Deloitte Haskins & Sells LLP

Chartered Accountants
ASV Ramana Tower
52, Venkatnarayana Road
T. Nagar
Chennai-600 017
Tamil Nadu, India

Tel: +91 44 6688 5000

INDEPENDENT AUDITOR'S REPORT

To The Members of Matrix Business Services India Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Matrix Business Services India Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report and annexures to the Board's Report, but does not include the financial statements and our auditor's report thereon. The Board's Report and annexures to the Board's Report are expected to be made available to us after the date of this auditor's report.

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

- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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- When we read the Board's Report and annexures to the Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.

Responsibility of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

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

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 32 of the financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in note 42 to the financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries").

   (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in note 43 to the financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities.

   (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

   vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

C Manish Muralidhar
Partner
Membership No. 213649
UDIN: 23213649BGVBZT8282

Place: Hyderabad
Date: June 16, 2023
MM/JM/2023/29

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls with reference to financial statements of **Matrix Business Services India Private Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements 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. These responsibilities include the design, implementation, and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to 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 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 financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements, and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

C Manish Muralidhar
Partner
Membership No. 213649
UDIN: 23213649BGVBZT8282

Place: Hyderabad
Date: June 16, 2023
MM/JM/2023/29

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ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the 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, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

(b) Some of the Property, Plant and Equipment were physically verified during the year by the Management in accordance with a programme of verification which, in our opinion, provides for physical verification of all the Property, Plant and Equipment, at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements as Property, Plant and Equipment and hence reporting under clause 3(i)(c) of the Order is not applicable.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and Intangible Assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act,1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) (a), (b), (c), (d), (e) & (f) of the Order is not applicable.

(iv) The Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of Section 185 and 186 of Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits during the year and does not have any unclaimed deposit as at March 31, 2023. Hence, reporting under clause 3(v) of the Order is not applicable.

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(vi) Having regard to the nature of the Company's business / activities, reporting under clause 3(vi) of the Order is not applicable.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Value Added Tax, Duty of Custom, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Value Added Tax, Duty of Custom, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of Statute	**Nature of Dues**	**Forum where Dispute is Pending**	**Period to which the Amount Relates**	**Disputed Amount (₹ in Million)**	**Unpaid Amount (₹ in Million)***
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2021-22	16.90	-

*Net of ₹ 16.90 Million being the demand amount adjusted against the refund receivable by the Company for the AY 2021-22 by the department.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(c) As informed to us, the Company has not raised any short-term loan during the year and there are no unutilised short term loans at the beginning of the year and hence, reporting under clause 3(ix)(d) of the Order is not applicable.

(d) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(e) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

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(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

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

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable Indian accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering period up to December 31, 2022, and the draft of the internal audit reports where issued after the balance sheet date covering the period January 01, 2023 to March 31, 2023 for the period under audit.

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

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and(c) of the Order is not applicable. The Group doesn't have any CIC as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

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

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) (a) and 3(xx) (b) of the Order is not applicable for the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

C Manish Muralidhar
Partner
Membership No. 213649
UDIN: 23213649BGVBZT8282

Place: Hyderabad
Date: June 16, 2023
MM/JM/2023/29

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Matrix Business Services India Private Limited
Balance sheet as at 31 March 2023
(All amounts are in ₹ millions)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	38.63	38.66
Other intangible assets	4	10.97	17.19
Intangibles asset under development	4A	2.27	1.60
Right to Use Asset	3	93.11	65.19
Financial assets			
(i)Other financial assets	5	17.33	12.84
(ii) Bank Balances other than cash and cash equivalents	5A	30.00	-
Income tax assets (net)	6	31.81	29.95
Deferred tax asset (net)	7	11.99	9.85
Other non-current assets	8	2.79	3.33
		238.90	**178.61**
Current assets			
Financial assets			
(i) Trade receivables	9	273.34	274.18
(ii) Cash and cash equivalents	10	103.25	200.72
(iii) Bank balances other than (ii) above	10	131.57	35.77
(iv) Other financial assets	5	95.91	117.58
Other current assets	8	14.25	13.27
		618.32	**641.52**
Total Assets		**857.22**	**820.13**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	3.84	4.18
Other equity	12	590.41	548.22
Total equity		**594.25**	**552.40**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Lease Liabilities	15	70.14	47.11
		70.14	**47.11**
Current Liabilities			
Financial liabilities			
(i)Lease Liabilities	15	27.82	20.88
(ii) Trade payables	14		
- Total outstanding dues of micro, small and medium enterprises		2.02	2.27
- Total outstanding dues other than micro, small and medium enterprises		115.26	120.26
(iii) Other financial liabilities	15	7.05	38.94
Other current liabilities	16	29.64	28.21
Provisions	13	11.04	10.06
		192.83	**220.62**
Total Liabilities		**262.97**	**267.73**
TOTAL EQUITY AND LIABLITIES		**857.22**	**820.13**
Summary of significant accounting policies	1 - 2		
The accompanying notes form an integral part of the financial statements	3 - 53		

As per our report of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

C. Manish Muralidhar
Partner

Place: Hyderabad
Date: 16-June-2023

DELOITTE HASKINS & SELLS LLP CHENNAI-17 CHARTERED ACCOUNTANTS

For and on behalf of **Board of Directors**
Matrix Business Services India Private Limited

P.C. Balasubramanian
Director
DIN -00584548

Place: Chennai
Date: 16-June-2023

Jayasree Srinivasan
Managing Director
DIN -00583986

Place: Chennai
Date: 16-June-2023

MATRIX BUSINESS SERVICES INDIA PVT. LTD. • CHENNAI •

Matrix Business Services India Private Limited
Statement of Profit and Loss for the year ended 31 March 2023
(All amounts are in ₹ millions)

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from contracts with customers	17	1,242.02	1,032.76
Other income	18	10.07	20.37
Total Income		**1,252.09**	**1,053.13**
Expenses			
Employee benefits expense	19	472.61	398.99
Finance costs	20	6.69	3.78
Depreciation and amortization expense	21	49.91	34.12
Other expenses	22	443.40	351.33
Total Expense		**972.61**	**788.22**
Profit before Tax		**279.48**	**264.91**
Tax Expense :	23		
(i) Current tax		71.09	65.50
(ii) Deferred tax (Net)		(2.15)	(0.49)
Income Tax expense		**68.94**	**65.01**
Profit after tax		**210.54**	**199.90**
Other Comprehensive Income:			
Items that will not to be reclassified to profit or loss in subsequent years:			
(i) Re-measurement (income)/loss on defined benefit obligations (net)	24	(0.61)	10.75
(ii)Income tax effect relating to (i) above	23.1	-	-
		(0.61)	**10.75**
Other comprehensive (Income)/Loss for the year		**(0.61)**	**10.75**
Total comprehensive Income for the year		**211.15**	**189.15**
Earnings per equity share of ₹ 10 each (Face value)			
Basic and diluted (Amount in ₹)	25	523.22	477.99
The accompanying notes form an integral part of the financial statements	3 - 53		

As per report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

C. Manish Muralidhar
Partner

Place: Hyderabad
Date: 16-June-2023

DELOITTE HASKINS & SELLS LLP
CHENNAI-17
CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors
Matrix Business Services India Private Limited

P.C Balasubramanian
Director
DIN -00584548

Place: Chennai
Date: 16-June-2023

Jayasree Srinivasan
Managing Director
DIN -00583986

Place: Chennai
Date: 16-June-2023

MATRIX BUSINESS SERVICES INDIA PVT. LTD.
CHENNAI

Matrix Business Services India Private Limited
Cash Flow Statement for the year ended 31 March 2023
(All amounts are in ₹ millions)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit After Tax		**210.54**	**199.90**
Adjustments			
Income tax expense	23	68.94	65.01
Depreciation and amortization expense	21	24.09	17.23
Depreciation to ROU Assets	21	25.82	16.89
Loss on sale / write off of Property, Plant & Equipment (net)	22	0.35	0.05
Finance costs	20	6.69	3.78
Interest Income	18	(9.33)	(8.22)
Provision no longer written back	22	-	(11.88)
Allowance for expected credit loss	22	1.73	3.72
Interest on Deposit measured at amortised cost	18	0.73	0.45
Bad Debts Writen off	22	(1.18)	(1.17)
Intangible asset under development Writen off	22	1.13	
Operating profit before working capital changes		**329.51**	**285.76**
Adjustments for (increase) / decrease in operating/ other assets:			
Trade receivables	9	0.29	(128.27)
Other Non -current Financial assets	5	(4.49)	(7.82)
Other Non- current assets	8	0.57	(3.30)
Other current assets	8	(0.97)	(5.50)
Other current financial assets	5	20.75	(32.80)
Adjustments for increase / (decrease) in operating/ other liabilities:			
Trade payables	14	(5.25)	32.12
Non Current Provisions	13	-	(9.70)
Other Non -current financial liabilities	15	(31.21)	13.45
Other Non- current liabilities	13	1.42	9.94
Current Provisions		0.98	2.08
		(17.91)	(129.80)
Net income tax (paid) / refunds		(72.94)	(53.54)
Net cash flow from operating activities (A)		**238.66**	**102.42**
B. Cash flow from investing activities			
Purchase of Property, Plant and Equipment, including capital advances and payables	3,4	(20.45)	(35.24)
Proceeds from sale of Property, Plant and Equipment		0.25	-
Interest received from Fixed deposits	18	9.31	7.77
(Placement) / Redemption of Fixed Deposits (net) with original maturity more than 3 months	10	(125.81)	(15.87)
Net cash (used) in investing activities (B)		**(136.70)**	**(43.34)**
C. Cash flow from financing activities			
Payment of Lease Liabilities	31	(30.47)	(18.06)
Buy Back of EquityShares	12	(136.97)	-
Tax paid on buy back of Equity Shares	12	(31.99)	
Net cash used in financing activities (C)		**(199.43)**	**(18.06)**
Net (decrease)/increase in Cash and cash equivalents (A+B+C)		**(97.47)**	**41.02**
Cash and cash equivalents at the beginning of the year		200.72	159.70
Cash and cash equivalents at the end of the year		**103.25**	**200.72**

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MATRIX BUSINESS SERVICES INDIA PVT LTD. • CHENNAI •

Matrix Business Services India Private Limited
Cash Flow Statement for the year ended 31 March 2023
(All amounts are in ₹ millions)

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
Reconciliation of Cash and cash equivalents :			
Cash and cash equivalents as per Balance Sheet (Refer Note 10)		234.82	236.49
Less: Bank balances not considered as Cash and cash equivalents as defined in IND AS 7 Cash Flow Statements		(131.57)	(35.77)
Net Cash and cash equivalents (as defined in IND AS 7 Cash Flow Statements) included in Note 10		**103.25**	**200.72**

The accompanying notes form an integral part of the financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

C. Manish Muralidhar
Partner

Place: Hyderabad
Date: 16-June-2023

For and on behalf of Board of Directors
Matrix Business Services India Private Limitec

P.C. Balasubramanian
Director
DIN -00584548

Place: Chennai
Date: 16-June-2023

Jayasree Srinivasan
Managing Director
DIN -00583986

Place: Chennai
Date: 16-June-2023

DELOITTE HASKINS & SELLS LLP ★ CHENNAI-17 ★ CHARTERED ACCOUNTANTS

MATRIX BUSINESS SERVICES INDIA PVT. LTD. • CHENNAI •

Matrix Business Services India Private Limited
Statement of changes in equity for the year ended 31 March 2023
(All amounts are in ₹ millions)

(a) Equity share capital	As at 31 March 2023 No. of shares	As at 31 March 2023 Amount	As at 31 March 2022 No. of shares	As at 31 March 2022 Amount
Equity shares of Rs 10 each issued, subscribed and fully paid				
Opening balance	4,18,211	**4.18**	4,18,211	**4.18**
Add: Shares issued during the year				
Add: Changes in Share Capital due to prior year errors		-		-
Add: Balance at the beginning of the current reporting year		-		-
Add: Changes in share capital during the current year (Refer Note 11.1 and 11.2)	(34,000)	(0.34)		-
Closing balance	**3,84,211**	**3.84**	**4,18,211**	**4.18**

(b) Other equity

Particulars	Retained Earnings	Capital redemption reserve	Capital Contribution to parent	Securities Premium	Total
As at 1 April 2021	**358.03**	**1.04**	-	-	**359.07**
Add: Profit for the year	199.90	-	-	-	199.90
Add: Other Comprehensive (loss) for the year (net of Income tax)	(10.75)	-	-	-	(10.75)
As at 31 March 2022	**547.18**	**1.04**	-	-	**548.22**
Add: Profit for the year	210.54	-	-	-	210.54
Add: Other Comprehensive income for the year (net of Income tax)	0.61	-	-	-	0.61
Less: Buy Back of shares (Refre Note No 11.1)	(136.97)	-	-	-	(136.97)
Less: Tax paid on Buy Back of shares	(31.99)				(31.99)
Less/ add: Transfer to capital redemption reserve (Refer Note no 11.1)	(0.34)	0.34	-	-	-
Add: Employee Stock option issued during the year (Refer Note NO 36)	-	-	2.99	-	2.99
Less: Recharge of Employee Stock option payable to holding company	-	-	(2.99)	-	(2.99)
As at 31 March 2023	589.03	1.38	-	-	590.41

The accompanying notes form an integral part of the financial statements 3 - 53

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

C. Manish Muralidhar
Partner

Place: Hyderabad
Date: 16-June-2023

For and on behalf of Board of Directors
Matrix Business Services India Private Limited

P.C. Balasubramanian
Director
DIN -00584548
Place: Chennai
Date: 16-June-2023

Jayasree Srinivasan
Managing Director
DIN -00583986
Place: Chennai
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DELOITTE HASKINS & SELLS LLP CHENNAI-17 CHARTERED ACCOUNTANTS

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Matrix Business Services India Private Limited
Notes forming part of the financial statements for the year ended 31 March 2023

1 . 'Corporate information

Matrix Business Services India Private Limited("The Company") was incorporated on 29th August 2003 as a private limited company with its corporate office registered in Chennai.Its Holding Company is Updater Services Limited ("Holding Company" formerly known as Updater Services Private LImited) since 29th April 2019. It has branches across 8 locations in India-namely, Chandigarh, Gujarat, Hyderabad, Karnataka, Kerala, Kolkata, Mumbai and Noida. This is a company promoted and managed by Chartered Accountants with core competence in the employee background verification space. The company is a service entity engaged in two activities- Audit & Assurance and Employee background verification.

2. Basis of Preperation and Presentation

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorised have been considered in preparing these financial statements. There is no other Indian Accounting Standard that has been issued as of that date but was not mandatorily effective.

2.1 Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time.

Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use.

2.2 Basis of preparation of financial statements

These financial statements have been prepared on accrual basis under the historical cost basis, except for certain financial assets and liabilities which are measured at fair values at the end of each reporting year, as explained in accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
(ii) 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; and
(iii) Level 3 inputs are unobservable inputs for the asset or liability.

These financial statements are prepared on a going concern basis considering the Company's future financial projections.

Use of Estimates

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting year. Examples of such estimates include provision for expected credit loss, provision for employee benefits, useful lives of Property Plant and Equipment, etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the year in which the estimate is revised and/or in future years, as applicable.

Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

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Property, Plant and Equipment ("PPE")

Property Plant & Equipment, are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of property plant & equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property plant & equipment up to the date the asset is ready for its intended use.

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2018 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Depreciation:

Depreciable amount for Property, Plant and Equipment is the cost of an Property, Plant and Equipment, or other amount substituted for cost, less its estimated residual value.

Depreciation on Property , Plant and Equipment ("PPE") are provided on straight line method on estimated useful life of the assets as prescribed in Schedule III of Companies Act , 2013.

Assets individually costing Rs. 5,000 or less are fully depreciated in the year of addition.

Intangible assets are amortised on a straight-line basis over a year of six years . The economic useful life of assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated benefit of the asset derived by the management . The amortisation year and amortisation method are reviewed at least at each financial year-end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation year is

Derecognition of Property, Plant and Equipment:
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Revenue Recognition

The Company derives revenues primarily from services comprising the Audit and Assurance (A&A) and Employee Background Verification (EBGV)services for customer in India and outside India.

To determine whether to recognise revenue from contracts with customers, the Company follows a 5-step process:
1 Identifying the contract with customer
2 Identifying the performance obligations
3 Determining the transaction price
4 Allocating the transaction price to the performance obligations
5 Recognising revenue when/as performance obligation(s) are satisfied.

Revenue from contracts with customers is recognised upon transfer of control of promised services to the customer at an amount that reflects the consideration the company expects to receive in exchange for those services (i.e of net of penalties, discount and incentives). 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.

Other Income
Dividend income is recognised when the unconditional right to receive the payment is established. Interest income on fixed deposits is accounted on accrual basis. Interest income from customers on delayed collections in accordance with the Micro, Small, and Medium Enterprises Development(MSMED) Act, 2006 are recognised on receipt basis. Dividend income is accounted for when the right to receive is established.

Foreign currency transactions and translations
Determination of Functional Currency:

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (INR) in which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (INR).

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates.

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Matrix Business Services India Private Limited
Notes forming part of the financial statements for the year ended 31 March 2023
Financial Instruments
A)Initial Recognition
Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

'Financial assets and financial liabilities are initially measured at fair value , except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

B) Subsequent Measurement
Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

• the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

• the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
Changes in the carrying amount of FVTOCI monetary financial assets relating to changes in foreign currency rates are recognised in profit or loss. Other changes in the carrying amount of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed off or is determined to be impaired, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (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 debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.
Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

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Investments in equity instruments at FVTOCI:

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:
• It has been acquired principally for the purpose of selling it in the near term; or
• On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
• It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividend on these investments in equity instruments are recognised in the Statement of Profit and Loss when the right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Financial assets at fair value through profit or loss (FVTPL):

Investments in equity instruments are classified as FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amotised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, instruments that meet the amortised cost criteria or FCTOCI criteria may be designated as FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

Financial Assets at FVTPL are measured at fair value at the end of each reporting year, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL are recognised when the right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amotised cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of the financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the life-time expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the life-time cash shortfalls that will result if the default occurs within the 12 months after reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measures the loss allowance for a financial instrument at lifetime expected credit loss model in the previous year, but determines at the end of a reporting year that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous year, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in risk of default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the date of initial recognition.

For trade receivables or any contractual right to receive cash or other financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

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MATRIX BUSINESS SERVICES INDIA PVT LTD CHENNAI

De-recognition of financial assets:

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

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity instruments

Classification as a debt or equity:

Debt and equity instruments used by the Company as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities:

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company are measured in accordance with the specific accounting policies set out below.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

• it has been incurred principally for the purpose of repurchasing it in the near term; or

• on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
• the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis;
Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting years. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. 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 year, to the net carrying amount on initial recognition.

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Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised the Statement of Profit and Loss.

Employee Benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.
Defined Contribution Plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit plan

For defined benefit plan in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date and is funded with a Gratuity Fund administered by the Company and managed by Life Insurance Corporation of India. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :
(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(b) in case of non-accumulating compensated absences, when the absences occur.

Long Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

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Provident Fund and Employee State Insurance :

All employees of the Company receive benefits from Provident Fund and Employee's State Insurance, which are defined contribution plans. Both, the employee and the Company make monthly contributions to the plan, each equalling to a specified percentage of employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company contributes to the Employee Provident Fund and Employee's State Insurance scheme maintained by the Central Government of India and the contribution thereof is charged to the Statement of Profit and Loss in the year in which the services are rendered by the employees.

Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a year of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

(i) the contract involves the use of an identified asset (ii) the company has substantially all of the economic benefits from use of the asset through the year of the lease (iii) the company has the right to direct the use of the asset.

The company as a lessee

At the commencement of the lease, the company recognises a right of use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a leasee, except for leases with a term of 12 months or less (Short term lease) and low value leases. For those Short term and low value leases, the company recognizes the lease payments as an operating expense on a straight line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Ministry of Corporate Affairs (MCA) vide its notification dated June 18, 2021, has directed the companies to recognise the short term waivers received on account of Covid 19 pandemic, upto June '22, as other income in the Profit & Loss a/c.

Finance Lease

The Company has leases that were classified as finance leases applying Ind AS 17. For such leases, the carrying amount of the right-of-use asset and the lease liability at the date of initial application of Ind AS 116 is the carrying amount of the lease asset and lease liability on the transition date as measured applying Ind AS 17.

Segment reporting

Operating segments reflect the Company's management structure and the way the financial information is regularly reviewed by the Company's Chief Operating Decision Maker (CODM). The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue, where applicable, is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

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Goods & Services Tax input credit

Goods & Services Tax Input credit is accounted for in the books in the year in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.
Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. 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 of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans in the Company.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

Impairment of Tangible and Intangible Assets

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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Provisions and Contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

Share Based Payments :

The Company is covered under the employee stock option scheme of Updater Services Limited, India (the holding company). Under the plan, the employees of the Company are granted shares of the holding company, in accordance with the terms and conditions as specified in the plan. The plan is assessed, managed and administered by the holding company, whose shares and share based benefits have been granted to the employees of the Company. The holding company currently operates the plan / scheme of employee stock option ("ESOP"). The Company has accounted for the amount of expense under Ind AS 102 considering the invoice received from the holding company and has made the related disclosures required under INDAS 102 based on information obtained from the holding company. Also Refer Note 36.

ESOPs:

Equity settled share based payments to the employees of the company are measured at the fair value of the equity instruments at the grant date.

Compensation expense for the Employee Stock Option Plan ("ESOP") is measured at the option value as on grant date and the cost of the option will be amortised on a systematic basis which reflects pattern of the vesting of the options over the period of vesting.

Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if revision affects both current and future years.

The following are the significant areas of estimation, uncertainty and critical judgements in applying accounting policies:

'- Useful lives of Property, plant and equipment and intangible assets
'- Provision for disputed matters
'- Recognition of deferred tax assets: Availability of future taxable profit against which tax losses carried forward can be used.
'- Measurement of defined benefit obligations: Key actuarial assumptions used for actuarial valuation.

Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

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Notes forming part of the financial statements for the year ended 31 March 2023

(All amounts are in ₹ millions)

3 Property Plant and Equipment

Particulars	Furniture and fixtures	Office equipments	Vehicles	Computer and accessories	Leasehold improvements	Right to Use Asset	Total
Cost							
At 01 April 2021	**2.31**	**5.03**	**2.57**	**27.89**	**10.42**	**45.70**	**93.92**
Additions	4.29	4.81	-	14.37	6.83	67.22	97.52
Disposals	(0.05)	(1.09)	(0.00)	(0.00)	(0.10)	(2.25)	(3.49)
Other adjustments	0.32	1.92	0.02	0.00	0.84	-	3.10
At 31 March 2022	**6.87**	**10.67**	**2.59**	**42.26**	**17.99**	**110.67**	**191.05**
Additions	0.48	2.71	-	14.33	-	53.74	71.26
Disposals	(0.39)	(0.88)	(0.60)	-	-	-	(1.87)
At 31 March 2023	**6.96**	**12.50**	**1.99**	**56.59**	**17.99**	**164.41**	**260.44**
Accumulated Depreciation							
At 01 April 2021	**1.04**	**2.74**	**1.22**	**16.79**	**6.33**	**28.59**	**56.71**
Charge for the year	1.63	1.70	0.52	6.42	1.41	16.89	28.57
Disposals	(0.03)	(1.05)	(0.00)	(0.00)	(0.10)	-	(1.18)
Other adjustments	0.32	1.92	0.02	-	0.84	-	3.10
At 31 March 2022	**2.96**	**5.31**	**1.76**	**23.21**	**8.48**	**45.48**	**87.20**
Charge for the year	1.05	1.88	0.49	11.51	2.28	25.82	43.03
Disposals	(0.21)	(0.80)	(0.52)	-	-	-	(1.53)
At 31 March 2023	**3.80**	**6.39**	**1.73**	**34.72**	**10.76**	**71.30**	**128.70**
At 31 March 2023	**3.16**	**6.11**	**0.26**	**21.87**	**7.23**	**93.11**	**131.74**
At 31 March 2022	**3.91**	**5.36**	**0.83**	**19.05**	**9.50**	**65.19**	**103.85**

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4 Other intangible assets

Particulars	Computer software	Total
Cost		
At 1 April 2021	**33.18**	**33.18**
Additions	3.34	3.34
Disposals	-	-
At 31 March 2022	**36.52**	**36.52**
Additions	0.66	0.66
Disposals	-	-
At 31 March 2023	**37.18**	**37.18**
Accumulated Depreciation		
At 1 April 2021	**13.79**	**13.79**
Charge for the year	5.54	5.54
Disposals	-	-
At 31 March 2022	**19.33**	**19.33**
Charge for the year	6.88	6.88
Disposals	-	-
At 31 March 2023	**26.21**	**26.21**
Net Block		
At 31 March 2023	**10.97**	**10.97**
At 31 March 2022	**17.19**	**17.19**

4A Intangible Asset Under Development (IAUD)

	Non-current As at 31 March 2023	Non-current As at 31 March 2022
At 01 April	1.60	
Add: Additions	2.27	1.60
Less :Disposals	-1.60	
Less: Other adjustments (Refer Note no 4A.1)	-	-
At 31 March	2.27	**1.60**

4A.1 The purchase order for the Deisgn and development of Matex 2 software issued to the vendor in FY 21-22 has been terminated during the year and awarded the purchase order to a new vendor in October 2022. The company based on its assessment has written off the carrying amount of Rs 1.60 million to the Statement of profit & loss account (Refer Note No 22)

4A.2 There are no projects which are under suspension. With regard to the above ongoing projects there are no projects where completion is overdue or has exceeded the cost as compared to its original plan, and consequent amendments approved by the Board thereon.

4A.3 Ageing of Intangible asset under development as at 31 March 2023

Particulars	Amount in IAUD for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Project in Progress	2.27	-	-	-	2.27
Project temporarily suspended	-	-	-	-	-
	2.27	-	-	-	**2.27**

Ageing of Intangible asset under development as at 31 March 2022

Particulars	Amount in IAUD for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Project in Progress	1.60	-	-	-	1.60
Project temporarily suspended	-	-	-	-	-
	1.60	-	-	-	**1.60**

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5 Other Financial Asset (At Amortised Cost)

	Non-current As at 31 March 2023	Current As at 31 March 2023	Non-current As at 31 March 2022	Current As at 31 March 2022
(Considered good, Unsecured unless stated otherwise)				
Deposits				
- considered good	16.98	1.76	12.84	2.77
	16.98	1.76	12.84	2.77
Less: Provision for doubtful deposits		0.49	-	0.49
Other receivables from related parties	-	6.40	-	-
Interest accrued but not due on Fixed Deposits	0.35	2.63	-	3.90
Unbilled revenue	-	85.61	-	111.40
	47.33	**95.91**	**12.84**	**117.58**

As at 31 March 2023

Particulars	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	More than 3 years	Total
Unbilled Revenue	85.61	-	-	-	-	85.61

As at 31 March 2022

Particulars	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	More than 3 years	Total
Unbilled Revenue	111.40	-	-	-	-	111.40

5A Bank Balance other than cash and cash equivalent

	Non-current As at 31 March 2023	Current As at 31 March 2023	Non-current As at 31 March 2022	Current As at 31 March 2022
Fixed Deposits with original maturity more than 12 months	30.00	-	-	-
	30.00	-	-	-

6 Income tax assets (net)

	Non-current As at 31 March 2023	Current As at 31 March 2023	Non-current As at 31 March 2022	Current As at 31 March 2022
Advance Income Tax (Net of Provision for tax As at 31 March 2023- Rs.171.55 million As at 31 March 2022- Rs.100.46 million)	31.81	-	29.95	-
	31.81	-	**29.95**	-

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		Non-current	Current	Non-current	Current
7	**Deferred tax asset (Net)**	**As at 31 March 2023**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2022**
	Deferred tax assets				
	Difference between depreciation as per books of accounts and the Income Tax Act, 1961	2.90	-	1.76	-
	Allowance for expected credit loss	4.21	-	3.73	-
	Provision for gratuity	-	-	-	-
	Provision for compensated abscences	2.78	-	2.53	-
	Expenses allowable on payment basis/Others	2.10	-	1.83	-
		11.99	**-**	**9.85**	**-**

		Non-current	Current	Non-current	Current
8	**Other assets (At Amortised Cost)**	**As at 31 March 2023**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2022**
	(Considered good, Unsecured unless stated otherwise)				
	Prepaid expenses	-	12.05	-	11.13
	Contract Asset	1.08	1.06	1.94	1.06
	Prepaid Rent	1.71	1.12	1.39	0.80
	Advances to employees	-	0.02	-	0.28
		2.79	**14.25**	**3.33**	**13.27**

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9		Non-current	Current	Non-current	Current
	Trade Receivables	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2022
	(At Amortised Cost)				
	Trade receivables	-	273.10	-	274.08
	Trade receivable from related parties (Refer Note 27)	-	0.24	-	0.10
		-	**273.34**	-	**274.18**
	Unsecured - Considered good	-	284.78	-	287.33
	Less: Allowance for expected credit loss	-	(11.44)	-	(13.15)
		-	273.34	-	274.18
	Unsecured - significant increase in credit risk	-	3.93	-	1.67
	Less: Allowance for expected credit loss	-	(3.93)	-	(1.67)
	Total Trade receivables	-	**273.34**	-	**274.18**

(i) Movement in the allowance for expected credit loss:

	31 March 2023	31 March 2022
Opening as at	14.82	12.27
Add: Addition during the year	1.73	3.72
Less: Utilised during the year	(1.18)	(1.17)
Closing as at	**15.37**	**14.82**

As at 31 March 2023

Particulars	From the date of Invoice					
	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	278.68	6.10	-	-	-	284.78
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	0.89	2.89	0.15	-	3.93
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Impairment allowance (allowance for expected credit	(5.34)	(6.99)	(2.89)	(0.15)		(15.37)

As at 31 March 2022

Particulars	From the date of Invoice					
	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	286.91	0.41	-	-	-	287.33
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	1.67	-	-	-	1.67
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Impairment allowance (allowance for expected credit loss)	(12.73)	(2.09)	-	-	-	(14.82)

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10	**Cash and cash equivalents**	Non-current As at 31 March 2023	Current As at 31 March 2023	Non-current As at 31 March 2022	Current As at 31 March 2022
	(i) Balances with banks:				
	- On current accounts	-	86.42	-	70.12
	- deposits with original maturity of less than three months	-	16.83	-	130.60
	(ii) Cash in hand	-	0.00	-	-
		-	**103.25**	**-**	**200.72**

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

	Non-current As at 31 March 2023	Current As at 31 March 2023	Non-current As at 31 March 2022	Current As at 31 March 2022
On current accounts	-	86.42	-	70.12
Deposits	-	16.83	-	130.60
Cash in hand		0.00	-	-
Total Cash and cash equivalents	**-**	**103.25**	**-**	**200.72**
(ii) Bank Balances other than cash and cash equivalents as above				
Deposits with original maturity more than 3 months but less than 12 months	-	131.57	-	35.77
Total Bank balance other than cash and cash equivalents	**-**	**131.57**	**-**	**35.77**

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11 Equity share capital	As at 31 March 2023	As at 31 March 2022
Authorised 600,000 equity shares of ₹ 10 each (31 March 2022 : 600,000 equity shares of ₹ 10 each)	60,00,000	60,00,000
Issued, subscribed and paid up 383,711 equity shares of Rs 10 each (March 31, 2022: 418,211 equity shares of ₹ 10 each)	3.84	4.18
	3.84	4.18

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

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the beginning of the year	4,18,211	4.18	4,18,211	4.18
Add: Shares issued during the year	-	-	-	-
Less: Buyback during the year (Refer Note 11. 1 below)	(34,500)	(0.35)		
Outstanding at the end of the year	3,83,711	3.84	4,18,211	4.18

b) Shareholding Pattern as at end of the reporting year:(Refer Note 11.1 and 11.2 below)

	Note No	As at 31 March 2023			As at 31 March 2022	
		No of Shares	% Shareholding	Change in Shareholding	No of Shares	% Shareholding
Updater Services Limited (formerly known as Updater Services Private Limited)		3,83,711	100.00%	12.50%	3,65,936	87.50%
P.C.Balasubramanian		-	0.00%	-4.03%	16,875	4.03%
G Viswanathan		-	0.00%	-3.41%	14,260	3.41%
P Sankararaman		-	0.00%	-2.39%	9,983	2.39%
Jayasree Srinivasan		-	0.00%	-2.05%	8,556	2.05%
G Mukund		-	0.00%	-0.50%	2,082	0.50%
P P Viswanathan		-	0.00%	-0.12%	521	0.12%

11. 1 During the year ended 31 March 2023, the Board of Directors of the Company has authorised the buy-back of 34,500 equity shares (at ₹.3980 per share) in its meeting held on 1 August 2022. The buy-back was subsequently approved by the shareholders of the Company in its Annual General Meeting held on 16 September 2022. The Offer for buy-back was issued to all the shareholders and was closed on 18 October 2022 and the consideration was paid to the shareholders with a consequential reduction in share capital and other equity. The buyback was for all shareholder except for holding company.

11. 2 The existing shareholder have transferred the 17,776 equity shares to Holding Company - Updater Service Limited.(Fomerly known as Updater Services Private Limited). Out of the Balance 17,776 equity shares, 8,888 equity shares were acquired as part of the third tranche on 04 January 2023. The balance 8,888 equity shares was swapped with Updated Services Limited shares.

c) Terms / rights attached to equity shares

The 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 Company declares dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

	31 March 2023	31 March 2022	31 March 2021	31 March 2020	31 March 2019
Equity shares with voting rights bought back by the company	34,500	-	-	-	-

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

Name of shareholder	As at 31 March 2023 No. of shares	As at 31 March 2023 Amount	As at 31 March 2022 No. of shares	As at 31 March 2022 Amount
Equity shares of Rs. 10 each fully paid				
Updater Services Limited (formerly known as Updater Services Private Limited)	3,83,711	100.00%	3,65,936	87.50%
	3,83,711	**100.00%**	**3,65,936**	**87.50%**

12 **Other equity**

	As at 31 March 2023	As at 31 March 2022
Capital redemption reserve		
Opening balance	1.04	1.04
Add: Additions during the year (Refer Note 12.1)	0.34	-
Closing balance	**1.38**	**1.04**
Retained earnings		
Opening Balance	563.43	363.53
Add: Profit for the year	210.54	199.90
	(136.97)	-
Less: Buy back of shares (Refer Note No 11.1)	(31.99)	-
Less: Tax on buy Back of Equity Shares	(0.34)	-
Less: Transfer to Capital Redemption Reserve as per Sec 69 of the Companies Act,2013		
Closing Balance	**604.67**	**563.43**
Other Comprehensive Income		
Opening Balance	(16.25)	(5.50)
Add : Re-measurement gains/(losses) on defined benefit obligations (net of Income tax effect) during the year	0.61	(10.75)
Closing Balance	**(15.64)**	**(16.25)**
Total Other Equity	**590.41**	**548.22**

12.1 In accordance with section 69 of the Companies Act, 2013, as at March 31, 2023, the Company has created 'Capital Redemption Reserve' for ₹ 0.34 million to the nominal value of the equity shares bought back as an appropriation from general reserve.

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13	Provisions	Non-current As at 31 March 2023	Current As at 31 March 2023	Non-current As at 31 March 2022	Current As at 31 March 2022
	Provision for employee benefits				
	Provision for Compensated absences (Also Refer Note 26.3)	-	11.04	-	10.06
		-	11.04	-	10.06

14	Trade Payables (At Amortised Cost)	Non-current As at 31 March 2023	Current As at 31 March 2023	Non-current As at 31 March 2022	Current As at 31 March 2022
	Dues to Micro, Small & Medium Enterprises (Refer Note 33)	-	2.02	-	2.27
	Dues to other than Micro, Small & Medium Enterprises	-	112.26	-	120.26
	Dues to Related Parties (Refer Note 27)	-	3.00	-	0.00
		-	117.28	-	122.53

As at 31 March 2023

Particulars	From the date of Invoice < 1 year	1-2 years	2-3 years	More than 3years	Total
MSME	2.02	-	-	-	2.02
Others	111.55	0.25	-	3.46	115.26
Disputed dues - MSME	-	-	-	-	-
Disputed due - Others	-	-	-	-	-

As at 31 March 2022

Particulars	From the date of Invoice < 1 year	1-2 years	2-3 years	More than 3years	Total
MSME	2.27	-	-	-	2.27
Others	115.73	0.20	0.17	4.16	120.26
Disputed dues - MSME	-	-	-	-	-
Disputed due - Others	-	-	-	-	-

15	Other financial liabilities	Non-current As at 31 March 2023	Current As at 31 March 2023	Non-current As at 31 March 2022	Current As at 31 March 2022
	(At Amortised Cost)				
	Payable for Property Plant & Equipment	-	1.73	-	2.66
	Gratuity Payable (Also Refer Note 26.2)	-	4.63	-	14.20
	Lease Liabilities	70.14	27.82	47.11	20.88
	Provision for Contractual Liabilities		0.69	-	22.08
		70.14	34.87	47.11	59.82

16	Other current liabilities	Non-current As at 31 March 2023	Current As at 31 March 2023	Non-current As at 31 March 2022	Current As at 31 March 2022
	Statutory dues and related liabilities	-	29.64	-	28.21
		-	29.64	-	28.21

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17	Revenue from contracts with customers	For the year ended 31 March 2023	For the year ended 31 March 2022
	Sale of services	1,242.02	1,032.76
		1,242.02	**1,032.76**

Other disclosures
Timing of revenue recognition

Services transferred over time	1,242.02	1,032.76
	1,242.02	**1,032.76**

Disaggregation of the revenue Information
The table below presents disaggregated revenues from contracts with customers which is recognised based on goods transferred at a point of time by geography and offerings of the Company.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue by Geography		
India	1,093.65	949.38
Outside India	148.37	83.38
Total Revenue from contracts with customers	**1,242.02**	**1,032.76**
Revenue by offerings		
Employee background verification business (EBGV)	690.29	651.44
Audit and Assurance business (A&A)	551.73	381.32
Total Revenue from contracts with customers	**1,242.02**	**1,032.76**

Trade Receivables and Contract Balances
The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.
A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related services are delivered to the customer.

Trade receivable and unbilled revenue are presented net of impairment in the Balance Sheet.

The contract assets primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.

Particulars	As At 31 March 2023	As At 31 March 2022
Contract Assets		
Trade receivables	273.34	274.18
Unbilled revenue	85.61	111.40
Other Assets	2.14	3.00
Contract Liabilities	**0.69**	**22.08**

The following table discloses the movement in unbilled revenue (contract assets) balances for the year ended 31 March 2023 and 31 March 2022

Unbilled Revenue	As At 31 March 2023	As At 31 March 2022
Balance at the beginning of the year	111.40	50.19
Less: Invoiced during theyear (Net)	(111.40)	(50.19)
Add: Revenue recognized during the year	85.61	111.40
Balance at the end of the year	**85.61**	**111.40**

Transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are, as follows:

The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date.

Information about major customers
Included in revenues arising from EBGV and Audit and Assurances services of the above, two customers of the company has contributed more than 10% of the Company's revenue by two customers amounting to ₹ 368.35 millions for the year ended 31 March 2023 , ₹.268.71 millions for the year ended 31 March 2022

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18	**Other income**	**As At 31 March 2023**	**As At 31 March 2022**
	Interest on Deposit measured at amortised cost	0.73	0.45
	Interest on Income Tax refund	0.69	-
	Interest income - Bank deposits	8.40	7.77
	Provision no longer required written back (Refer Note 19.1)	-	11.88
	Other income from lease accounting on IND AS 116 (Refer Note 31(f))	-	0.17
	Other non-operating income (MSMED Act 2006)	-	0.02
	Other Income	0.25	0.08
		10.07	**20.37**

19	**Employee benefits expense**	**As At 31 March 2023**	**As At 31 March 2022**
	Salaries and wages (Refer Note below 19.1)	420.05	360.59
	Contribution to provident and other fund (Refer Note 26.1)	32.69	27.23
	Gratuity expense (Refer Note 26.2)	5.24	3.45
	Employee stock option expenses (ESOP - Refer Note No 36)	2.99	-
	Staff welfare expenses	11.64	7.72
		472.61	**398.99**

19.1 The Company and its erstwhile shareholders had entered into an investment agreement with Updater Services Private Limited (UDS) dated 25 April 2019 for acquisition of up to 100% of equity shares held by the Company and its erstwhile promoters/ selling shareholders in three tranches. The first tranche was completed in FY 19-20 and balance two tranches are due for completion in June 2021 and June 2022 respectively. As per Clause 6 of the said agreement, on receipt of Income Tax refunds for the financial year FY 18-19 and FY 17-18 the same shall be paid to the selling shareholders in the proportion/percentage as specified in the clause 6 of the aforesaid investment agreement.

During the year ended 31 March 2021, the Company has received the Income tax refunds for the FY 18-19 and 17-18 aggregating to Rs. 68 million including interest on the refund of Rs. 5.9 million. Out of this refund received, an amount of Rs. 66 million has been computed as amount payable to the promoters/selling shareholders as incentive. This was approved by the Board of Directors vide their resolution dated 17 December 2020 as arrear incentive to be paid to the selling shareholders for FY 18-19 and FY 17-18.

Considering the fact that the Income tax refunds were received pending completion of the assessments for the FY 18-19 and 17-18, the Company has withheld an amount of Rs. 12.5 million out of such Incentive amount payable to erstwhile promoters/ selling shareholders towards any potential adjustments that may arise upon completion of the assessment. During the year ended 31 March 2021, the Company has paid an amount of Rs. 48.2 million and an amount of Rs. 5.3 million has been paid subsequent to the year end.

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

During the FY 21-22, the assessment/time limit for the assessment for FY 2018-19 and FY 2017-18 are completed and accordingly the management has decided to repay the withheld amount to the erstwhile shareholders. However, four shareholders has forgone the entitlement of arrear Incentive and shared the same to long serving employees based on designation and year of service. A declaration was also submitted by the promotors on the same which was approved in Board Meeting dated 25th March 2022. Accordingly, the amount forgone aggregating to Rs.11.88 millions has been disclosed as "Provision no longer required written back" under Other income (Note 18).

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20	Finance costs	As At 31 March 2023	As At 31 March 2022
	Interest expense on lease liabilities (Refer Note 31)	6.69	3.17
	Interest on delayed payment of tax	-	0.61
		6.69	**3.78**

21	Depreciation and amortization expense	As At 31 March 2023	As At 31 March 2022
	Depreciation on property, plant & equipment (Refer Note 3)	17.21	11.69
	Depreciation on Right of use asset (Refer Note 3 & 31)	25.82	16.89
	Amortization on intangible assets (Refer Note 4)	6.88	5.54
		49.91	**34.12**

22	Other expenses	As At 31 March 2023	As At 31 March 2022
	Payment to Associates	172.82	108.35
	Verification Expenses	129.30	131.93
	Travelling and conveyance	41.90	30.08
	Rent	8.91	9.68
	Legal and professional fees	7.86	7.30
	Repairs and maintenance - others	45.33	32.89
	Communication expenses	11.07	9.47
	Allowance for expected credit loss	1.73	3.72
	Bad debts written off	1.18	1.17
	Less: Allowance for expected credit loss released	(1.18)	(1.17)
	Corporate Social Responsibility expenditure (Refer Note 22.2)	3.40	0.68
	Printing and stationery	1.65	1.40
	Power and fuel	9.30	6.95
	Payment to auditor (Refer Note 22.1)	1.50	1.65
	Director sitting fees	0.38	-
	Loss on sale of Property Plant & Equipment	0.35	0.05
	Intangible asset under development Writen off	1.13	-
	Meeting expenses	3.09	-
	Rates and taxes	0.24	0.23
	Bank Charges	0.44	0.57
	Other expenses	3.00	6.38
		443.40	**351.33**

22.1 Payment to auditors		
As auditors		
Statutory audit (Refer Note 22. 1(a))	1.50	1.50
Group Audit Fees	-	0.15
	1.50	**1.65**

22. 1(a): For the year ended March 31, 2023, the company has provided Rs. 5.80 million towards IPO services provided in relation to the proposed IPO of the Holding Company. The IPO related expenditure has been recoverable from the Holding Company and netted off against the expense and shown as Receivable from Holding Company under " Other financial assets - Other receivables from related parties" . Hence it is not forming part of the expenditure above.

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22.2 Details of Cosporate Social Responsibility (CSR) expenditure

Consequent to the requirements of Section 135 and Schedule VII of the Companies Act, 2013, the Company is required to contribute 2% of its average net

Gross amount required to be spent by the company during the year/ year	3.40	0.49
Amount spent during the year	**As At 31 March 2023**	**As At 31 March 2022**
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	3.40	0.68
	3.40	0.49
(a) amount required to be spent by the company during the year		
(b) amount of expenditure incurred,	3.40	0.49
(c) shortfall at the end of the year	-	0.19
(d) total of previous years shortfall,	-	0.19
(e) reason for shortfall,	NA	NA
(f) nature of CSR activities,	PM Cares, School and Cancer Institute	PM cares, Mental Health, Cancer, Differently abled person.
(g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	NA	NA
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	NA	NA

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23	**Income tax expense**	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
	The major components of income tax expense are		
	-Current income tax charge	71.09	65.50
	-Deferred tax		
	-Relating to origination and reversal of temporary differences	(2.15)	(0.49)
		68.94	**65.01**

23.1	**Other Comprehensive income (OCI) Section**		
	Income tax related to items recognised in OCI during in the year:		
	-Re-measurement gains and (losses) on defined benefit obligations (net)	-	-
		-	-

23.2 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Accounting Profit before income tax	279.48	264.91
Enacted tax rate in India	25.17%	25.17%
Profit before income tax multiplied by enacted tax rate	70.34	66.68
Effects of:		
Deduction claimes under 80JJAA	(2.29)	(2.46)
Ind AS adjustments	-	(0.25)
Adjustments due to different tax rate	-	(0.18)
Tax exempt income	-	-
Others	0.89	1.22
Net effective income tax	**68.94**	**65.01**

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24 **Other comprehensive income**	For the year ended 31 March 2023	For the year ended 31 March 2022
Re-measurement gains/(losses) on defined benefit obligations (net) (Refer 26.2)	(0.61)	10.75
	(0.61)	**10.75**

25 Earnings per equity share

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

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

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit after tax	210.54	199.90
Weighted average number of equity shares		
- Basic	0.40	0.42
- Diluted	0.40	0.42
Earning per share of Rs. 10 each		
- Basic	523.22	477.99
- Diluted	523.22	477.99

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

26.1 (i) Defined contribution plan:

The Company provident fund is the defined contribution plan.The contribution is made to recognised provident fund is recognised as expense for the year ended 31 March 2023 and 31 March 2022and included under Employee benefit expense (Note 19) in the Statement of Profit and loss.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Included under "Contribution to provident and other funds (Refer Note 19)		
Contribution to provident and other funds	**32.69**	**27.23**

26.2 (ii) Defined benefit plans:

A. Gratuity (Regular)

The Companys Obligation towards its gratuity liability is a defined benefit plan. The Company has funded its gratuity liability with Life Insurance Corporation.The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements.

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

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of Defined Benefit Obligation	39.11	39.53
Fair value of plan assets	(34.48)	(25.33)
Net Liability or asset	**4.63**	**14.20**
Current	4.63	14.20
Non - Current		

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

Particulars	As at 31 March 2023	As at 31 March 2022
Service cost :		
Current service cost	4.90	3.38
Past service cost and loss/ (gain) on curtailments and settlement	-	-
Net interest cost :		
Net Interest on Net Defined Benefit Obligation	(1.40)	(1.07)
Interest Income on Plan Assets	1.74	1.14
Total Included in 'Employee Benefit Expense'	**5.24**	**3.45**

(c) Remeasurement recognized in other comprehensive income

Particulars	As at 31 March 2023	As at 31 March 2022
Components of actuarial gain/losses on obligations		
Due to change in financial assumptions	0.40	11.50
Due to change in demographic assumption		
Due to experience adjustments	(1.00)	(0.75)
	-0.60	**10.75**

(d) Movement in the present value of the defined benefit obligation are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Present Value of defined benefit obligation at the beginning of year	39.53	26.76
Current service cost	4.90	3.38
Interest cost	1.74	1.14
Actuarial losses/(gains)		
Due to change in financial assumptions	0.40	11.50
Due to change in demographic assumption	-	-
Due to experience adjustments	-	-
Past Service Cost	-	-
Benefit Paid	(7.45)	(3.25)
Present Value of defined benefit obligation at the end of year	**39.12**	**39.53**

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(d) Movement in fair value of plan assets are as follows

Particulars	As at 31 March 2023	As at 31 March 2022
Fair value of plan assets at the beginning of the year	25.33	23.80
Recognised in the Statement of Profit and Loss:		
- Expected return on plan assets	1.40	1.07
Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
Actuarial gains and loss arising from changes in financial assumptions	1.01	0.75
Contributions by employer	14.20	2.96
Benefit payments	(7.45)	(3.25)
Fair Value of Plan assets at the end of the year	34.49	25.33

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

Particulars	As at 31 March 2023	As at 31 March 2022
Net Liability / (Asset) at the beginning of the year	14.20	2.96
Defined Benefit cost included in the Profit / Loss	5.24	3.45
Defined Benefit cost included in Other Comprehensive Income	(0.61)	10.75
Contributions Paid	(14.20)	(2.96)
Net Liability / (Asset) at the end of the year	4.63	14.20

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting year on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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

Particulars	As at 31 March 2023	As at 31 March 2022
1) Discount rate	7.07%	4.87%
2) Salary growth rate	8.16%	9.00%
3) Attrition rate	45.01%	46.26%
4) Expected return on plan assets	7.07%	4.87%
5) Mortality table	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate

(g) A quantitative sensitivity analysis for significant assumptions are as follows

Particulars	0.5% point increase	
	As at 31 March 2023	As at 31 March 2022
(i) Discount rate	38.77	39.19
(ii) Salary growth rate	39.50	39.91
(iii) Attrition	39.05	39.44

Particulars	0.5% point decrease	
	As at 31 March 2023	As at 31 March 2022
(i) Discount rate	39.45	39.87
(ii) Salary growth rate	38.72	39.15
(iii) Attrition	39.17	39.62

(h) Expected cashflows based on past service liability

Particulars	As at 31 March 2023	As at 31 March 2022
Year 1	16.62	17.09
Year 2	11.43	11.30
Year 3	6.47	5.94
Year 4	4.11	3.81
Year 5	2.48	2.20
Next 5 years	3.33	2.69

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

Particulars	As at 31 March 2023	As at 31 March 2022
Investment Details		
Others - LIC	14.20	2.96
	14.20	**2.96**

26.3 **Compensated absences**

The Key assumptions, as provided by the actuary, used in the computation of the provision for Compendated absences are given below:

Particulars	As at 31 March 2023	As at 31 March 2022
1) Discount rate	7.07%	4.87%
2) Salary growth rate	8.16%	9.00%
3) Attrition rate	45.01%	46.26%

Note:

The discount rate is based on the prevailing market yields of Government of India Securities as at the balance sheet date for the estimated term of obligations.

The estimate of future salary increases considered , takes into account the inflation, Seniority, promotion, increments and other relevant factors.

26.4 **Code on Social Security, 2020**

The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect.

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27. Related party disclosures

(A) Names of related parties and nature of relationship are as follows:
Related Party Disclosures
List of related parties where control exists

Holding Company	Updater Services Limited (Formerly known as Updater Services Private limited)
Entities under Common Control	Tangy Facility Solutions Private Limited Tangirala Infrastructure Development Private Limited Avon Solutions and logistics Private Limited Global Flight Handling Services Pvt Ltd Integrated Technical Staffing And Solutions Private Limited Stanworth Management Private Limited UDS Foundation Wynwy Technologies Private Limited(Formerly known as Zappy Home Solutions Private Limited) Wash room Hygeine Concepts Private Limited Fusion Foods And Catering Private Limited Tangy Supplies & Solutions Private Limited Denave Services Private Limited (from 28 October 2021) Athena BPO Private Limited (From 21 December 2022)

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Key Management Personnel	P C Balasubramanian Jayasree Srinivasan P.Sankararaman (Till 31 October 2022) PP Viswanathan G Mukund P Ravishankar (Since 1 August 2022) Sangeeta Sumesh Sankaran (Independent Director from 1 August 2022) V. M.Muralidharan ((Independent Director from 12 August 2022)	P C Balasubramanian Jayasree Srinivasan P.Sankararaman PP Viswanathan G Mukund

Note: Related parties are as identified by the Management

(B) Transactions entered during the year

Particulars	For the year ended '31 March, 2023	For the year ended '31 March, 2022
Transactions during the year		
A) Updater Services Limited (formerly known as Updater Services Private Limited)		
Income		
Employee Background Check	0.30	0.04
Recharge of Reimbursement of IPO expenses	5.89	
Expenditure		
Office Maintenance	0.96	0.03
Reachrage of Employee Stock Option expense (ESOP)	2.99	
B) Wash room Hygeine Concepts Private Limited		
Expenditure		
Office Maintenance	0.14	0.04
C) Tangy Supplies and Solutions Private Limited		
Expenditure		
Office Maintenance	0.15	0.18
D) Avon Solutions Private Limited		
Income		
Employee Background Check	0.04	0.06
Expenditure		
Postage and Courier	-	0.01
E) Denave Services Private Limited		
Income		
Employee Background Check	0.18	0.02
Expenditure		
Retainer Servcices	0.72	-

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D) Remuneration during the year:	For the year ended 31 March, 2023	For the year ended 31 March, 2022
P.C.Balasubramanian	3.37	8.84
P.Sankararaman	3.53	5.32
Jayasree Srinivasan	8.02	6.12
G Mukund	4.26	3.98
P.P. Viswanathan	2.64	1.98
P .Ravishankar (1 August 2022)	6.29	
Incentive during the year:		
P.C.Balasubramanian	-	5.26
G. Viswanathan	-	-
P.Sankararaman	-	-
Jayasree Srinivasan	-	-
G Mukund	-	0.80
P.P. Viswanathan	-	0.80
Waiver of Incentive (Refer Note 19.1)		
P.C.Balasubramanian	-	4.04
G. Viswanathan	-	3.42
P.Sankararaman	-	2.38
Jayasree Srinivasan	-	2.04
Buy Back of Equity Shares		
P.C.Balasubramanian	38.38	-
G. Viswanathan	56.75	-
P.Sankararaman	22.71	-
Jayasree Srinivasan	19.46	-
Director Sitting Fees		
Sangeetha Sumesh Sankaran	0.20	-
V M Muralidharan	0.18	-

(E) Balance outstanding at the end of the year	As at 31 March 2023	As at 31 March 2022
Receivables		
Updater Services Limited (formerly known as Updater Services Private Limited)		
Services provided	0.19	0.04
Reimbursement of IPO expenses	3.35	
Denave Solutions Private Limited	0.06	0.03
Avon Solutions Private Limited	(0.00)	0.04
Liabilities		
Updater Services Limited (formerly known as Updater Services Private Limited) - Recharge of ESOP expenses	2.99	
Wash room Hygeine Concepts Private Limited	0.01	0.00
Tangy Office Supplies	-	-
Salary Payable:		
P.C.Balasubramanian	-	0.37
P.Sankararaman	-	0.26
Jayasree Srinivasan	0.10	0.24
G Mukund	0.26	0.21
P.P. Viswanathan	0.14	0.13
P .Ravishankar (1 August 2022)	0.47	-

(F) The breakup of compensation to key managerial personnel is follows:

Consideration to key mangerial personnel	As at 31 March 2023	As at 31 March 2022
Short term benefits	0.31	1.46
Post employment benefits	1.84	7.56

Notes

(a) The Company accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties. The Related Parties have confirmed to the Management that as at 31 March 2023, 31 March 2022 there are no further amounts payable to / receivable from them, other than as disclosed above. The Company incurs certain costs on behalf of other companies in the group. These costs have been allocated/recovered from the group companies on a basis mutually agreed to with the group companies.

(b) All transactions with these related parties are priced at arm's length basis. The amounts outstanding are unsecured and will be settled in cash. There have been no instances of amounts due to or due from related parties that have been written back or written off or otherwise provided for during the year.

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28 Capital management

The Company manages its capital to ensure maximizing the return to the stakeholders through the optimization of the debt and equity balance. The Company monitors capital using a ratio of ' adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as aggregate of borrowings, less cash and cash equivalents.

The compnay does not have any debts. It is a borrowing free company.

Categories of financial instruments

Financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Measured at amortized cost		
- Cash and cash equivalents	103.25	200.72
- Bank Balances other than cash and cash equivalents	161.57	35.77
- Trade receivables	273.34	274.18
- Other financial assets	113.24	130.42

Financial Liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Measured at amortized cost		
- Trade Payables	117.28	122.53
- Other financial liabilities	7.05	38.94
-Lease Liabilities	97.96	67.99

29 Financial risk management framework:

The Company manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company does not enter into or trade financial instruments including derivative financial instruments for speculative purpose.

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

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below:

Foreign Currency Risk Management:

The Company undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuation arises. The Company does not enter into trade financial instruments including derivative financial instruments for hedging its foreign currency risk. The appropriateness of the risk policy is reviewed yearically with reference to the approved foreign currency risk management policy followed by the Company.

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

A. Outstanding as at

Particulars	Currency	As at 31 March 2023		As at 31 March 2022	
		Amount in FC	Amount in Rs.	Amount in FC	Amount in Rs.
Trade Receivables	USD	0.72	59.31	0.43	32.94
Trade Payables	USD	0.00	0.15	0.01	0.49
	AED	0.01	0.17	-	-
	KD	0.00	0.10	-	-

Foreign Currency sensitivity analysis :

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

USD/AED TO INR	Profit and Loss		Other Equity	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
March 23	2.97	2.97	2.97	2.97
March 22	1.65	1.65	1.65	1.65

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Note :

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

Interest Rate Risk Management :

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company currently does not have any long term or short term borrowings from the markets that is exposed to variations in the interest rates.

Liquidity Risk Management :

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Company.

Liquidity risk

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

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

As At March 31, 2023

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Trade Payables	117.28	-	-	117.28
Other financial liabilities	7.05	-	-	7.05
Lease Liabilities	27.82	70.14	-	97.96
	152.15	**70.14**	-	**222.29**

As at March 31, 2022

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Trade Payables	122.53	-	-	122.53
Other financial liabilities	38.94	-	-	38.94
Lease Liabilities	20.88	41.76	5.35	67.99
	182.35	**41.76**	**5.35**	**229.46**

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets.

As At March 31, 2023

Particulars	Nature	Less than 1 year	1-5 years	More than 5 years	Total
Cash and cash equivalents	Non interest bearing	103.25	-	-	103.25
Bank Balances other than cash and cash equivalents	Interest bearing	131.57	30.00	-	161.57
Trade receivables	Non interest bearing	273.34	-	-	273.34
Other financial assets	Non interest bearing	95.91	17.33	-	113.24
		604.07	47.33	-	651.40

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As at March 31, 2022

Particulars	Nature	Less than 1 year	1-5 years	More than 5 years	Total
Cash and cash equivalents	Non interest bearing	200.72	-	-	200.72
Bank Balances other than cash and cash equivalents	Interest bearing	35.77	-	-	35.77
Trade receivables	Non interest bearing	274.18	-	-	274.18
Other financial assets	Non interest bearing	117.58	12.84	-	130.42
		628.25	**12.84**	-	**641.09**

Non-interest rate bearing financial assets disclosed above includes Trade Receivable, Cash, Balances with banks held in current accounts and Other Financial Assets.

Fixed interest rate instruments disclosed above represents balances with banks held in deposit accounts and discounted financial assets.

Credit risk

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit control policies are included in a blue print, including prescribed work procedures and guidelines; to manage credit risk, credit checks are performed upfront for new customers. The carrying amount of the financial assets recorded in these financial statements, grossed up for any allowance for losses, represents the maximum exposures to credit risk.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is Rs 386.58 millions and, Rs 373.62 millions as of March 31, 2023 and March 31, 2022 respectively, being the total of the carrying amount of balances with trade receivables and other financial assets.

Trade and other receivables

In cases of customers where credit is allowed, the average collection year on such Services ranges from 1 day to 60 days. The customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits are defined in accordance with this assessment and outstanding customer receivables are regularly monitored.

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

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

Offsetting of financial assets and financial liabilities

The Company has not offset financial assets and financial liabilities.

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30. Fair Value Hierarchy

This note provides information about how the Company determines fair value of various financial assets and liabilities

(I) Fair value of financial assets and financial liabilities that are not measured at fair value (Non-recurring) :

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at amortised cost:				
- Cash and cash equivalents	103.25	103.25	200.72	200.72
- Bank Balances other than cash and cash equivalents	161.57	161.57	35.77	35.77
- Trade receivables	273.34	273.34	274.18	274.18
- Other Financial Assets	113.24	113.24	130.42	130.42
Total	**651.40**	**651.40**	**641.09**	**641.09**
Financial liabilities held at amortised cost :				
- Trade Payables	117.28	117.28	122.53	122.53
- Other financial liabilities	7.05	7.05	38.94	38.94
-Lease Liabilities	97.96	97.96	67.99	67.99
Total	**222.29**	**222.29**	**229.46**	**229.46**

Fair value hierarchy as at March 31, 2023

Particulars	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:	-			
- Cash and cash equivalents	103.25	-	-	103.25
- Bank Balances other than cash and cash equivalents	161.57	-	-	161.57
- Trade receivables	-	-	273.34	273.34
- Other financial assets	-	-	113.24	113.24
		-	-	-
	264.82	-	**386.58**	**651.40**
Financial liabilities held at amortised cost :				
- Trade Payables	-	-	117.28	117.28
- Other financial liabilities	-	-	7.05	7.05
-Lease Liabilities	-	-	97.96	97.96
	-	-	**222.29**	**222.29**

Fair value hierarchy as at 31 March 2022

Particulars	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:	-			
- Cash and cash equivalents	200.72	-	-	200.72
- Bank Balances other than cash and cash equivalents	35.77	-	-	35.77
- Trade receivables	-	-	274.18	274.18
- Other financial assets	-	-	130.42	130.42
		-	-	-
	236.49	-	**404.60**	**641.09**
Financial liabilities held at amortised cost :				
- Trade Payables	-	-	122.53	122.53
- Other financial liabilities	-	-	38.94	38.94
-Lease Liabilities	-	-	67.99	67.99
	-	-	**229.46**	**229.46**

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31 Leases

The Company has adopted Ind AS 116 'Leases' the compnay has lease contracts for buildings used in its operations. Lease of bilding generally have leaas terms between 11 months to 5 years.

(a) Right of Use Asset "ROU"

The following are the changes in the carrying value of right of use assets as at 31 March 2023 and 31 March 2022

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	65.19	17.11
Add: Additions during the year	53.74	67.22
Less : Impact on lease termination/modification	-	(2.25)
less: Depreciation* during the year	(25.82)	(16.89)
Closing Balance	**93.11**	**65.19**

*The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

(b) Lease Liabilities

The following is the movement in lease liabilities as at 31 March 2023 and 31 March 2022.

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	67.99	17.89
Add: Additions during the year	53.74	67.23
Add: Interest expense on lease liabilities	6.69	3.67
Less: Impact of lease termination / modifications	-	(2.75)
less: Payment of lease liabilities	(30.46)	(18.05)
Closing Balance	**97.96**	**67.99**

The following is the break-up of current and non-current lease liabilities as at 31 March 2023 and 31 March 2022.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current lease liabilities	27.82	20.88
Non-current lease liabilities	70.14	47.11

(c) Amounts recognized in profit and loss were as follows

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2022
Depreciation on right to use assets	25.82	16.89
Interest expense on Lease Liabilities	6.69	3.17
Expenses relating to Low value leases	-	-
Expenses relating to short term leases	8.91	9.68

(d) The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2023 and March 31, 2022 on an undiscounted basis:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Not later than 1 year	35.82	25.96
Later than 1 year and not later than 5 year	83.26	49.57
Later than 5 year	-	5.57

Note: The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(e) The details of amount recognised in Statement of cash flows

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Total cash outflow for leases	30.46	18.06

(f) The company has elected to apply the practical expedient of not assessing the rent concessions as a lease modification, as per Ministry of Corporate Affairs (MCA) notification dated July 24, 2020 on IND AS 116 for rent concessions, which are granted due to COVID-19 pandemic. Consequently, the remaining amount of unadjusted lease value as per Ind AS 116 computation has been credited to Other Income - Ind AS, it amounts to ₹ Nil for the year ended 31 MArch 2023 and Rs.0.17 million for the year ended 31 March 2022

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32 Commitments and Contingencies

a. Contingent Liabilities

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
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.	2.78	2.78
Income Tax AY 2021-22	16.90	-
Commitments on Matex 2	7.03	3.20

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

The Company expects a favourable decision with respect to the above disputed demand/ claims based on professional advice.

33 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	2.02	2.27
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.	-	-

34 Segment information

The Chief Executive Officer and Managing Director of the Company has been identified as the Chief Operating Decision Maker ("CODM") as defined by Ind AS 108, Operating Segments. The CODM evaluates the performance and allocates resources based on an analysis of various performance indicators by service offerings. Accordingly, segment information has been presented for service offerings.

Operating segment

The business is concentrated in various service offerings like Audit & Assurance business (A&A) and Employee background verification business (EBGV) and accordingly primary segment information is presented on the following service offerings:

Reportable segment

PARTICULARS	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Audit and Assurance business (A&A)	551.73	381.32
Employee background verification business (EBGV)	690.29	651.44

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. The Company has a corporate center, which provides various accounting and administrative support function. Segment information for this activity has been aggregated under "Unallocated". Revenue identifiable to business segments have been disclosed under the respective business segment. Segment costs include employee benefit expense, cost of material consumed, recruitment and training expenses, stores and tools consumed, sub-contractor charges and operating expenses that can be allocated on a reasonable basis to respective segments. Assets and liabilities in relation to segments are categorized based on items that are individually identifiable to that segment. Certain assets and liabilities are not specifically allocable to individual segments as these are used interchangeably. The Company therefore believes that it is not practicable to provide segment disclosures relating to such assets and liabilities and accordingly these are separately disclosed as 'Unallocated'.

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Operating segment information for the year from 1 April 2022 to 31 March 2023 is as follows

Particulars	Audit and Assurance business (A&A)	Employee background verification business (EBGV)	Unallocated	Total
Segment Revenue	551.73	690.29	-	1,242.02
Less: Segment Cost	476.03	453.67	36.21	965.91
Less: Inter-segment	-	-		-
Segment result	**75.70**	**236.62**	**-36.21**	**276.11**
Finance Cost	-	-	6.69	6.69
Other Income	-	-	10.07	10.07
Profit before tax	**75.70**	**236.62**	**-32.84**	**279.48**
Tax Expense	-	-	68.94	68.94
Profit After tax	**75.70**	**236.62**	**-101.77**	**210.55**
Segment assets	225.81	226.93	404.50	857.24
Segment Liabilities	63.60	27.84	171.54	262.99
Capital Expenditure	7.53	12.09	0.83	20.45

Operating segment information for the year from 1 April 2021 to 31 March 2022 is as follows

Particulars	Audit and Assurance business (A&A)	Employee background verification business (EBGV)	Unallocated	Total
Segment Revenue	381.32	651.44	-	1,032.75
Less: Segment Cost	356.56	403.54	24.35	784.45
Less: Inter-segment				-
Segment result	**24.76**	**247.90**	**-24.35**	**248.30**
Finance Cost	-	-	3.78	3.78
Other Income	0.03	0.05	20.29	20.37
Profit before tax	**24.79**	**247.96**	**-7.83**	**264.91**
Tax Expense	-	-	65.01	65.01
Profit After tax	**24.79**	**247.96**	**-72.84**	**199.90**
Segment assets	161.74	301.57	356.84	820.14
Segment Liabilities	17.30	48.82	201.62	267.74
Capital Expenditure	21.50	13.48	0.26	35.24

35 Ratios

PARTICULARS	As at 31 March 2023	As at 31 March 2022	Percentage	Notes Reference
Current Ratio	3.21	3.20	0%	35B
Debt Equity Ratio	NA	NA	NA	
Debt Service Coverage Ratio	NA	NA	NA	
Return on Equity Ratio	0.35	0.36	2%	
Inventory Turnover Ratio	NA	NA	NA	
Trade Receivables Turnover Ratio	4.54	4.89	7%	
Trade payables turnover ratio	7.14	5.66	-26%	
Net capital turnover ratio	2.92	2.43	-20%	
Net profit ratio	16.95	19.36	12%	
Return on Capital employed	0.43	0.44	3%	
Return on investment	0.06	0.05	-24%	

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(All amounts are in ₹ millions)

35A Explanation to Ratios

Current Ratios (No exclusions)	Current Assets = Cash+Bank+Trade Receivables+Deposits +Unbilled Revenue / Current Liability = Trade Payables +Statutory Liabilities+Provisions+Lease Liabilities
Debt Equity Ratio	Not Applicable
Debt Service Coverage Ratio	Not Applicable
Return on Equity Ratio	Net Profit After Tax (excluding other comprehensive income) / Shareholders' Equity
Inventory Turnover Ratio	Not Applicable
Trade Receivables Turnover Ratio	Net Sales (Revenue from contracts with customers) / Average Receivables {(Opening receivables +Closing receivable)/2} Net Receivable
Trade payables turnover ratio	Other Expenses+Salary and related expenses / Trade Payables
Net capital turnover ratio	Net Sales (Revenue from contracts with customers) / Working Capital (Current Assets - Current Lilability)
Net profit ratio	Net Profit After Tax / Net Sales (Revenue from contracts with customers)
Return on Capital employed	Earnings Before Interest and Tax / Total Assets -Current Liabilites
Return on investment	Income from Bank deposits/ Investments / Bank Depoits Value/ Cost of Investments

35B **EXPLANATION TO RATIOS MORE THAN 25%**

Current Ratio	No material deviation .
Debt Equity Ratio	No material deviation .
Debt Service Coverage Ratio	No material deviation .
Return on Equity Ratio	No material deviation .
Inventory Turnover Ratio	No material deviation .
Trade Receivables Turnover Ratio	No material deviation .
Trade payables turnover ratio	The increase in business has lead to increase in trade payable for FY 22-23. Also in FY 21-22 there are was shutdown due to COVID -19 from 3rd May 21 to 7th June 2022. This lead to slow growth of business in intial six months.
Net capital turnover ratio	No material deviation .
Net profit ratio	No material deviation .
Return on Capital employed	No material deviation .
Return on investment	No material deviation .
Return on investment	No material deviation .

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36 Share-based payments

36.1 ESOPs from the Holding Company

The shareholders of Updater Services Limited (Holding company) approved Employee Stock Option Schemes "Updater Employee Stock Option Plan 2022" ("ESOP 2022" or "Plan") on December 15, 2022. The Primary objective of the above schemes is to reward certain employees of holding Company and its subsidiaries for their association, dedication and contribution to the goals of the Company.

Under the Scheme, 289,000 options were granted to the certain 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 tenure served by such employees.

The Holding 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 Trances 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 recognized for share options during the year ended March 31, 2023 is INR 2.99 million [March 31 2022: INR Nil]. This amount will be paid by the Company to its holding Company in connection with the ESOP plan base don teh debits received from holding company. Also Refer Note 22

36.2 Details of ESOP

Tenure

Name of the Scheme - ESOP 2022	Tranche I	Tranche II	Tranche III	Tranche IV
Date of Grant	16-12-2023	01-04-2024	01-04-2025	01-04-2026
Number granted (in nos)	57,800	57,800	86,700	86,700
Exercise Price (INR)	300	300	300	300
Vesting period	4 years			
Vesting Condition	Service Condition - Tenure Based			

Performance Based

Name of the Scheme - ESOP 2022	Tranche I	Tranche II	Tranche III	Tranche IV
Date of Grant	16-12-2023	01-04-2024	01-04-2025	01-04-2026
Number granted (in nos)	72,250	72,250	86,700	86,700
Exercise Price (INR)	300	300	300	300
Vesting period	4 years			
Vesting Condition	Performance Condition - EBITDA			

The following is the movement in the share options at the beginning and at the end of the year:

Amount in Rs.

Particulars	Number of options 31 March 2023(in nos)	Weighted average price of option 31 March 2023
Options outstanding as at the beginning of the year	-	-
Add: Options granted during the year	2,89,000	300
Less: Options lapsed/forfeited during the year	-	-
Less: Options exercised during the year	-	-
Less: Options Transferred during the year	-	-
Less: Options expired during the year	-	-
Options outstanding as at the year end	**2,89,000**	**300**

Fair value of options granted

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

Amount in Rs.

Particulars	2022-23
Exercise price (INR)	300.00
Expected volatility	41.50%
Expected dividend yield (%)	0.00%
Risk free interest rates	7.43%
Expected life of the option:	
As on grant date: 16-12-2022	2-3.5 years
Weighted average share price	293.45
Fair Value of the Option as on Grant date	Rs.82.59 – Rs.113.83

36.3 Total expense accounted for by the Company on account of the above are given below:

Particulars	For the year ended 31 March 2023
ESOP cost accounted by the Company	2.99
Total	2.99

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37 From 1 April 2019 onwards, the Company has opted to pay income taxes under the concessional tax regime as prescribed under Section 115BAA of the Income Tax Act, 1961. Accordingly, Current tax Liability for the year ended 31 Marchr 2023 and year ended 31 March 2022 , has been determined at the concessional rate, and recognized in the financial statements.

38 **Impact of COVID 19:**

A nation-wide lockdown was announced by the Government of India w.e.f. 25 March 2020 as a result of the outbreak of COVID 19 pandemic. The Company has made an assessment on the impact of the same including the forecasts duly considering both internal and external information available till date of approval of the financial statements. The Company has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Company expects to fully recover the carrying amount of its assets. The management believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of this financial statements. However, the impact assessment of COVID 19 is a continuous process given the nature and duration, and the Company will continue to monitor for any material changes. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

39 No proceedings have been initiated during the year or are pending against the company as at 31 March 2023, 31 March 2022 for holding any benami property under Benami Property Transactions (prohibition) Act, 1988.

40 Transactions and balances with companies which have been removed from register of Companies [struck off companies] as at the above reporting years is Nil.

41 The Company has not traded / invested in Crypto currency or virtual currency.

42 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

43 The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

(i) 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

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

44 The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

45 The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

46 The Company doesn't have any borrowings or working capital limits as per the sanction letter which requires the filing of quarterly returns or statements of current assets filed by the Company with banks for the year ended 31 March 2023 and year ended 31 March 2022,.

47 The Company does not have any charges or satisfaction of charge which is yet to be registered with the Registrar of Companies beyond the statutory year.

48 The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

49 The Company has not declared or paid any dividend during the year and has not proposed any final dividend for the year.

50 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

51 During the year ended 31st March 2023, the Company has changed its unit of measurement from ₹ In Lakhs to ₹ in Millions to align with the unit of measurement of its holding company

52 The Board of Directors of the Company has reviewed the realisable value of all the current assets and has confirmed that the value of such assets in the ordinary course of business will not be less that the value at which these are recognized in the financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements.

53 The financial statements were approved for issue by the board of directors on 16 June 2023

DELOITTE HASKINS & SELLS LLP
CHENNAI-17
CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors
Matrix Business Services India Private Limited

P.C. Balasubramanian
Director
DIN -00584548

Place: Chennai
Date: 16-June-2023

Jayasree Srinivasan
Managing Director
DIN -00583986

Place: Chennai
Date: 16-June-2023

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