ended March 31, 2023
(All amounts are in millions of Indian Rupees unless otherwise stated)

28 Cost of materials consumed

Inventory at the beginning of the year
Add: Purchase
Less : Inventory at the end of the year
Cost of materials consumed

Year ended March 31, 2023	Year ended March 31, 2022
3.53	2.63
782.19	388.10
(17.68)	(3.53)
768.04	387.20

29 Purchase of traded goods

Purchase of traded goods
Total Purchase of traded goods

Year ended March 31, 2023	Year ended March 31, 2022
23.72	19.71
23.72	19.71

30 Cost of Services

Cost of Services
Total Cost of Services

Year ended March 31, 2023	Year ended March 31, 2022
2,667.09	954.10
2,667.09	954.10

31 Changes in inventories of finished goods and traded goods

Finished Goods
Closing stock
Opening stock
Stock-in-trade
Closing stock
Opening stock
Total Changes in Inventories

Year ended March 31, 2023	Year ended March 31, 2022
15.13	13.27
13.27	8.16
32.38	44.65
44.65	36.32
10.41	(13.44)

32 Employee benefit expenses

Salaries and wages
Contribution to provident and other fund (Refer Note 40)
Less: Income from government grants [#]
Gratuity expense (Refer Note 40)
Staff welfare expenses
Employee stock option expenses (Refer Note 42)
Total Employee benefit expenses

Year ended March 31, 2023	Year ended March 31, 2022
12,291.44	9,496.00
1,328.95	1,071.78
(1.70)	(9.85)
91.00	76.67
92.00	39.05
38.89	8.12
13,840.58	10,681.77

[#]The Holding Company is availing of benefits under a government scheme - Pradhan Mantri Rojgar Protsahan Yojana (PMRYP) 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 holding company is availing of benefits under government scheme- Atmanirbhar Bharat Rozgar Yojana (ABRY) which provides incentive to employers for creation of new employment along with social security benefits post covid recovery phase. The Holding Company is availing this benefit from 1st October 2020 where both employee and employer share of PF contribution or only employee's share of contribution is borne by the government basis the employment strength and employees fulfilling the criteria prescribed under the scheme.

33 Finance costs

Interest on borrowings
Interest on lease liabilities
Interest on Income Tax
Other borrowing costs
Total Finance costs

Year ended March 31, 2023	Year ended March 31, 2022
123.07	44.91
20.97	5.16
0.76	0.61
0.87	-
145.67	50.68

34 Depreciation and amortization expense

Depreciation of Property, Plant and Equipment (Refer Note 3)
Depreciation of Right of Use Assets (Refer Note 41)
Amortization of intangible assets (Refer Note 3A)
Total Depreciation and amortization expense

Year ended March 31, 2023	Year ended March 31, 2022
209.82	84.35
90.02	36.17
70.56	44.82
370.40	165.34



	Year ended March 31, 2023	Year ended March 31, 2022
35 Impairment losses on financial instrument and contract assets		
Expected credit loss on reimbursement right of gratuity	11.64	43.79
Impairment for doubtful trade receivables	14.21	11.66
Impairment on doubtful advances	10.49	4.56
Total Impairment Losses on financial instrument and contract assets	36.34	60.01
36 Fair value change in Liability payable/paid to promoters of acquired subsidiary		
Fair value loss on changes due to re-measurement of Liability payable/paid to promoters of acquired subsidiary (Refer Note 19)	413.63	213.48
Total	413.63	213.48
37 Other Expenses		
Payment to Associates	172.82	108.35
Verification expenses	129.30	131.93
Consumption of stores and spares	11.33	7.33
Communication expenses	53.51	23.96
Canteen materials	48.20	21.21
Cleaning materials and consumables	306.04	220.09
Advances written off	-	2.50
Bad debts written off	1.55	8.89
Freight and forwarding charges	13.48	1.31
Insurance	29.39	33.72
Legal and professional fees	104.39	80.07
Power and fuel	47.67	19.96
Computer hire charges	28.56	23.66
Discount Allowed	-	5.53
Postage and Courier Charges	170.37	259.65
Printing and stationery	23.03	26.74
Provision for Diminution of value of inventories	0.73	1.03
Non Executive Director's remuneration	6.81	2.10
Payment to auditor	14.46	15.28
Rates and taxes	26.76	54.06
Rent	77.08	53.53
Repairs and maintenance - Buildings	-	17.97
Repairs and maintenance - Others	126.92	61.12
CSR expenditure	14.03	9.44
Site maintenance expenses	548.47	370.21
Travelling and conveyance	129.54	78.36
Loss on sale of Property, plant and equipment	5.51	12.23
Training Expense	73.11	36.88
License Fee	67.98	10.63
Miscellaneous expenses	72.10	52.93
Total Other Expenses	2,303.14	1,750.67
38 Income Tax Expense		
The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:		
Current income tax:		
Current income tax charge	227.55	209.48
Tax related to earlier periods	9.55	(12.98)
Deferred tax:		
Relating to origination and reversal of temporary differences	(41.27)	(60.78)
Total Income tax expense reported in the statement of profit or loss	195.83	135.72
Other Comprehensive income (OCI) Section		
Income Tax Effect on Re-measurement gains and (losses) on defined benefit obligations (net)	(3.12)	5.51



Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for years ended March 31, 2023 and March 31, 2022:	Year ended March 31, 2023	Year ended March 31, 2022
Accounting Profit before income tax	541.88	709.41
Less: Accounting profit before tax taxed at different rates*	(177.70)	-
Adjusted Accounting Profit before income tax	364.18	709.41
Enacted tax rate in India	25.17%	25.17%
Profit before income tax multiplied by enacted tax rate	91.66	178.54
Effects of:		
Effect of change in substantively enacted tax rates on deferred tax	0.39	(2.18)
Effect of Ind As Adjustments	1.19	-
Additional deduction under Income Tax based on employment generation	(75.56)	(81.10)
Adjustment in respect of tax related to earlier years	9.55	(11.65)
Fair value change in Liability payable/paid to promoters of acquired subsidiary	104.11	5.35
Non deductible expenses	11.19	-
Contribution to CSR	0.61	-
Tax on accounting profit that taxed at different rate*	21.24	-
Others	31.45	46.76
Net effective income tax	195.83	135.72
Other Comprehensive income (OCI) Section		
Deferred Tax related to items recognised in OCI during the year		
Income Tax Effect on Re-measurement gains and (losses) on defined benefit obligations (net)	(3.12)	5.51
	<u>(3.12)</u>	<u>5.51</u>

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

*One of the subsidiaries have profits accruing or arising outside India and hence taxed at different rated based on the respective jurisdiction.

39 Earnings per equity share

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Holding Company by the weighted average number of Equity shares outstanding during the period 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	Year ended March 31, 2023	Year ended March 31, 2022
Profit attributable to equity shareholders of Holding Company	357.86	552.91
Profit attributable to equity holders of the Holding Company adjusted for the effect of dilution	357.86	552.91
Weighted average number of Equity shares for basic EPS	5,28,21,547	5,28,17,479
Effect of dilution:		
Employee Stock Options	5,57,444	3,63,033
Weighted average number of Equity shares adjusted for the effect of dilution	5,33,78,991	5,31,80,512
Earning per share of ₹ 10 each		
- Basic	6.77	10.47
- Diluted	6.70	10.40



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

(i) Defined contribution plan:

The Group provident fund is a defined contribution plan. An amount of ₹ 1328.95 million being contribution made to recognised provident fund is recognised as expense for the year ended March 31, 2023 (March 31, 2022: ₹ 1071.78 million) and included under Employee benefit expense (Note 32) 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 5 years 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, 2023	As at March 31, 2022
Present value of Defined Benefit Obligation	466.99	422.53
Fair value of plan assets	(48.06)	(33.86)
Net Liability or asset	418.93	388.67
Current	99.37	98.03
Non - Current	319.56	290.64

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Service cost:		
Current service cost	74.61	63.54
Net interest cost:		
Interest Expense on Defined Benefit Obligation	16.59	13.53
Interest Income on Plan Assets	(0.20)	(0.40)
Total included in 'Employee Benefit Expense' (Refer Note 32)	91.00	76.67

(c) Remeasurement recognized in other comprehensive income:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Components of actuarial gain/losses on obligations		
Due to change in financial assumptions	(9.75)	9.05
Due to change in demographic assumption	0.25	7.41
Due to experience adjustments	(3.41)	16.30
Return on plan assets	0.05	(0.08)
Total	(12.86)	32.68

(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, 2023	As at March 31, 2022
Opening defined benefit obligation	422.53	295.82
Defined benefit obligation for acquisition during the year	13.89	41.24
Current service cost	74.61	63.54
Interest cost	16.39	14.27
Actuarial losses/(gains)		
Due to change in financial assumptions	(9.75)	14.54
Due to change in demographic assumption	0.25	8.31
Due to experience adjustments	(3.41)	12.23
Benefit Paid	(47.52)	(27.42)
Closing balance of the present value of defined benefit obligation	466.99	422.53

(e) The changes in the present value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening plan assets	33.86	31.34
Expected return on plan assets	0.05	0.40
Contributions	60.71	25.56
Benefits paid and charges deducted	(47.52)	(27.41)
Actuarial gain/ (loss) on plan assets	0.96	3.97
Closing balance of the present value of plan assets	48.06	33.86



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

(f) Reconciliation of Net Liability / (Asset):

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Net Liability / (Asset) at the beginning of the year	388.67	264.48
Defined benefit obligation for acquisition during the year	13.89	41.24
Defined Benefit cost included in the Profit / Loss	91.00	75.82
Defined Benefit cost included in Other Comprehensive Income	(12.86)	32.68
Benefit Paid	(61.77)	(25.55)
Net Liability / (Asset) at the end of the year	418.93	388.67

(g) Principal actuarial assumptions at the Balance Sheet date:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
1) Discount rate	5.50% - 7.30%	4.87% - 7.26%
2) Salary growth rate	5.00% to 8.59%	5.00% - 9.00%
3) Attrition rate	10.00% - 70.00% at all ages	10.00% - 48.55% at all ages
4) Retirement age	58	58
5) Maturity tables	Indian Assured Lives Mortality (2012-14) Ultimate Table	

(h) Quantitative sensitivity analysis for significant assumption:

	As at March 31, 2023		As at March 31, 2022	
	Change	Obligation	Change	Obligation
(i) Discount Rate	+0.5%	405.92	+0.5%	371.02
	-0.5%	417.78	-0.5%	380.78
(ii) Salary Growth Rate	+0.5%	418.79	+0.5%	381.69
	-0.5%	404.90	-0.5%	370.08

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

(i) Expected cashflows based on past service liability:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Year 1	139.13	120.28
Year 2	101.64	91.26
Year 3	75.47	66.26
Year 4	55.32	48.66
Year 5	38.78	35.12
More than 5 years	70.03	59.98

(j) The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Investment Details		
Others	48.05	12.64
Total	48.05	12.64

The average duration of the defined benefit Obligation for the year ended March 31, 2023 is 2.9 years (March 31, 2022: 3 years)

B. Gratuity (Reimbursement from Customers)

The Group has recognised gratuity liability and reimbursement right for its 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	As at
	March 31, 2023	March 31, 2022
Present value of Defined Benefit Obligation	343.13	291.78
Fair value of plan assets	-	-
Net Liability or asset	343.13	291.78
Current	123.20	94.42
Non - Current	219.93	197.36



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

(b) Net benefit cost:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	61.83	39.01
Interest Cost on Defined Benefit Obligation	14.40	83.48
Net actuarial (gain) / loss recognised in the year	(0.55)	8.28
Net benefit cost	75.68	130.77

Note:

The employee benefits expenses towards gratuity and related reimbursement right for associate employees for the year ended March 31 2023 ₹ 75.68 million [March 31, 2022 ₹ 130.77 million] 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 March 31, 2023	As at March 31, 2022
Opening defined benefit obligation	291.78	248.92
Current service cost	61.83	39.01
Interest cost	14.40	8.28
Actuarial losses/(gains)		
Due to change in financial assumptions	(23.92)	(2.88)
Due to change in demographic assumption	2.24	13.90
Due to experience adjustments	21.13	72.46
Benefit Paid	(24.33)	(87.91)
Closing balance of the present value of defined benefit obligation	343.13	291.78

(d) The changes in the present value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening plan assets	-	-
Expected return on plan assets	-	-
Contributions	24.33	87.91
Benefits paid and charges deducted	(24.33)	(87.91)
Actuarial gain/ (loss) on plan assets	-	-
Closing balance of the present value of plan assets	-	-

(e) Principal actuarial assumptions at the Balance Sheet date:

Particulars	As at March 31, 2023	As at March 31, 2022
1) Discount rate	7.10%	5.15%
2) Salary growth rate	6.65%	7.44%
3) Attrition rate	39.13% at all ages	39.85% at all ages
4) Retirement age	58	58
5) Maturity tables	Indian Assured Lives Mortality (2012-14) Ultimate Table	

(f) Quantitative sensitivity analysis for significant assumption:

	As at March 31, 2023		As at March 31, 2022	
	Change	Obligation	Change	Obligation
(i) Discount Rate	+0.5%	338.53	+0.5%	288.25
	-0.5%	347.85	-0.5%	295.40
(ii) Salary Growth Rate	+0.5%	348.54	+0.5%	295.98
	-0.5%	337.82	-0.5%	287.64

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

(g) Expected cashflows based on past service liability:

Particulars	As at March 31, 2023	As at March 31, 2022
Year 1	111.64	81.95
Year 2	87.00	72.88
Year 3	65.22	55.54
Year 4	47.12	41.67
Year 5	35.51	29.69
More than 5 years	56.65	47.15

The average duration of the defined benefit plan obligation at the end of the reporting period is 2.9 years (31 March 2022 : 3.1 years).



41 Leases

The Group has lease contracts for building used in its operations. Leases of building generally have lease terms between 2 - 6 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, machinery, 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	Buildings	Vehicles	Total
As on April 1, 2021	36.68	0.01	36.69
Additions	119.83	-	119.83
Depreciation Expense	(36.17)	-	(36.17)
As on March 31, 2022	120.34	0.01	120.35
Additions	163.92	-	163.92
Acquisition of subsidiary	229.57	-	229.57
Deletions	(22.47)	-	(22.47)
Depreciation Expense	(90.02)	-	(90.02)
Other Ind AS Adjustments	0.74	-	0.74
As on March 31, 2023	402.08	0.01	402.09

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

Particulars	As at March 31, 2023	As at March 31, 2022
As on April 01	126.37	44.94
Additions	160.32	119.51
Acquisition of subsidiary	241.23	-
Deletions	(25.75)	(1.74)
Accretion of Interest	20.97	5.16
Payments	(88.02)	(41.50)
Other Ind AS Adjustments	(1.87)	-
As on March 31	433.25	126.37
Current	149.02	47.69
Non-Current	284.23	78.68

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term for the Group:

March 31, 2023	Within Five Years	More than Five years	Total
Extension options expected not to be exercised	-	-	-
Termination options expected to be exercised	73.46	10.39	83.85
March 31, 2022	Within Five Years	More than Five years	Total
Extension options expected not to be exercised	-	-	-
Termination options expected to be exercised	5.12	-	5.12

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 50 (Financial risk management objectives and policies). The effective interest rate for lease liabilities is ranging between 8.5% to 11%, with maturity between 2021-2028.

The following are the amounts recognised in profit or loss:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expense of right-of-use assets	90.02	36.17
Interest expense on lease liabilities	20.97	5.16
Expense relating to short-term leases (included in other expenses)	77.08	53.53
Total amount recognised in profit or loss	188.07	94.86

The Company had total cash outflows for leases of ₹ 88.02 million for the year ended March 31, 2023 (₹ 41.5 million for the year ended March 31, 2022).

42 Share-based payments

a) Employee Share-option Plan - 2019

On April 17, 2019, 'Updater Employee Stock Option Plan' 2019 ("ESOP 2019") was approved by the Board of Directors and was also approved in the Extra-Ordinary General Meeting of the members of the Company. The purpose of the ESOP 2019 is to reward the certain 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 ended March 31, 2023 is Rs. Nil [March 31 2022): Rs. 2.31 Million]. There are no cancellations or modifications to the awards for the year ended March 31 2023.

Tranche I (A)

The holding 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 Holding Company as on date of vesting. (April 17, 2020)



Tranche I (B), II and III

The Holding 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). During the FY 2021-22, the Company has modified the vesting conditions (other than market condition) stipulated with respect to the options granted already pursuant to the Updater Employee Stock Option Plan 2019 [25-Sep-2020 & 25-Sep-2021] in a manner which is beneficial to employees. The performance criteria stipulated in the Grant letter issued to the employees was revised according to the actual performance achieved for the Financial Years 2019-20 and 2020-21 and consequently, the options granted to the eligible employees are vested with immediate effect. Accordingly, the ESOP reserve is created based on the revised plan.

A. Details of ESOP 2019

Name of the scheme - ESOP 2019	Tranche - I (A)	Tranche - I (B)	Tranche - II	Tranche - III
Date of grant	April 17, 2019	April 17, 2019	October 18, 2019	January 10, 2020
Number granted	4,06,772.00	5,21,235.00	1,44,788.00	77,220.00
Exercise price (in INR)	10.00	111.00	111.00	111.00
Vesting period	1 year	1 - 3 years	1 - 3 years	1 - 3 years
		25% on September 30, 2020	25% on September 30, 2020	25% on September 30, 2020
Vesting condition	100% on April 17, 2020	25% on September 30, 2021	25% on September 30, 2021	25% on September 30, 2021
		50% on September 30, 2022	50% on September 30, 2022	50% on September 30, 2022

B. Movement in the options granted to employees

Particulars	Number of options		Weighted Average Exercise Price	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Outstanding at the beginning of the year	6,62,563.00	8,33,895.00	48.99	61.73
Options granted during the year	-	-	-	-
Options exercised during the year	-	-	-	-
Options expired during the year	-	(1,71,332.00)	111.00	111.00
Outstanding at the end of the year	6,62,563.00	6,62,563.00	48.99	48.99
Exercisable at the end of the year	6,62,563.00	-	-	-

The range of exercise prices for options outstanding at the end of the year was ₹ 10 to ₹ 111 (March 31, 2022: ₹ 10 to ₹ 111).

The weighted average remaining contractual life for the share options outstanding as at March 31, 2023 is Nil (March 31, 2022: 0.5 years).

The exercise period for the options granted to employees under the plan is 5 years from the date of vesting or 30 days from the date of listing of holding company's shares in stock exchange whichever is later.

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, 2023	March 31, 2022
Exercise price	10 to 111	10 to 111
Expected volatility	20%	20%
Expected dividend yield (%)	0%	0%
Risk free interest rates	7.40%	7.40%
Expected life of the option	1 - 3 years	1 - 3 years
Weighted average share price	93	93
Fair Value of the Option	83.71	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.

As on the grant date, Fair Value of the Option is ₹ 83.71 and Weighted Average Share price is ₹ 93

b) (I) Employee Share-option Plan - 2022

The shareholders had approved two Employee Stock Option Schemes "Updater Employee Stock Option Plan 2022" and "Updater Employee Stock Option Plan 2022 - Second" ("ESOP 2022" or "Plan") on December 3, 2022, and March 4, 2023, respectively. The primary objective of the above two schemes is to reward certain employees of Company and its subsidiaries for their association, dedication and contribution to the goals of the Company. Under the Scheme, 18,33,000 stock options were granted to the said employees at an exercise price of ₹ 300 in multiple tranches. The options issued under the plan has a term of 1-4 years as provided in the stock options grant letter and vest based on the terms of individual grants. When exercisable, each option is convertible into one equity share.

The Holding Company has granted certain options during the year with future performance of the Company as criteria which has been defined based on a matrix as per the ESOP 2022 scheme. The performance criteria stipulated in the Grant letter issued to the employees was based on pre determined EBITDA Target which will be communicated to employees either in the March month of the previous financial year or at the beginning of the respective financial year. Also, the plan has a rollover to next financial year wherein catch up opportunity of 1 more year is available in case the EBITDA target is not achieved for a particular financial year. Further, management has considered future projections and related estimates in determining the number of options expected to be vested and has accounted for the ESOP reserve accordingly.

The expense recognised (net of reversal) for share options during the year ended March 31, 2023 is Rs. 11.71 million [March 31 2022: Rs. Nil]. There are no cancellations or modifications to the awards during the year ended March 31 2023.



A. Details of ESOP 2022

Name of the scheme - ESOP 2022	Tenure Based		Performance based	
	Tranche -T I	Tranche -T II	Tranche -E I	Tranche -E II
Date of grant	December 16, 2022	March 04, 2023	December 16, 2022	March 04, 2023
Number granted	3,90,508	4,76,000	3,90,492	4,76,000
Exercise price (in INR) per share	300	300	300	300
Vesting period	4 Years Graded Vesting		4 Years Graded Vesting	
Method of Settlement	Equity-Settled		Equity-Settled	
Method of Accounting	Fair Value		Fair Value	
Vesting condition	Service Condition - Tenure Based		Performance condition - EBITDA Linked	
Method of valuation	Black Scholes Model		Black Scholes Model	

B. Movement in the options granted to employees

Particulars	Number of options		Weighted Average Exercise Price	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Outstanding at the beginning of the year	-	-	-	-
Options granted during the year	17,33,000	-	300.00	-
Options exercised during the year	-	-	-	-
Options forfeited during the year	-	-	-	-
Options expired during the year	-	-	-	-
Outstanding at the end of the year	17,33,000	-	300.00	-
Exercisable at the end of the year	-	-	-	-

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, 2023	March 31, 2022
Exercise price per share (INR)	300	
Expected volatility	38.16% - 41.50%	
Expected dividend yield (%)	0%	
Risk free interest rates	7.43%	
Expected life of the option		NA
-As on grant date :16-12-2022	2 - 3.5 Years	
-As on grant date :04-03-2023	1.79 - 3.33 Years	
Weighted average share price	302.08	
Fair Value of the Option as on Grant date		
-As on grant date :16-12-2022	Rs.82.59 - Rs.110.74	
-As on grant date :04-03-2023	Rs.83.32- Rs.116.61	

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.

The Exercise period would commence from the date of vesting and will expire on completion of 2 (Two) years from the date of respective vesting or such other period as may be decided by the Nomination and Remuneration Committee, from time to time.

Date of Grant	Option Details	No of shares	Fair Value per Share	Value of the Options	Weighted Average value	Weighted Average price
16-12-2023	Tranche -T I	3,90,508	293.45	11,45,94,573	0.22	64.28
04-03-2023	Tranche -T II	4,76,000	308.8	14,69,88,800	0.28	86.76
16-12-2023	Tranche -E I	3,90,492	293.45	11,45,89,877	0.22	64.28
04-03-2023	Tranche -E II	4,76,000	308.8	14,69,88,800	0.28	86.76
		17,33,000		52,31,62,050	1.00	302.08

A2. Details of ESOP 2022 - Second

Name of the scheme - ESOP 2022	Tenure Based	Listing based
	Tranche -T 0 (A)	Tranche -IPO (A)
Date of grant	March 04, 2023	March 04, 2023
Number granted	50,000	50,000
Exercise price (in INR) per share	300	300
Vesting period	1 Year	1- 2 Years
Method of Settlement	Equity-Settled	Equity-Settle ^d
Method of Accounting	Fair Value	Fair Value
Vesting condition*	Service Condition - Tenure Based	Performance condition - IPO linked
Method of valuation	Black Scholes Model	Black Scholes Model



B2. Movement in the options granted to employees

Particulars	Number of options		Weighted Average Exercise Price	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Outstanding at the beginning of the year	-	-	-	-
Options granted during the year	1,00,000	-	300.00	-
Options exercised during the year	-	-	-	-
Options forfeited during the year	-	-	-	-
Options expired during the year	-	-	-	-
Outstanding at the end of the year	1,00,000	-	300.00	-
Exercisable at the end of the year	-	-	-	-



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, 2023	March 31, 2022
Exercise price per share (INR)	300	
Expected volatility	41.50%	
Expected dividend yield (%)	0	
Risk free interest rates	7.43%	
Expected life of the option		NA
-For options granted on :04-03-2023	1.79 - 3.33 Years	
Weighted average share price	308.80	
Fair Value of the Option as on Grant date		
-As on grant date :04-03-2023	₹ 83.32	

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.

The Exercise period would commence from the date of vesting and will expire on completion of 2 (Two) years from the date of respective vesting or such other period as may be decided by the Nomination and Remuneration Committee, from time to time.

- e) One of the subsidiary Denave India Private Limited ("Denave") has granted Employee stock option plan-2018. "ESOP-2018" came into effect from 01st March, 2018. It was approved by the Board of Directors (the Board of Denave) of in the meeting held on 01st March, 2018, and by the members of the Denave in the Extra Ordinary General Meeting held on 01st March, 2018 and further modified vide Board resolution dated 4th April, 2018; 30th January, 2020 and 31st December 2020.

The Denave's Employee stock option plan-2021 "ESOP-2021" came into effect from 24th November, 2021. It was approved by the Board of Directors (the Board of Denave) in the meeting held on 23rd November, 2021, and by the members of the Denave in the Extra Ordinary General Meeting held on 24th November, 2021.

Pursuant to a resolution of the Board of Directors dated 04th April 2018 and a resolution of the Shareholders dated 30th April 2018, the size of the ESOP pool was amended. Further, amendments were made to vesting period for 2017-18-Block-I and 2017-18-Block-II and 2020-21 Block and to a few other clauses.

The compensation cost of stock options granted to employees has been accounted by the Company using the fair value method as per Ind AS 102 - Share based payments.

When exercisable, each option is convertible into one equity share.

All the options shall be exercised within the exercise period of 84 months from the date of vesting by paying in full the stipulated exercise price per share after which any unexercised options will lapse.

The expense recognised (net of reversal) for share options during the year is ₹23.39 Million (March 2022: ₹12.95 million)

A. Details of ESOP 2018

Particulars	2020-21Block-I	2020-21Block-II	2021-22Block-I	2022-23 Block-I
Date of grant	22-Apr-20	30-Dec-20	30-Apr-21	18-Aug-22
Number granted	47,975.00	2,35,000.00	1,37,000.00	-
Surrendered	-	-	-	-
Fresh Grant	-	-	-	-
Total	47,975.00	2,35,000.00	1,37,000.00	-
Exercise price (in ₹)	1.00	1.00	1.00	1.00
Vesting period	1-3 years	1-3 years	1-3 years	1-4 years
Vesting 25%	April 22, 2021	December 30, 2021	April 30, 2022	Refer Note 5
Vesting 25%	April 22, 2022	December 30, 2022	April 30, 2023	
Vesting 50%	April 22, 2022	December 30, 2022	April 30, 2024	
Vesting conditions	There shall be a period of one year between the date of grant of Options and the vesting of Options. The vesting is subject to other vesting conditions as per ESOP 2018/2021 as amended from time to time			
Method of settlement	Equity	Equity	Equity	Equity
Modification in terms along with explanation	Refer note 3 below	Refer note 4 below	Nil	Nil

Particulars	2017-18Block-I	2017-18Block-II	2018-19Block-I
Date of grant	10-Mar-18	30-Apr-18	30-Apr-18
Number granted	2,97,750.00	2,97,750.00	2,37,987.00
Surrendered	37,975.00	-	-
Fresh Grant	-	-	-
Total	2,59,775.00	2,97,750.00	2,37,987.00
Exercise price (in ₹)	1.00	1.00	1.00
Vesting period	1 year	1 year	1-3 years
Vesting 25%	March 10, 2019	April 30, 2019	April 30, 2019
Vesting 25%	March 10, 2020	April 30, 2020	April 30, 2020
Vesting 50%	March 10, 2021	April 30, 2021	April 30, 2021
Vesting conditions	There shall be a period of one year between the date of grant of Options and the vesting of Options. The vesting is subject to other vesting conditions as per ESOP 2018/2021 as amended from time to time		
Method of settlement	Equity	Equity	Equity
Modification in terms along with explanation	Refer note 1 below	Refer note 1 below	Refer note 2 below

Note 1

The vesting period has been modified to 100% of the Options - One year from the date of acceptance of the offer by the Compensation committee considering that the said change is not detrimental to the interest of the participating employees.



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Note 2

The vesting period has been modified to 100% of the Options -

- 50% of the options will vest to the employees after one year from the date of acceptance of the offer, 25% after two years from the date of acceptance of the offer and 25% after three years from the date of acceptance of the offer
- One year from the date of acceptance of the offer by the Compensation committee for one employee considering that the said change is not detrimental to the interest of the participating employees.

Note 3

The options includes options which were allotted to the eligible employees from those surrendered in "2017-18 Block I". The vesting period has been modified to 100% of the Options - One year from the date of acceptance of the offer by the Compensation committee for one employee considering that the said change is not detrimental to the interest of the participating employees.

Note 4

The options includes options which were allotted to the eligible employees from those surrendered in "2017-18 Block I". Vesting period has been modified to 100% of the options as at the year end for one of the employees considering that the said change is not detrimental to the interest of the participating employees.

Note 5

Vesting period is 10% at the end of first year, 15% at the end of second year, 15% at the end of third year and 60% at the end of fourth year.

B. Movement in the options granted to employees

Particulars	Number of options	
	March 31, 2023	March 31, 2022
Outstanding at the beginning of the year	7,12,870.00	10,78,487.00
Options granted during the year	7,47,000.00	1,37,000.00
Weighted average exercise price per option (₹)	1.00	1.00
Options exercised during the year	-	(5,02,617.00)
Outstanding at the end of the year	14,59,870.00	7,12,870.00
Exercisable at the end of the year	4,56,370.00	4,22,120.00

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, 2023	March 31, 2022
Exercise price	1.00	1.00
Expected volatility	23.29%	0.00%
Expected dividend yield (%)	-	-
Risk free interest rates	6.52%	6.14%
Expected life of the option	7 years	7 years
Weighted average share price	72.54	67.31
Fair Value of the Option	71.54	66.31

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.

- d) One of the subsidiary Global Flight Handling Services Private Limited ("Global") has granted the "Global Employee stock option plan, 2022". The shareholders of Global Flight Handling Services Private Limited approved Employee Stock Option Schemes "Global Employee Stock Option Plan 2022" ("ESOP 2022" or "Plan") on December 3, 2022. The primary objective of the above schemes is to reward certain employees of the Company and its subsidiaries for their association, dedication and contribution to the goals of the Company.

Under the Scheme options were granted to the certain employees at an exercise price of ₹ 10 in multiple tranches. The options issued under the plan has a term of 1-4 years as provided in the stock options grant letter and vest based on the tenure served by such employees.

The Company has also granted certain options during the year to such employees which vest based on non-market linked performance conditions related to the Company over a 4 year period, which is stipulated in the respective grant letters issued to the employees. The performance condition for FY 2022-23 (Tranche 1) has been communicated to respective employees, while for Tranches 2-4, these will be communicated in future. Further, the Plan also provides ability for the employee to catch up any unvested options for a particular Tranche in the next year provided the performance conditions specified for the next financial year are achieved.

When exercisable, each option is convertible into one equity share of Face value of Rs.10/- each fully paid up.

Management has estimated and also considered future projections in determining the number of options expected to be vested and has accounted for the ESOP expense accordingly.

The expense recognised (net of reversal) for share options during the year ended March 31, 2023 is Rs. 8.77 Million [March 31 2022: Rs. Nil]. There are no cancellations or modifications to the awards during the year ended March 31 2023.

A. Details of ESOP 2022

Name of the scheme - ESOP 2022	Tenure Based	Performance based
	Tranche -T II (A)	Tranche -E II (B)
Date of grant	16-Dec-22	16-Dec-22
Number granted	1,260	631
Exercise price (in INR) per share	10	10
Vesting period	2.5 Years Graded Vesting	2.5 Years Graded Vesting
Method of Settlement	Equity-Settled	Equity-Settled
Method of Accounting	Face Value	Face Value
Vesting condition	Service Condition - Tenure Based	Performance condition - EBITDA Linked
Method of valuation	Black Scholes Model	Black Scholes Model



B2. Movement in the options granted to employees

Particulars	Number of options		Weighted Average Exercise Price	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Outstanding at the beginning of the year	-	-	-	-
Options granted during the year	1,891.00	-	10.00	-
Options exercised during the year	-	-	-	-
Options forfeited during the year	-	-	-	-
Options expired during the year	-	-	-	-
Outstanding at the end of the year	1,891.00	-	10.00	-
Exercisable at the end of the year	-	-	-	-

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, 2023	March 31, 2022
Exercise price per share (INR)	10	-
Expected dividend yield (%)	0%	-
Risk free interest rates	9.50%	-
Expected life of the option	-	NA
-As on grant date :16-12-2022	2.5 Years	-
Weighted average share price	10.00	-
Fair Value of the Option as on Grant date	-	-
-As on grant date :16-12-2022	₹ 21,000	-

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 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	As at March 31, 2023	As at March 31, 2022
Non-current borrowings	179.25	-
Current borrowings	1,586.13	586.79
Lease Liabilities	433.25	126.37
Less: cash and cash equivalents	(1,146.67)	(572.86)
Less: Bank Balances other than cash and cash equivalents	(504.27)	(137.31)
Net debt	547.69	2.99
Total capital	3,878.11	3,457.36
Capital and net debt	4,425.80	3,460.35
Gearing ratio	12.37%	0.09%

No changes were made in the objectives, policies or processes for managing capital during the period and year ended March 31, 2023 and March 31, 2022.

44 Commitments and Contingencies

Particulars	As at March 31, 2023	As at March 31, 2022
a. Contingent Liabilities		
Income tax (Refer below note 1)	618.55	171.47
Professional Tax (Refer below note 2)	6.21	-
Goods & Services Tax (Refer below note 3)	1.13	-
Others (Refer below note 4)	5.98	9.73
b. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for net of capital advances	30.89	72.54



Note:

1. Income Tax

a. The Holding Company has claimed a deduction u/s 80JJAA of the Income tax Act for the AY 2019-20 amounting to Rs. 445.30 millions. The Holding Company had filed a belated return of income on January 24, 2020 claiming the said deduction (due date for the said AY being October 31, 2019 for the Company). The Holding Company had filed an application with Central Board of Direct Taxes [‘CBDT’] on January 30, 2020 to condone the delay in filing the return of income on the grounds that due to unavoidable circumstances there was a delay in finalization of audit and books of accounts leading to delay in filing of return of income. The said application has not been disposed till date.

During the year ended March 31, 2022, the assessment u/s 143(3) of the Income Act was completed for the said AY disallowing the said claim of the Holding Company on the grounds that the return of income was filed beyond the due date prescribed u/s 139(1) of the Income tax Act. The Holding Company has not filed any appeal against the order u/s 143(3) of the Income Tax Act, 1961 pending disposal of its condonation application and is evaluating its future course of action on this matter in consultation with its advisors. Pending this, based on the facts involved as well as considering the bonafide reasons for delay in filing of the return of income for AY 2019-20 (which has been stated in the condonation application filed with the CBDT), management is confident of a favourable outcome on this matter and hence no provision is considered necessary as on date.

During the year ended March 31, 2023, the Holding Company has received an order under section 263 of the Income Tax act, 1961 for AY 2017-18. As per given order, there are certain adjustments relating to buy back of shares which were added to the total taxable income amounting to Rs. 1420.19 Million (Tax demand of Rs. 410.72 Million). The Company had filed an appeal with Commissioner of Income Tax Appeal against said order. Management is confident of a favourable outcome on this matter and hence no provision is considered necessary as on date.

b. In respect of the subsidiaries:

Fusion Foods & Catering Private Limited - TDS Liability as per TRACES portal ₹ 0.01 Million

Stanworth Management Private Limited - Claim made against company not acknowledged in respect of Income tax matters (TDS) - INR 0.03 Million.

Tangy Supplies & Solutions Private Limited - Demand raised for Assessment year 2020-21 under section 143(1)(a) of the Income Tax Act, 1961. The demand is due to non filing of the declaration for claiming lower rate of tax in time, which was filed subsequent to the balances sheet date - ₹ 0.58 Million.

Matrix Business Services Private Limited - During the year ended 31 March 2023, the Subsidiary has received an order dated December 28, 2022 from the income tax department in relation to the Assessment year 2021-22 disallowing the incentive paid to the erstwhile promoters of the subsidiary amounting to ₹ 66 million and demanded an amount of Rs. 16.9 millions as additional tax payable. The subsidiary believes that the aforesaid disallowances are untenable and accordingly, filed an appeal with the Commissioner of Income Tax (Appeals) on January 23, 2023. - INR 16.90 Million.

Wynvy Technologies Private Limited - The Income tax Assessments have been completed upto March 31, 2022. In respect of the Financial year 2018-19, the taxation authorities have restricted the carry forward of loss of Rs 45.17 Millions to 1.66 Millions and the subsidiary has made petition to taxation authorities in this regard which is pending disposal.

2. The Gujarat Panchayats and Municipal Corporations has made claim against the Holding Company for amount Rs. 5.61 Millions in respect of Professional Tax. The Holding 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 Consolidated Financial Statements.

In respect of one of the subsidiaries, Denave India Private Limited, Professional tax demands made amounts to Rs 0.60 million (against which the subsidiary has paid Rs.1.52 lakhs under protest)

3. The holding company has received an assessment order for the Financial year 2021-2022 with a demand of Rs. 1.13 Million u/s 73 of The CGST Act 2017 towards excess utilization of ITC, delay in filing the GST returns and interest on delayed payment of tax. The Holding Company has filed an appeal to Joint Commissioner Appeals Chennai denying the demand. - INR 1.13 Million

4. Includes claim made against the Holding Company in Labour court by ex-employees of the company amounting to Rs 3.2 Million in respect of reinstatement of employment with back wages.

In respect of one of the subsidiaries, Matrix Business Services Private Limited, 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 of Madras. - INR 2.78 Million



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45 Segment Information

The Managing Director of the holding 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 Group basis these reportable segments. The Group has re-presented the information relating to all comparative periods in line with this revised segmental classification.

The integrated facility management services primarily comprises of supply of Soft services, Production support services, Engineering Services, Washroom and Feminine Hygiene Care Solutions, Warehouse management, General staffing, Institutional Catering and other related services to various industries. Business Support services primarily comprises of Sales Enablement services, Employee Background Verification Check Services, Audits and Assurance Services, Airport Ground Handling Services, Mailroom Management and Niche Logistics Solutions, Business Process Outsourcing services.

Year ended March 31, 2023

Particulars	Integrated Facility Management Services	Business Support Services	Total segments	Adjustments & eliminations	Total
Revenue					
External Sales	15,219.10	6,086.08	21,305.18	(316.31)	20,988.87
Other Income	68.41	2.99	71.40	0.39	71.79
Finance Income	79.86	31.79	111.65	(51.41)	60.24
Total Income	15,367.37	6,120.86	21,488.23	(367.33)	21,120.90
Cost of materials consumed	(777.42)	-	(777.42)	9.38	(768.04)
Purchases of traded goods	(223.80)	-	(223.80)	200.08	(23.72)
Cost of Services	-	(2,723.43)	(2,723.43)	56.34	(2,667.09)
Changes in inventories of Finished goods and traded goods	0.23	-	0.23	(10.64)	(10.41)
Employee benefits expense	(12,259.76)	(1,581.53)	(13,841.29)	0.71	(13,840.58)
Finance costs	(139.74)	(27.12)	(166.86)	21.19	(145.67)
Depreciation and amortization expense	(198.81)	(112.57)	(311.38)	(59.02)	(370.40)
Impairment losses on financial instrument and contract assets	(77.72)	(3.71)	(81.43)	45.09	(36.34)
Fair value changes in Liability payable/paid to promoters of acquired subsidiary	-	-	-	(413.63)	(413.63)
Other expenses	(1,351.52)	(1,012.64)	(2,364.16)	61.02	(2,303.14)
Segment Profit	338.83	659.86	998.69	(456.81)	541.88
As at March 31, 2023					
Total Assets	10,019.11	3,824.37	13,843.48	(1,674.01)	12,169.47
Total Liabilities	6,432.40	1,635.40	8,067.80	223.56	8,291.36
Other Information					
Capital Expenditure	-	-	-	-	-
Depreciation & Amortization expense	198.81	112.57	311.38	59.02	370.40

Year ended March 31, 2022

Particulars	Integrated Facility Management Services	Business Support Services	Total segments	Adjustments & eliminations	Total
Revenue					
External Sales	12,028.26	3,076.57	15,104.83	(269.31)	14,835.52
Other Income	88.64	30.34	118.98	(35.64)	83.34
Finance Income	65.72	5.71	71.43	(11.36)	60.07
Total Income	12,182.62	3,112.62	15,295.24	(316.31)	14,978.93
Cost of materials consumed	(608.08)	-	(608.08)	196.26	(411.82)
Cost of Services	-	(954.09)	(954.09)	(0.01)	(954.10)
Changes in inventories of Finished goods and traded goods	18.34	-	18.34	-	18.34
Employee benefits expense	(9,881.29)	(800.48)	(10,681.77)	-	(10,681.77)
Finance costs	(73.56)	(16.67)	(90.23)	39.55	(50.68)
Depreciation and amortization expense	(80.83)	(50.55)	(131.38)	(33.96)	(165.34)
Impairment losses on financial instrument and contract assets	(81.24)	(0.30)	(81.54)	21.53	(60.01)
Fair value changes in Liability payable/paid to promoters of acquired subsidiary	-	-	-	(213.48)	(213.48)
Other expenses	(1,039.56)	(797.34)	(1,836.90)	86.24	(1,750.66)
Segment Profit	436.40	493.19	929.59	(270.18)	709.41
As at March 31, 2022					
Total Assets	6,700.94	2,331.29	9,032.22	(286.56)	8,745.66
Total Liabilities	3,482.76	1,105.21	4,587.97	700.34	5,288.30
Other Information					
Capital Expenditure	18.47	17.86	36.33	-	36.33
Depreciation & Amortization expense	(80.83)	(50.55)	(131.38)	(33.96)	(165.34)

Information about major customers

Revenue from one customer amounting to ₹ 1,698.30 millions (March 31, 2022: ₹ 1,481.70 millions), constitute more than 10% of the total revenue of the Holding Company in the respective years



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46 Related Party Disclosures

(A) Names of related parties and nature of relationship:

Relationship	Name of the related parties
Subsidiary	Updater Services Foundation (Section 8 Company)*
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. Raghunandana Tangirala, Managing Director Ms. Shanthi Tangirala, Non-Executive Director (until June 23, 2022) Mr. Jayaram L. B, Company Secretary (until March 04, 2023) Mr. B Ravishankar, Company Secretary (w.e.f. March 06, 2023) Mr. Balaji Swaminathan, Chief Financial Officer Mr. Sunil Rewachand Chandiramani, Independent Director Mr. Amitabh Jaipuria Chief Executive Officer (from March 1, 2022 till March 04, 2023) Executive Director (from March 04, 2023 till April 30, 2023) Non executive Director from w.e.f. May, 01 2023 Mr. Shankar Gopalakrishnan, Nominee Director (from April 25, 2020 until March 21, 2023) Mr. Vijay Dhanuka, Nominee Director (from February 13, 2017 until March 21, 2023) Mr. Amit Choudhary, Independent Director Mr. Pondicherry Chidambaram Balasubramanian, Whole Time Director (from September 13, 2022) Ms.Sangeetha Sumesh, Independent Director (w.e.f. September 13, 2022)

* The shareholding of this entity is held by the Holding Company and therefore this entity would constitute a subsidiary under the Companies Act, 2013. However, the Group has determined that the Holding 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 consolidated financial statement.

(B) Transactions entered during the year	Year ended March 31, 2023	Year ended March 31, 2022
Rent Expense		
Mr. Raghunandana Tangirala	11.50	11.50
Ms. Shanthi Tangirala	11.44	11.44
Services received		
Best Security Services Private Limited	25.35	18.71
Sales/Material Supplied		
Best Security Services Private Limited	3.16	2.88
Services Provided		
Tangirala Infrastructure Development Private Limited	-	0.00*
Updater Services (UDS) Foundation	-	0.24
Managerial remuneration		
Mr. Raghunandana Tangirala	13.69	19.20
Mr. Amitabh Jaipuria	21.39	1.37
Mr. Pondicherry Chidambaram Balasubramanian	8.97	-
Mr. Balaji Swaminathan	6.50	6.31
Mr. Jayaram L B	1.17	0.90
Mr. Ravishankar B	0.19	-
Commission to Non-Executive directors		
Mr. Sunil Rewachand Chandiramani	1.83	-
Employee Stock Option expenses		
Mr. Amitabh Jaipuria	0.61	-
Mr. Pondicherry Chidambaram Balasubramanian	0.27	-
Mr. Balaji Swaminathan	0.13	0.18
Liability paid to erstwhile Promoter of acquired subsidiary		
Mr. Pondicherry Chidambaram Balasubramanian		
- Issue of shares for consideration other than cash	17.85	-
- Consideration paid for acquisition of additional stake in subsidiary	17.83	-
Director sitting fees		
Mr. Sunil Rewachand Chandiramani	2.20	1.10
Mr. Arnit Choudhary	1.70	1.00
Ms Sangeetha Sumesh	1.10	-
Reimbursement of Expenses		
Mr. Sunil Rewachand Chandiramani	0.03	-
Contribution to Gratuity		
Updater Services Private Limited - Employees Company Gratuity Scheme	41.43	17.23

*Amounts are less than ₹ 5,000.



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(C) Balance outstanding at the end of the year	As at March 31, 2023	As at March 31, 2022
Investment in Equity		
Updater Services (UDS) Foundation	0.10	0.10
Security Deposits (Asset)		
Mr. Raghunandana Tangirala	11.44	11.44
Ms. Shanthi Tangirala	11.44	11.44
Rental Payable		
Mr. Raghunandana Tangirala	0.01	0.01
Trade Payable		
Best Security Services Private Limited	3.64	2.97
Mr. Raghunandana Tangirala	-	0.54
Ms. Shanthi Tangirala	0.68	0.59
Director Fee payable		
Mr. Amit Choudhary	0.27	0.27
Mr. Sunil Rewachand Chandiramani	0.27	0.27
Ms Sangeetha Sumesh	0.18	-
Managerial Remuneration Payable		
Mr. Amitabh Jaipuria	5.00	-
Mr. Pondicherry Chidambaram Balasubramanian	-	-
Commission Payable		
Mr. Sunil Rewachand Chandiramani	1.83	-
Trade Receivable		
Updater Services (UDS) Foundation	-	0.27
Tangirala Infrastructure Development Private Limited	-	0.00*
Best Security Services Private Limited	0.12	-

*Amounts are less than ₹ 5,000.

(D) Consideration to key managerial personnel during the year	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and other employee benefits*	49.56	27.95
Buy Back of Equity Shares	38.38	-

*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. The employee stock compensation expenses for the year ended March 31, 2023 includes charge of ₹ 1.01 million (March 31, 2022: ₹ 0.18 millions) towards key managerial personal respectively.

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 period ended are unsecured and interest free and settlement occurs in cash. 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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47 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.

Judgements

In the process of applying the group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidation financial statements:

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

The Group 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 Group has lease contracts and rental contracts that include extension and termination options. The Group 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 Group 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 Group 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 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.

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) Impairment of goodwill and intangible assets with indefinite 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.

(d) 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 48 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 48 for details)

(e) 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, estimation of achievement of performance condition, 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 42.

(f) 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 forecast period 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.



(g) 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.

48 Fair values

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

Particulars - Non-Current & Current	Carrying Value		Fair Value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Investments				
HSBC Ultra Short Duration Fund - Direct Growth	4.00	-	4.00	-
Baroda BNP Paribas Ultra Short Duration Fund - Direct Plan Growth	4.00	-	4.00	-
Aubotz Labs Limited Cumulative Convertible Debentures	30.00	-	30.00	-
Financial liabilities				
Liability payable to promoters of acquired subsidiary	1,874.65	1,062.10	1,874.65	1,062.10
Total	1,912.65	1,062.10	1,912.65	1,062.10

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.

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.

49 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	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Investments					
HSBC Ultra Short Duration Fund - Direct Growth	Level 1	4.00	-	4.00	-
Baroda BNP Paribas Ultra Short Duration Fund - Direct Plan Growth	Level 1	4.00	-	4.00	-
Aubotz Labs Limited Cumulative Convertible Debentures*	Level 3	30.00	-	30.00	-
Financial liabilities					
Liability payable to promoters of acquired subsidiary**	Level 3	1,874.65	1,062.10	1,874.65	1,062.10
Total		1,912.65	1,062.10	1,912.65	1,062.10

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

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.

*One of the subsidiaries, ITSS uses the following input for valuation of CCD, Time of maturity, discount rate, interest rate, conversion terms, volatility and other market conditions

**The company has used Projected EBITDA of subsidiaries, EBITDA multiples, scenerio analysis, Risk free rate, market return as inputs and Monte carlo simulation method for valuation of liability payable to erstwhile promoters of acquired subsidiaries.

50 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.

The following tables shows the carrying amount of receivables, EPC and ECL of the holding company:

As at March 31, 2023

Particulars	Less than 120 days	More than 120 days	Total
ECL & EPC rate	1.22%	23.80%	
Estimated total gross carrying amount at default	2,832.68	126.18	2,958.86
ECL- simplified approach	(34.46)	(30.04)	(64.50)
Net carrying amount	2,798.22	96.14	2,894.36

As at March 31, 2022

Particulars	Less than 120 days	More than 120 days	Total
ECL & EPC rate	1.30%	26.17%	
Estimated total gross carrying amount at default	2,212.21	136.93	2,349.14
ECL- simplified approach	(28.66)	(35.84)	(64.50)
Net carrying amount	2,183.55	101.09	2,284.64

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 4277.28 million (₹ 3474.85 million as of March 31, 2022, 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, 2023	March 31, 2022
Increase in rate by 2%	(28.55)	(17.07)
Decrease in rate by 2%	28.55	17.07

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, 2023

Particulars	Within 1 year	1-3 years	3-5 years	Total
Borrowings	1,586.13	153.64	25.61	1,765.38
Trade Payables	793.31	-	-	793.31
Other financial liabilities	2,321.90	1,138.71	-	3,460.61
Lease Liabilities	183.31	199.49	88.09	470.89
Total	4,884.65	1,491.84	113.70	6,490.19

As at March 31, 2022

Particulars	Within 1 year	1-3 years	3-5 years	Total
Borrowings	586.79	-	-	586.79
Trade Payables	456.78	-	-	456.78
Other financial liabilities	1,780.58	804.14	-	2,584.72
Lease Liabilities	52.49	91.48	-	143.97
Total	2,876.64	895.62	-	3,772.26

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 use derivative financial instruments, such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its 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 (FC) denominated monetary assets and monetary liabilities at the end of each reporting period are as follows :

Particulars	Currency	As at March 31, 2023		As at March 31, 2022	
		Amount in FC (million)	Amount in INR (million)	Amount in FC (million)	Amount in INR (million)
Not hedged by derivative					
Trade Receivables	USD	1.47	120.07	2.75	207.03
Trade Receivables	SGD	-	-	1.12	61.44
Trade Receivables	GBP	-	-	0.05	5.06
Trade Receivables	RM	-	-	0.63	11.14
Trade Payables	AED	0.01	0.17	-	-
Trade Payables	KD	0.00	0.10	-	-
Trade Payables	USD	0.11	9.10	0.01	0.60

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/SGD/GBP/RM TO INR	Profit & Loss before Tax		Effect on pre-tax Equity	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
March 31, 2023	3.91	(3.91)	3.91	(3.91)
March 31, 2022	11.28	(11.28)	11.28	(11.28)

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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51 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	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	5.50	1.22
Current assets excluding cash and cash equivalents	294.64	242.38
Non-current assets	173.09	219.76
Trade payables	19.02	34.37
Provisions	15.21	14.21
Net employee defined benefit liabilities	24.94	24.31
Current liabilities excluding trade payables and provisions	104.52	113.58
Borrowings	-	10.88
Lease liabilities	5.47	-
Equity	304.07	276.88
Share of NCI	24.00%	24.00%
Attributable to NCI	72.98	66.45

Summarised Statement of Profit and Loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Total Revenue	616.21	780.36
Employee benefits expense	268.77	234.56
Finance costs	0.42	0.40
Depreciation and amortization expense	2.14	3.30
Other expenses	244.71	335.00
Profit before tax	100.17	207.09
Income tax expense	33.64	55.55
Profit for the period	66.53	151.54
Other comprehensive income/(loss)	0.39	(0.05)
Total comprehensive income for the period	66.92	151.49
Attributable to NCI	16.06	36.36

Summarised cash flow statement

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Operating activities	127.90	166.94
Investing activities	(72.03)	(126.07)
Financing activities	(51.59)	(45.81)
Net increase/(decrease) in cash and cash equivalents	4.28	(4.95)



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51 Material Partly - Owned Subsidiaries (continued)

B. Global Flight Handling Services Private Limited

Summarised Balance Sheet

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	25.23	6.18
Current assets excluding cash and cash equivalents	101.14	36.99
Non-current assets	58.26	25.67
Trade payables	90.54	24.73
Provisions	0.09	0.18
Current liabilities excluding trade payables and provisions	34.69	11.00
Borrowings	150.44	65.77
Equity	(91.13)	(32.84)
Share of NCI	16.75%	30.00%
Attributable to NCI	(30.97)	(8.24)

Summarised Statement of Profit and Loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Total Revenue	191.05	24.69
Employee benefits expense	121.52	21.94
Finance costs	10.08	2.83
Depreciation and amortization expense	0.54	0.10
Other expenses	149.05	46.30
Profit before tax	(90.13)	(46.47)
Income tax expense	(23.44)	(10.40)
Profit for the period	(66.68)	(36.07)
Total comprehensive income for the period	(66.68)	(36.07)
Attributable to NCI	(27.77)	(10.82)

Summarised cash flow statement

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Operating activities	(54.58)	(45.55)
Investing activities	(1.29)	(0.61)
Financing activities	74.59	51.91
Net increase/(decrease) in cash and cash equivalents	18.72	5.75

Information regarding Non-Controlling Interest

Accumulated balances of material non-controlling interest	As at March 31, 2023	As at March 31, 2022
Avon Solutions & Logistics Private Limited	72.97	66.45
Global Flight Handling Services Private Limited	(30.97)	(8.24)

Total Comprehensive Income/(loss) for the year allocated to material non-controlling interest	Year ended March 31, 2023	Year ended March 31, 2022
Avon Solutions & Logistics Private Limited	16.06	36.36
Global Flight Handling Services Private Limited	(27.77)	(10.82)



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52 Group information

A. Subsidiaries

Name	Principal activities	Country of incorporation	% equity interest	
			As at March 31, 2023	As at March 31, 2022
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	99.99%	99.99%
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	99.99%	99.99%
Wynwy Technologies Private Limited (formerly known as 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	83.25%	70.00%
Matrix Business Services India Private Limited* (w.e.f April 25, 2019)	People, Product, and Process assurance services	India	99.99%	99.99%
Washroom Hygiene Concepts Private Limited (w.e.f September 5, 2019)	Famile Hygiene Solutions	India	99.99%	99.99%
Denave India Private Limited (w.e.f October 27, 2021)*	Sales Enablement and other staffing services	India	99.99%	99.99%
Athen BPO Private Limited (w.e.f December 23, 2022)*	Business Process Outsourcing	India	99.99%	0.00%
Updater Services (UDS) Foundation **	Licensed under Section 8 of Companies Act, 2013	India	99.99%	99.99%

*As more fully discussed in Note 2.1(i) to the consolidated financial statements, the Group has elected not to recognise non-controlling interest in subsidiaries Denave India Private Limited, Matrix Business Services India Private Limited and Athena BPO Private Limited and consequently the liability in respect of such shares towards the erstwhile promoters of such subsidiaries are recognised as financial liabilities in the consolidated financial statements (Also Refer Note 19).

** The shareholding of this entity is held by the Holding Company and therefore this entity would constitute a subsidiary under the Companies Act, 2013. However, as the Company does not control the entity in accordance with 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 Limited (Formerly known as Updater Services Private Limited)



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Updater Services Limited (Formerly known as Updater Services Private Limited)
Notes to Consolidated financial statements for the year ended March 31, 2023
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53. 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 March 31, 2023 and year ended March 31, 2022

Entity Name	Net Assets		Share in Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated Total Comprehensive Income	Amount
I. Parent								
Updater Services Limited	69.44%	2,693.11	-69.61%	(240.91)	120.29%	11.72	-64.42%	(229.19)
II. Subsidiaries								
Avon Solutions & Logistics Private Limited	5.25%	203.74	14.60%	50.51	4.00%	0.39	14.31%	50.90
Integrated Technical Staffing and Solutions Private Limited	1.85%	71.93	1.29%	4.46	8.72%	0.85	1.49%	5.31
Stanworth Management Private Limited	1.13%	43.96	3.82%	13.23	14.99%	1.46	4.13%	14.69
Tangy Supplies & Solutions Private Limited	2.38%	92.21	2.67%	9.24	-0.31%	(0.03)	2.59%	9.21
Fusion Foods and Catering Private Limited	2.31%	89.68	10.74%	37.16	16.22%	1.58	10.89%	38.74
Wyway Technologies Private Limited (Formerly known as Zappy Home Solutions Private Limited)	-3.15%	(122.12)	-7.96%	(27.53)	-1.13%	(0.11)	-7.77%	(27.64)
Global Flight Handling Services Private Limited	-1.55%	(60.24)	-11.25%	(38.93)	0.00%	-	-10.94%	(38.93)
Matrix Business Services India Private Limited	7.43%	288.27	60.84%	210.54	6.26%	0.61	59.35%	211.15
Washroom Hygiene Concepts Private Limited	2.08%	80.85	5.72%	19.80	-3.80%	(0.37)	5.46%	19.43
Denave India Private Limited (w.e.f October 28, 2021)	9.79%	379.69	78.58%	271.94	-61.17%	(5.96)	74.76%	265.98
Athema BPO Private Limited (w.e.f December 23, 2022)	1.23%	47.85	13.97%	48.35	-5.04%	(0.49)	13.45%	47.86
Non-Controlling interest in all subsidiaries	1.78%	69.18	-3.41%	(11.81)	0.96%	0.09	-3.30%	(11.72)
Total	100.00%	3,878.11	100.00%	346.05	100.00%	9.74	100.00%	355.79

Year ended March 31, 2022

Entity Name	Net Assets		Share in Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated Total Comprehensive Income	Amount
I. Parent								
Updater Services Limited	78.83%	2,725.55	30.65%	175.85	63.59%	(17.28)	29.00%	158.57
II. Subsidiaries								
Avon Solutions & Logistics Private Limited	6.03%	208.54	20.08%	115.17	0.15%	(0.04)	21.00%	115.13
Integrated Technical Staffing and Solutions Private Limited	1.92%	66.31	2.00%	11.49	1.59%	(0.43)	2.00%	11.06
Stanworth Management Private Limited	0.46%	15.83	1.76%	10.11	-2.31%	0.63	2.00%	10.74
Tangy Supplies & Solutions Private Limited	2.52%	87.25	1.75%	10.04	0.32%	(0.09)	2.00%	9.95
Fusion Foods and Catering Private Limited	2.40%	83.02	1.69%	9.70	0.84%	(0.23)	2.00%	9.47
Zappy Home Solutions Private Limited	-2.73%	(94.41)	-3.39%	(19.47)	0.35%	(0.09)	-4.00%	(19.56)
Global Flight Handling Services Private Limited	-0.56%	(19.53)	-3.58%	(20.55)	0.00%	-	-4.00%	(20.55)
Matrix Business Services India Private Limited	5.83%	201.70	35.37%	202.90	39.57%	(10.75)	35.00%	192.15
Washroom Hygiene Concepts Private Limited	1.76%	61.01	1.55%	8.91	-2.29%	0.62	2.00%	9.53
Denave India Private Limited (w.e.f October 28, 2021)	2.00%	69.00	12.11%	69.48	-1.85%	0.50	13.00%	69.98
Non-Controlling interest in all subsidiaries	1.54%	53.09	0.01%	0.06	0.04%	(0.01)	0.00%	0.05
Total	100.00%	3,457.36	100.00%	573.69	100.00%	(27.17)	100.00%	546.52



54 Business Combinations and Acquisition of non-controlling interest

A. Acquisitions during the year ended March 31, 2023

On December 23, 2022, the Group acquired 57% equity ownership in Athena BPO Private Limited ("Athena") for a consideration of ₹ 819.40 million. Athena is in the business of providing business process outsourcing (BPO), which mainly offers services to Banks, NBFC, Insurance Companies, and Telecoms. This acquisition enhances the group competencies in the business service space especially in the sales enablement services and drives synergies between other portfolio companies of the group. The total value of purchase consideration of ₹ 1,437.74 million includes ₹ 586.74 million on account of obligation to purchase the remaining equity shares (43%) in the future, pursuant to Shareholder's Agreement between the Group and the promoters of Athena.

Consequent to the future purchases, the Group will hold 100% of the equity shares of Athena.

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

Assets acquired and liabilities assumed	Fair Value on acquisition
Particulars	Total
Property, Plant and Equipment	147.59
Intangible Assets	10.16
Trade Receivables	245.30
Cash and Bank Balances	91.42
Non-current tax assets (Net)	17.38
Other Assets - current and non-current	413.65
Deferred Tax Assets	14.28
Total Assets taken over (A)	939.78
Trade Payables	128.04
Other Liabilities - current	39.51
Provisions - current and non-current	16.08
Other liabilities	245.40
Total liabilities assumed (B)	429.03
Identifiable Intangible Assets on acquisition	
Customer Relationship (Note i)	309.70
Non Compete (Note ii)	5.10
Brand (Note iii)	31.80
Total identifiable intangible assets on acquisition (C)	346.60
Deferred Tax Liability on account of identified intangible assets and fair value of promoter's liability on acquisition	
Deferred Tax liability on Acquisition (D)	87.23
Non-controlling interests measured at fair value	-
Goodwill arising on acquisition (Note iv) (E)	667.62
Total purchase consideration (A-B+C-D+E)	1,437.74

Notes:

- (i) Customer contracts and related Customer relationships include the relationships that Athena has 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 intangible asset is considered having a useful life of 8.5 years from the date of acquisition.

- (ii) Non compete is based on a contractual agreement which protects the value of the purchased assets from Athena (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 Athena, the promoters have agreed to non-competence for a period of 5 years from the expiry of Contract of service or the promoters ceasing to hold any securities of Athena (i.e. after October 31, 2026). Thus effectively 8 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".

- (iii) Athena uses the trademark 'Athena' 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 Athena. 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 a useful life of 10 years.



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(iv) The goodwill of ₹ 667.62 million 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, Athena has contributed ₹ 406.79 million of revenue and ₹ 62.57 million to the profit before tax of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been higher by ₹ 1,010.70 million and the profit before tax for the Group would have been higher by ₹ 99.85 million.

(v) The fair value and gross amount of the trade receivables of Athena amounts to ₹ 245.30 million, which is expected to be fully collected.

Information relating to purchase consideration :

Purchase Consideration	Amount
Total amount payable for purchase of current equity shareholding (A)	851.00
Amount already paid for purchase of current equity shareholding	780.86
Amount remaining payable for current equity shareholding	70.14
Present value of Redemption liability as on date of acquisition (B)	586.74
Total (A) + (B)	1,437.74

During the financial year 2022-23, the Group acquired 57% stake in Athena at an agreed price of ₹ 1,437.74 million from the promoters of Athena. As per the Shareholder's Agreement between the Group and Athena and its erstwhile promoters, the Group 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 management.

Significant increase/ (decrease) in the EBITDA of Athena 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 consolidated statement of profit and loss.

The purchase consideration has been computed as follows:

Particulars	No of shares	Price per share	Purchase consideration	Stake
Tranche I	32,824	24,963.50	851.00	57.00%
Tranche II (on or before October 31, 2024)	9,501	21,050.42	200.00	16.50%
Tranche III (on or before October 31, 2025)	9,501	24,944.74	237.00	16.50%
Tranche IV (on or before October 31, 2027)	5,758	26,005.56	149.74	10.00%
Total shares	57,584	24,967.70	1,437.74	100%

B. Acquisitions during the year ended March 31, 2022

On October 27, 2021, the Group acquired 52% equity ownership in Denave India Private Limited ("Denave") for a consideration of ₹ 629.96 million. Denave is primarily engaged in the business of providing sales enablement and other support and staffing services. The total value of purchase consideration of ₹ 1,412.10 million includes ₹ 782.15 million on account of obligation to purchase the remaining equity shares (48%) in the future, pursuant to Shareholder's Agreement between the Group and the promoters of Denave.

Consequent to the future purchases, the Group will hold 100% of the equity shares of Denave.

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

Assets acquired and liabilities assumed

Particulars	Fair Value on acquisition
	Total
Property, Plant and Equipment	24.83
Trade Receivables	417.79
Cash and Bank Balances	105.66
Loans and Advances	2.90
Non-current tax assets (Net)	56.06
Other Assets - current and non-current	208.99
Deferred Tax Assets	32.89
Total Assets taken over (A)	849.12
Trade Payables	67.05
Other Liabilities - current	74.95
Provisions - current and non-current	53.66
Other liabilities	203.86
Total liabilities assumed (B)	399.52
Identifiable Intangible Assets on acquisition	
Customer Relationship (Note i)	148.00
Non Compete (Note ii)	25.70
Brand (Note iii)	53.70
Total identifiable intangible assets on acquisition (C)	227.40



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Particulars	Total
Deferred Tax Liability on account of identified intangible assets and fair value of promoter's liability on acquisition	
Deferred Tax liability on Acquisition (D)	88.15
Non-controlling interests measured at fair value	
Goodwill arising on acquisition (Note iv) (E)	823.25
Total purchase consideration (A-B+C-D+E)	1,412.10

Notes:

- (i) Customer contracts and related Customer relationships include the relationships that Denave has 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 intangible asset is considered having a useful life of eight years from the date of acquisition.

- (ii) Non compete is based on a contractual agreement which protects the value of the purchased assets from Denave (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 Denave, the promoters have agreed to non-competence for a period of 3 years from the expiry of Contract of service or the promoters ceasing to hold any securities of Denave (i.e. after June 30, 2027). Thus effectively 5.5 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".

- (iii) Denave uses the trademark 'Denave' 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 Denave. 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.

- (iv) The goodwill of ₹ 823.25 million 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, Denave has contributed ₹ 1,243.86 million of revenue and ₹ 87.10 million 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 ₹ 16,240.26 million and the profit before tax for the Group would have been ₹ 788.71 million.

- (v) The fair value and gross amount of the trade receivables of Denave amounts to ₹ 417.79 million, which is expected to be fully collected.

Information relating to purchase consideration :

Purchase Consideration	Amount
Cash paid for purchase of current equity shareholding	629.96
Present value of Redemption liability as on date of acquisition (October 27, 2022)	782.15
Total	1,412.11

During the financial year 2021-22, the Company has acquired 52% stake in Denave India Private Limited at an agreed price of ₹ 629.96 million from the promoters of Denave. As per the Shareholder's Agreement between Company, Denave 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. Consequently, on the date of acquisition, the Company has recognised a redemption liability for the present value of such future obligation based on a best estimate available with the management amounting to ₹ 782.15 million.

Significant increase/ (decrease) in the EBITDA of Denave 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:

Particulars	No of shares	Price per share	Purchase consideration	Stake
Tranche I	96,66,329.00	65.17	629.96	52%
Tranche II (on or before June 30, 2023)	44,61,383.00	80.04	357.10	24%
Tranche III (on or before June 30, 2024)	44,61,383.00	95.27	425.05	24%
Total shares	1,85,89,095.00	75.96	1,412.11	100%



Updater Services Limited (Formerly known as Updater Services Private Limited)

Notes to Consolidated financial statements for the year ended March 31, 2023

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

55 The Holding Company had availed of GST credits cumulatively aggregating to Rs.48.73 million as at March 31, 2023 and Rs 36.15 million as at March 31, 2022 arising from the credit notes issued to certain customers, which have also been since utilised against discharge of output GST obligations of the Holding Company, based on management's assessment and as supported by legal advice taken. However, having regard to the facts of the case as well as possible interpretative issues in this regard, and pending final assessment, the Holding Company out of abundant caution has recognised a provision of Rs.48.73 Million at March 31, 2023 (Rs.36.15 million as at March 31, 2022) in the financial statements (including interest), without prejudice to its rights under the applicable law.

56 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 Group 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 Group 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.

57 Irregularities noted in a subsidiary company

During the year ended March 31, 2022, management had identified certain instances of irregularities in disbursement/ payment of salary to fictitious and left employees. Based on initial inquiries performed by the Management the possible impact of such irregularities was quantified to be ₹ 1.00 million and have recovered such amounts from the employees responsible for such irregularities. Management had also appointed external independent expert and initiated an investigation on this matter.

The investigation carried out by the external expert was concluded during the current period. The investigation identified certain additional instances of irregularities in disbursement/ payment of salary to fictitious and left employees. The total impact assessed in relation to these irregularities amounts to ₹ 1.35 million. Management has considered the report of the expert, and concluded that as the impact of the irregularities identified by the expert have already been accounted for in the earlier years, no further adjustment is required to be made to the financial statements for the year ended March 31, 2023.

58 Other Statutory Information

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) The Group has balance/transactions with the below-mentioned companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956:

Name of struck-off Company	Nature of Transaction	Balances Outstanding		Relationship with the Struck off company
		As at March 31, 2023	As at March 31, 2022	
Cross Limits Services and Solutions	Trade Payables	0.06	0.06	None
Pancyber Infotech Private Limited	Trade Payables	0.03	0.03	None
Wilway Engineering and Construction	Trade Payables	-	0.04	None
Bajaj Electronics	Services received	0.01	-	None
Air Mech Engineers Private Limited	Trade Payables	0.03	-	None
Knorr -Bremse Systems For Commercial Vehicles India Private Limited	Trade receivable	0.05	0.07	None
Delhi Public School Private Limited	Trade receivable	0.06	-	None
Knorr -Bremse Systems For Commercial Vehicles India Private Limited	Service provided/Material supplied	0.05	0.07	None
Delhi Public School Private Limited	Service provided/Material supplied	0.06	-	None

- (iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond
- (iv) The Group has not defaulted in on loans payable and have not been declared as wilful defaulter.
- (v) The Group has not traded or invested in Crypto currency or Virtual Currency during the year
- (vi) Title deeds of all immovable properties are in the name of the Group.
- (vii) (a) During the year, the Holding Company advanced loans of Rs. 53.86 million to its subsidiary, Global Flight Handling Services Private Limited ('GFHSPL' CIN U74900TN2014PTC097283) on various dates towards its working capital requirements. Subsequently, GFHSPL has further advanced loans aggregating Rs. 12.00 million, Rs. 18.20 million, Rs. 2.26 million, Rs. 9.73 million and Rs. 0.57 million to its subsidiaries namely, Global Flight Handling Services (Pune) Private limited (CIN U93090PN2021PTC198665), Global Flight Handling Services (Patna) Private limited (CIN U62200BR2021PTC052021), Global Flight Handling Services (Raipur) Private limited (CIN U63040CT2021PTC012256), Global Flight Handling Services (Vizag) Private limited (CIN U62100AP2021PTC118299) and Global Flight Handling Services (Surat) Private limited (CIN U63030GJ2021PTC126393) respectively on various dates for the purpose of providing funding to these step-down subsidiaries in connection with their pursuit of flight handling services business at the respective airports operated by these entities during the year.

During the year, one of the subsidiaries, Avon Solutions & Logistics Private Limited ("Avon"), advanced loans of Rs. 40 million to another subsidiary, Global Flight Handling Services Private Limited ('GFHSPL' CIN U74900TN2014PTC097283) on various dates towards working capital purposes. Subsequently, GFHSPL has further advanced loans aggregating Rs. 2.92 million, Rs. 9.83 million, Rs. 2.11 million, Rs. 14.93 million and Rs. 2.54 million to its subsidiaries namely, Global Flight Handling Services (Pune) Private limited (CIN U93090PN2021PTC198665), Global Flight Handling Services (Patna) Private limited (CIN U62200BR2021PTC052021), Global Flight Handling Services (Raipur) Private limited (CIN U63040CT2021PTC012256), Global Flight Handling Services (Vizag) Private limited (CIN U62100AP2021PTC118299) and Global Flight Handling Services (Surat) Private limited (CIN U63030GJ2021PTC126393) respectively on various dates for the purpose of providing funding to these step-down subsidiaries in connection with their pursuit of flight handling services business at the respective airports operated by these entities during the year.

The Group has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act for the above transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003)

(b) During the year, one of the subsidiaries, Global Flight Handling Services Private Limited ('GFHSPL' CIN U74900TN2014PTC097283), received fund from Holding Company amounting to Rs. 53.86 Million and from Avon amounting to Rs. 40 Million on various dates towards its working capital requirements. Subsequently, GFHSPL has further advanced loans aggregating Rs. 14.92 million, Rs. 28.03 million, Rs. 4.37 million, Rs. 24.66 million and Rs. 3.11 million to its subsidiaries namely, Global Flight Handling Services (Pune) Private limited (CIN U93090PN2021PTC198665), Global Flight Handling Services (Patna) Private limited (CIN U62200BR2021PTC052021), Global Flight Handling Services (Raipur) Private limited (CIN U63040CT2021PTC012256), Global Flight Handling Services (Vizag) Private limited (CIN U62100AP2021PTC118299) and Global Flight Handling Services (Surat) Private limited (CIN U63030GJ2021PTC126393) respectively on various dates for the purpose of providing funding to these subsidiaries in connection with their pursuit of flight handling services business at the respective airports operated by these entities during the year.

The Group has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act for the above transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003)



Complete details of the intermediary and ultimate beneficiary is provided below:

Name of the Entity	Registered Address	CIN	Relationship with Holding Company	Relationship with Avon
Global Flight Handling Services Private Limited	Rayala Towers", Tower II, First Floor, New No.158 Old No.781, Shop No.24A, Anna Salai, Chennai Chennai TN 600002 INDIA	U74900TN2014P TC097283	Subsidiary	Fellow Subsidiary
Global Flight Handling Services (Patna) Private Limited (Ultimate Beneficiary)	Door No 401, 4th Floor, OP Complex P N Mall Road (Patliputra Kurji Road) NA Patna Patna BR 800010 INDIA	U62200BR2021P TC052021	Step-Subsidiary	Subsidiary of Fellow Subsidiary
Global Flight Handling Services (Pune) Private Limited (Ultimate Beneficiary)	No 101, Amrut Siddhi Apartment, Lakshmi Park, Behind Bhide Hospital, Navi Pune MH 411030 India	U93090PN2021P TC198665	Step-Subsidiary	Subsidiary of Fellow Subsidiary
Global Flight Handling Services (Surat) Private Limited (Ultimate Beneficiary)	Cabin No.2, First Floor, Inside Terminal Building Arrival Hall, ATC Building, Dumas Road, Surat Surat GJ 395007 India	U63030GJ2021P TC126393	Step-Subsidiary	Subsidiary of Fellow Subsidiary
Global Flight Handling Services (Raipur) Private Limited (Ultimate Beneficiary)	OTB Ground Floor, Swami Vivekananda Airport, Mana Raipur CT 492015 India	U63040CT2021P TC012256	Step-Subsidiary	Subsidiary of Fellow Subsidiary
Global Flight Handling Services (Vizag) Private Limited (Ultimate Beneficiary)	First Floor, D.No.1-168, Susarla Colony Gopalapatnam Visakhapatnam Vishakhapatnam AP 530027 INDIA	U62100AP2021P TC118299	Step-Subsidiary	Subsidiary of Fellow Subsidiary

(viii) The Group have not revalued its Property, Plant & Equipments, Intangible Assets and Right to Use Assets during the period.

(ix) The Group has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

59 Maintenance of Daily Back-Up

The Ministry of Corporate Affairs have amended Companies (Accounts) Rules, 2014 - Rule 3 (Manner of Books of accounts to be kept in electronic mode) on August 05, 2022, whereby the books of account and other relevant books and papers maintained in electronic mode shall remain accessible in India at all times and the Company shall take back-up of books of account and other books and papers of the company maintained in electronic mode, in servers physically located in India on a daily basis.

One of the subsidiaries, Washroom Hygiene Concepts Private Limited (WHC), maintains its books of accounts on a dedicated desktop which is managed by an external service provider and not in a server physically located in India. The service provider has confirmed that they ensure that a daily backup is taken of such data as required under law. The subsidiary is currently in discussions with the service provider to store such backup in a server physically located in India and such activity is expected to be completed in the upcoming year.

One of the subsidiaries, Avon Solutions & Logistics Private Limited (Avon), maintains its books of accounts on the cloud which is managed by an external service provider. The service provider has confirmed that a daily backup is taken of such data as required under law, which is stored in a separate server in the cloud located outside of India. The subsidiary is currently in discussions with the service provider to store such backup in a server in India and such activity is expected to be completed in the upcoming year.

60 Standards issued but not effective

There are standards which are notified and effective for annual reporting period beginning on or after 1st April, 2023 and amendments are not expected to have a material impact on Group's Financial Statement as on reporting date

i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Group's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.



Updater Services Limited (Formerly known as Updater Services Private Limited)
Notes to Consolidated financial statements for the year ended March 31, 2023
(All amounts are in millions of Indian Rupees unless otherwise stated)

61 Events after reporting period

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

62 Previous Year Figures

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

As per our report of even date

For S.R.Batliloi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Aravind K

Partner

Membership No. 221268

Place: Chennai

Date : July 06, 2023



For and on behalf of Board of Directors

Updater Services Limited

(Formerly known as Updater Services Private Limited)



Raghunandana Tangirala

Managing Director

DIN : 00628914

Place: Mumbai

Date : July 06, 2023



Balaji Swaminathan

Chief Financial Officer

Place: Chennai

Date : July 06, 2023



Pondicherry Chidambaram

Balasubramanian

Director

DIN : 00584548

Place: Chennai

Date : July 06, 2023



B Ravishankar

Company Secretary

Membership No: 08688

Place: Chennai

Date : July 06, 2023

