Essential Partner in Driving Excellence

uds
Redefining Business Services

Annual Report
2022-23

3,000+
Customers

125
Points of presence

30+
Years of industry experience

68,200+
Employee base

Index

Who we are

UDS started its operations as facility management services provider in Chennai. Fast forward ~30 years, we have entrenched our position as a leading integrated business services platform, providing integrated facilities management (IFM) services and business support services (BSS) to Customers across the country and overseas.

What drives us

Vision and Mission

To be an essential partner of every enterprise by delivering exceptional business services

Values

Happy People
We foster a work culture where happy people will be engaged at work.

Clear Purpose
We make plans that are executed by people working together in harmony with necessary resources.

Better Everyday
We use technology and innovation to improve our performance.

Do Good
We strive to be good corporate citizens guided by the principles of ethical governance.

Balance All
We attempt to balance the interests of all stakeholders and promote a healthy, diverse and inclusive workplace.

68,280
Total employees as on 31st March, 2023

>30 years
Industry experience

3,096
Customer base as on 31st March, 2023

Essential partner in driving excellence

Updater Services was formed with one single vision: To be an essential partner for enterprises across the country through our exceptional services.

This vision has formed the bedrock of everything we have done as a company. Starting from being the pioneers in providing integrated facility management services in the country, to diversifying our offerings to cater to the multitude of needs of customers across varied sectors. We have been at the forefront of the transformation of this segment altogether.

Today, as we stand here at this juncture, we have created a unique platform that enables us to provide a plethora of services, which is bifurcated under our two broad segments: Integrated Facility Management Services & Other Services and Business Support Services.

We are the market leaders in most of the segments we operate in, and will continue to be on the lookout to expand our business lines. We have been able to achieve this through a mix of organic and inorganic strategies. On the inorganic side, we have a one-of-a-kind acquisition strategy, which has enabled us to acquire businesses, which are complement and supplement our existing offerings.

As we embark on the next phase of our journey as a company, our customer-centricity will continue to dictate everything we do and we will continue to be a steadfast ally in achieving and surpassing our customers' goals.

This is how we created a unique and integrated business services platform

In this section

Through the diversification of our business lines

We had started our business strictly as a facilities management services provider; however, that changed completely when one of the largest global automotive players came to Chennai and expressed a willingness to outsource semi-skilled production support services. Since then, we have diversified our presence across various verticals through strategic acquisitions, which equipped us with the capabilities to address the various needs of our existing as well as potential customers.

Journey from facility management services to an integrated business services platform

FY1990

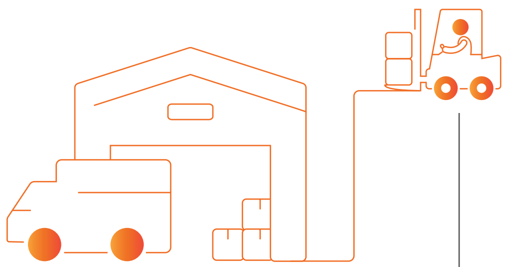
Functioning as a 100% IFM provider

- Soft Services
- Staffing
- Maintenance Contracts
- Other Allied Services

FY2007

Forayed into Mailroom Management

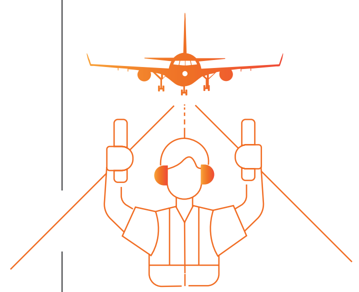
Through the acquisition of a majority stake in Avon Solutions & Logistics Private Limited



FY2018

Forayed into Institutional Catering

Through the acquisition of a majority stake in Fusion Foods



FY2019

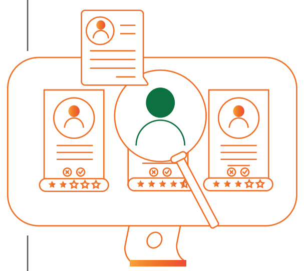
Forayed into the Airport Ground Handling

Through the acquisition of a majority stake in Global Flight Handling Services, which had the requisite qualifications in this space.

FY2020

Forayed into Employee Background Verification and Audit & Assurance Services

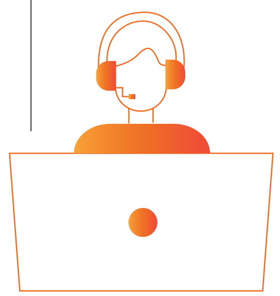
Through the acquisition of a majority stake in Matrix Business Services



FY2020

Forayed into Feminine Hygiene

Through the acquisition of a majority stake in Washroom Hygiene Concepts



FY2022

Forayed into Sales Enablement Services

Through the acquisition of a majority stake in Denave

FY2023

Strengthened our Sales Enablement Services

Through the acquisition of a majority stake in Athena BPO

Through a wide set of offerings and expansive footprint

Where we are present

We have a widespread presence across the country and overseas. Our expansive presence provides us with the capabilities to cater to our customers' needs, recruit and deploy resources within the shortest turnaround time and engage with our employees efficiently.

UDS also has presence in South-East Asia, South Korea and Europe

Map not to scale.

112
Points of presence in India

13
International points of presence

4,667
Customer locations

194 million sq ft
Managed space

What we offer

We are the second-largest integrated facility management player in the country with the most diversified set of offerings. Through our subsidiaries, we provide audit and assurance services, sales enablement services, employee background verification services, airport ground handling services and mailroom management and niche logistics solutions, with most of them being market leaders in their respective segments.

Read more on Pg. 18

Redefining Business Services

IFM & Other Services

A. IFM

- Soft Services
- Production Support Services
- Engineering Services
- Washroom and Feminine

B. Other Services

- Warehouse Management
- General Staffing
- Institutional Catering
- Others

Business Support Services

- Sales Enablement Services
- Employee Background Verification Services
- Audit & Assurance Services
- Airport Ground Handling Services
- Mailroom Management & Niche Logistics Solutions

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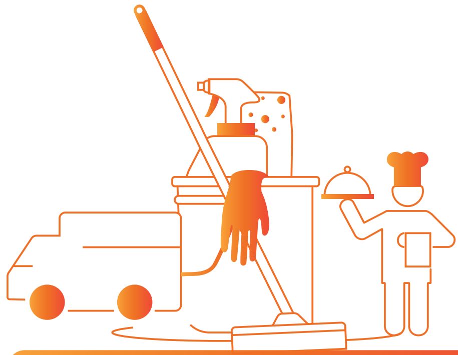
By developing long-standing relationships with customers

In our line of services business, it is imperative to build long-standing relationships with our customers. Our ability to provide bespoke services that align with the specific requirements of our customers in diverse business sectors has helped us in this regard significantly.

On one hand, it has enabled us to strengthen our existing customer relationships, and on the other, empowers us to capture a larger portion of their needs, resulting in a continuous stream of business.

3,096
Total customers



IFM and Other Services

1,427
Customer base

Our key sectors

- Auto
- BFSI
- Manufacturing
- Healthcare
- Electronics

35%
Revenue share from our Top-10 customers

Business Support Services

1,669
Customer base

Our key sectors

- Technology
- IT/ITES
- Retail
- Consumer goods
- Aviation
- Telecom

55%
Revenue share from our Top-10 customers

Under the leadership of an experienced Board

Raghunandana Tangirala
Promoter, Chairman and Managing Director

He is the founding director and the promoter, and currently serves as the Chairman of the Board and Managing Director of our Company. With 30 years of entrepreneurial experience in the service sector, he spearheads corporate governance, organisational development, capital allocation, and strategic growth. He holds a bachelor's degree in commerce from the University of Madras.

P. C. Balasubramanian
Executive Director

One of the founding director of Matrix Business Services India Private Limited. He holds a commerce degree from St. Joseph's College, Bharathidasan University, and is a member of the Institute of Chartered Accountants of India. In our Company, he concentrates on group integration and growth strategies. He also served as a managing director at Matrix Business Services India Private Limited and worked as a partner at Gopinath & Sharma, Chartered Accountants.

Amitabh Jaipuria
Non-Executive Director

He serves as a Non-Executive Director at UDS, bringing a wealth of experience from his previous roles in well-known organisations such as Ziqitza Healthcare, First Meridian Business Services, Reliance Jio, AGS Transact, Monsanto India, PepsiCo India, Quess Corp, GE Lighting, and Blow Plast. At UDS, he is responsible for overseeing corporate affairs, managing investor relations, and spearheading key strategic initiatives. His diverse background and expertise contribute to the company's continued growth and success.

Vijay Dhanuka*
Nominee Director

He was formerly a Nominee Director representing MOPE on the Board of the Company. Prior to MOPE, he worked in the corporate finance team at Asian Paints, handling M&A, treasury, fundraising, investor relations, and strategy. He holds a Bachelor's Degree in Commerce from St. Xavier's College, Kolkata, and holds impressive designations as a Chartered Accountant (ranked 25th in India), CFA charter holder, and a qualified Company Secretary (ranked 1st in India).

Shankar Gopalakrishnan*
Nominee Director

He was formerly a Nominee Director representing MOPE on the Board of the Company. With 34 years of experience in the life sciences and healthcare sector, he scaled Actavis Pharma's Indian operations to USD 100 million in revenues and played a key role at Hikal Limited. He is well-versed in life sciences, agrochemicals, and specialty chemicals industries. He is a member of the Institute of Chartered Accountants of India and holds the title of a Certified Public Accountant (CPA).

Shanthi Tangirala^
Director

She is one of our Promoters and has passed the pre degree certificate examination from the University of Calicut. She has previously worked with our Company in her capacity as director of the Company from incorporation till June 2022.

Sunil Chandiramani
Independent Director

He serves as the Independent Director of the Company. He holds a B.Com degree from Sydenham College of Commerce and Economics at the University of Bombay, complemented by a Diploma in Systems Management (Honors) from the National Institute of Information Technology. Furthermore, he is an associate member of the Institute of Chartered Accountants of India (ICAI). His extensive expertise in financial matters is built on his previous role as a partner at Ernst & Young India, where he contributed significantly to the field of finance and accounting.

Sangeeta Sumesh
Independent Director

She serves as an Independent Director, and has previously held pivotal positions, including Executive Director and Chief Financial Officer at Dun & Bradstreet Technologies. She is an associate member of the Institute of Chartered Accountants of India (ICAI), and her experience encompasses roles at Lovelock & Lewes, Lebara Foundation, Thales Software India, Tupperware India, Alstom Limited, and PWC (Price Waterhouse Coopers).

Amit Choudhary
Independent Director

He serves as an Independent Director of the Company. He holds a B.Com degree from Calcutta University and has successfully completed the final examination conducted by the Institute of Chartered Accountants of India (ICAI), earning a proficiency certificate. In his previous professional role, Amit served as the Group Manager of Finance & Accounting at Procter & Gamble.

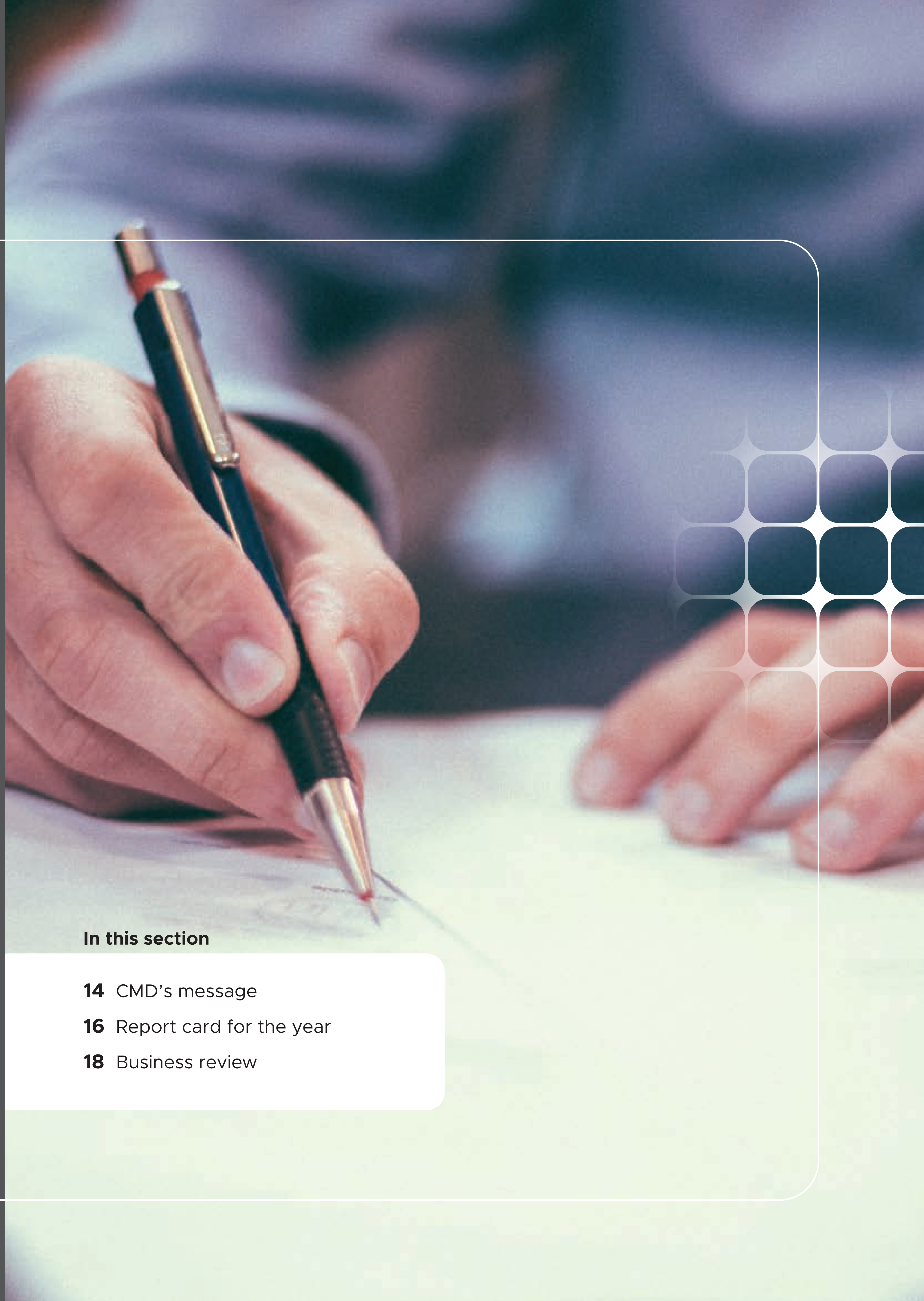
Rammohan Tangirala~
Director

He was formerly a Non-Independent and Non-Executive Director and holds a B.Tech in Computer Engineering and an MS in Computer Science. He currently serves as Director of Engineering at Capillary Technologies. Previously, he worked as VP of Engineering at Emozo Inc and held positions as an Exec Director at UDS and Senior Architect at General Electric (GE). Rammohan's career continues in the technology sector, reflecting his dynamic journey in software engineering and technology leadership.

100%
Board members with >20 years of experience

*Resigned with effect from 21st March, 2023
^Resigned with effect from 23rd June, 2022
~Resigned with effect from 27th June, 2022

This is how we performed during the year under review



In this section

Perseverance is the name of the game

Dear shareholders,
I am filled with immense pride as I address you through our first-ever Annual Report as a listed company. This pride stems from the entire journey of UDS: From the first facility management services provider in the country to a full-blown integrated business services platform that addresses a multitude of needs of customers. This reality is a result of what I believe to be our biggest asset: Perseverance

Perseverance

I would have to delve a little into our history to bring forth the essence of this. The idea of starting a facility management company was born out of Yellow Pages, when I was on the lookout for a new business idea. Facility management services at that point in time were still an alien concept in India Inc., however, it had already made its mark globally.

We were confident that with the large-scale globalisation at play, it was just a matter of time before enterprises in the country realised the benefits of outsourcing these services. Thus, UDS was born.

The journey was not an easy one by any means; Indian enterprises were reluctant to outsource these services to any external entity.

However, our ability to remain committed to our purpose and continue investing in our space, is what propelled us to reach where we are today.

It may come as no surprise that the first-ever contract that we won was with one of the largest multinational companies in the world because they had been accustomed to this model. Not only did we manage to meet the international standards of service prescribed by them, we also surpassed them. This was perhaps the turning point in our minds, where we realised that we were capable of addressing the varied needs of our customers and becoming an essential partner for them.

We provide better services; we eradicate support staff attrition issues; we are more cost-effective.

Our job was to communicate these to Indian enterprises. Fast forward three decades, and we were able to do just that and today, we are one of the market leaders in most of the segments that we operate in. Most people would attribute this to our one-of-a-kind acquisition strategy, our thrust on technology or foresight, among others. However, I truly believe that it was our perseverance that propelled us to reach this position today, and till date, continues to be the driving force of our business.

The second leg of our journey

Just as we were establishing ourselves as a respected facilities management service provider, a unique opportunity dawned upon us. When one of the largest global automotive players, which was about to set up its plant in Chennai, posed a unique request: If we would be able to provide semi-skilled production support services? Prima facie, this was a straightforward question; however, it was one that took us back to the drawing board. We were faced with a major dilemma: Do we stick to our roots and explore linear growth or should enter adjacent businesses? Our focus on becoming an **essential partner for our customers** propelled us to say yes, and we have not looked back this that day.

As we continued to grow as a company, we devised a one-of-a-kind acquisition strategy through which we have seen a lot of success inorganically. From just providing facility management services, we have been able to create a unique and distinguished integrated business services platform through which provide services like production support, engineering, sales enablement, employee background verification, airport ground handling, audit and assurance, mailroom management and niche logistics, warehouse management and general staffing, among others, through our two main business verticals: Integrated Facility Management & Other Services and Business Support Services (BSS). (Read more on Page 18)

A lot of our success boils down to our track record of seamlessly incorporating acquired entities into our organisation, which again, can be attributed to our distinctive approach to acquisitions. This well-crafted strategy, developed and refined over time, has not only allowed us to expand our size and market presence but has also facilitated the achievement of operational efficiencies and the leveraging of our core strengths in pivotal markets. Furthermore, our strategic framework encompasses the introduction of new services that not only align with our current offerings but also strategically position us to capitalise on additional revenue prospects. (Read more on Page 32)

The next leg of our journey

It is perhaps the aspiration of every organisation to become a listed entity, an aspiration that we have been able to fulfill. We have been on a consistent growth trajectory over the years, and we truly believe this will be the take-off point for bigger things for UDS.

On the performance front, we recorded revenues of ₹ 20,989 million, compared to ₹ 14,836 million in the previous year, an increase of 41%. Our EBITDA stood at ₹ 998 million, whereas our profit after tax stood at ₹ 346 million during the year. Our thrust on technology and ability to turn around acquired businesses, has enabled us to record impressive EBITDA margins and return on capital employed of 6.89% and 24.40%, respectively, the highest in our industry.

In addition to this, we took a significant step towards bolstering our Sales Enablement Services portfolio by acquiring a majority stake in Athena BPO. This strategic move expands our capabilities and enhances our ability to provide comprehensive sales support solutions to our customers.

We believe that we are truly sitting on a landmine of opportunities, and have devised a certain set of strategies that would enable us to tap into the market potential, the details of which you can read on Page 28. Our integrated facility management segment continues to dominate the revenue share but we have seen a gradual increase in the BSS share over the last few years. Going forward, we will work towards further increasing this share due to the margins advantage in BSS.

Postface

In closing, I want to express my heartfelt gratitude to all our stakeholders—our dedicated employees, valued customers, supportive partners, and committed shareholders. It is your unwavering trust and collaboration that has propelled us to our milestones over the years. Your commitment to our shared vision is a testament to the strength of our Company, and I extend my sincere thanks for your belief in our vision. As we move forward, let us continue to work hand in hand, embracing the opportunities and challenges that lie ahead, and shaping a brighter and more prosperous future for our organisation.

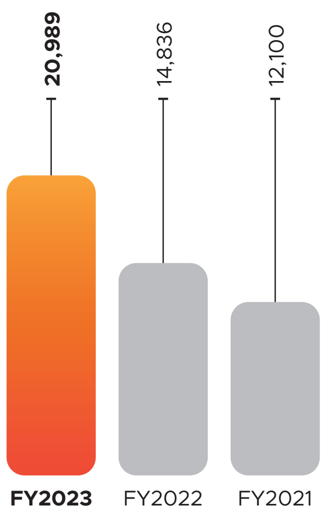
Raghunandana Tangirala
Promoter, Chairman and Managing Director

Our report card

Financial

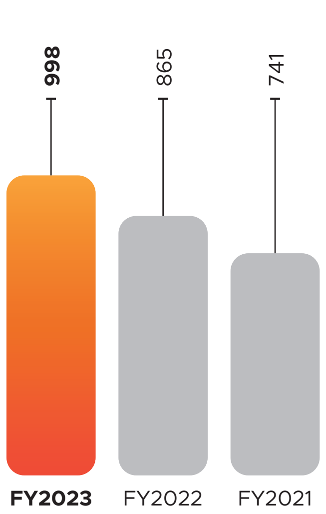
Revenue

(₹ in million)



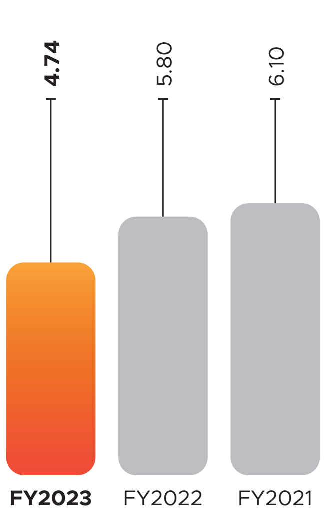
EBITDA

(₹ in million)



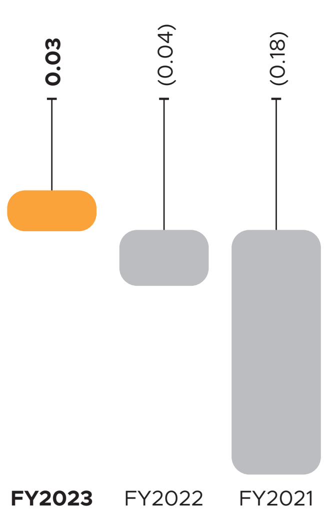
EBITDA margin

(%)



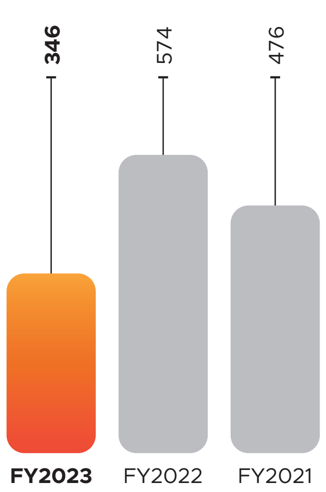
Net debt-Equity

(x)



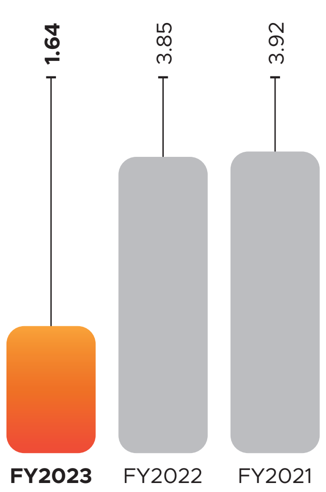
PAT

(₹ in million)



PAT margin

(%)

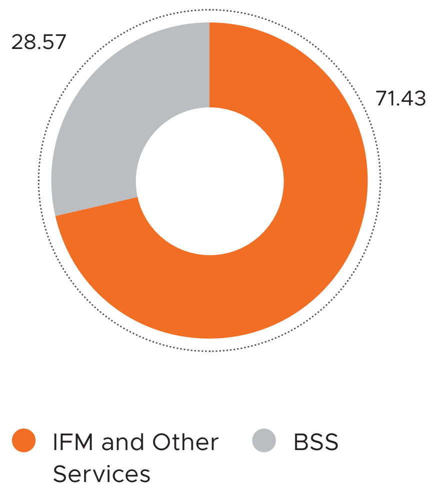


Return on Capital Employed

(%)

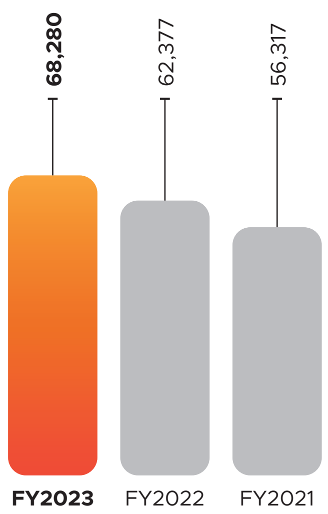
Revenue by segment

(%)

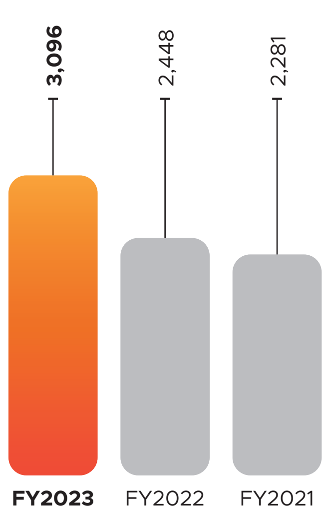


Non-financial

Total employees



Customer count



Total CSR spend

(₹ in million)

Integrated Facility Management and Other Services

Our Offerings

Integrated Facility Management

Soft Services	Our offerings encompass housekeeping, cleaning, disinfection, sanitisation, pest control, horticulture, and facade cleaning.	2nd Market position in India
Production Support Services (PSS)	Our offerings include solutions for manufacturing facilities, including material handling, warehouse management, inventory control, production support, and equipment maintenance.	1st Market position in India
Engineering Services	Our engineering services are focused on mechanical, electrical, and plumbing (MEP), and cover HVAC system management, power equipment, sewage treatment and fire safety, among others.	Among Top-5 Market position in India
Washroom and Feminine Hygiene Care Solutions	Our offerings include feminine hygiene care, and products like air fresheners, sanitisers, and washroom products, through our subsidiary, Washroom Hygiene Concept.	2nd Market position in India

Source: Frost & Sullivan

Other Services

Warehouse Management	Our offerings include managing customer warehouses and their operations, including material handling, sorting, packaging, and logistics.
General Staffing	Our offerings include providing field staff for various roles, focusing primarily on specialty staffing in healthcare, payroll management, and field force management.
Institutional Catering	Our offerings include catering and food services for corporates, educational institutions, and industrial facilities, through our subsidiary, Fusion Foods.
Others	In addition to these, we also provide technology and procurement services through our subsidiaries, Wynwy and Tangy, respectively.

IFM & Other Services financial performance

Parameters	FY 2023	FY 2022	Y-o-Y% Change
Revenue from operations (₹ in million)	15,219	12,028	26.53
EBITDA (₹ in million)	598	525	13.8
EBITDA margin (%)	3.91	4.33	(9.81)
Revenue share in overall business (%)	71.43	79.64	(10.30)
EBITDA share in overall business (%)	43.77	48.63	(10.00)

Business Support Services

Our offerings

Sales Enablement Services	We provide sales enablement services through our subsidiaries, Denave and Athena. Our offerings include demand generation, lead management, inside sales, data management, digital marketing, analytics, customer outreach, field force management, and outbound telesales. Denave is the largest player in the market and serves global customers in IT/ITES and telecom, among others, whereas Athena predominantly focuses on the BFSI segment B2C telesales.	1st Market position in India
Employee Background Verification Check Services	We provide these services through our subsidiary, Matrix. Our services include the verification of address, identity, educational qualifications, employment history, and legal case history.	3rd Market position in India
Audit and Assurance Services	We also provide these services through our subsidiary, Matrix, with a specialised focus on FMCG and consumer durables companies. Our services include audits of supply chain, warehouse, distributor, and retail. Besides this, we also provide back-office support for marketing programmes and channel partner claim processing.	1st Market position in India

Source: Frost & Sullivan

Our offerings

Mailroom Management and Niche Logistics Solutions	We provide these services through our subsidiary, Avon Solutions & Logistics Private Limited, which specialises in mailroom management. Our services extend to office supplies management and tailored niche logistics solutions, addressing specific customer needs without competing in the broader logistics sector.	1st Market position in India
Airport Ground Handling Services	We provide these services through our subsidiary, Global Flight Handling. Our offerings include baggage, cargo handling, passenger movement, aircraft turnaround, and meet and greet services.	

Source: Frost & Sullivan

BSS financial performance

Parameters	FY 2023	FY 2022	Y-o-Y% Change
Revenue from operations (₹ in million)	6,086	3,077	97.82
EBITDA (₹ in million)	768	555	38.41
EBITDA margin (%)	12.61	17.85	(30.03)
Revenue share in overall business (%)	28.57	20.37	40.24
EBITDA share in overall business (%)	56.23	51.37	9.47

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This is how we intend on growing sustainably over the foreseeable future

In this section

By capitalising on the opportunity at hand

We were the first-ever facility management company that was established in the country. When we started off, outsourcing services was an alien concept in many senses for Indian enterprises. However, in lieu of the global trends, we were confident that it was just a matter of time before the Indian diaspora picked up pace as well.

Over the years, the demand for outsourced services has grown exponentially and this is only expected to increase over the foreseeable future. This could be attributed to primarily two reasons:

The efficiency and services provided by outsourced players supersede the in-house setup	Enterprises are able to eradicate attrition issues and operate in a more cost-effective manner

The industry at a glance

Integrated Facility Management

Outsourced IFM market size

₹25,038 Cr
FY 2017-18

₹39,480 Cr
FY 2022-23

₹86,442 Cr
FY 2027-28

Growth drivers

Increasing share of outsourced IFM services
The share of outsourced IFM services is expected to further increase over the foreseeable future.

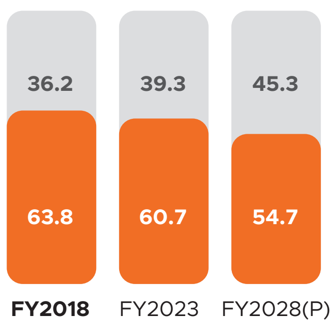
Growing preference for integrated players
Enterprises are increasingly transitioning towards integrated service models from single-contract service models for a number of reasons

- More cost-effective
- Accelerated technology implementation
- Stringent quality standards and compliance
- Increased need for mechanised cleaning

Industry consolidation
The industry consolidation is truly underway, validated by the ever-increasing share of organised players in the market and will continue to do so over the foreseeable future for the following reasons

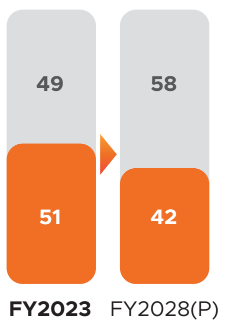
- Organised players expanding their services through mergers or partnerships with regional players
- Inability of smaller players to comply with the regulatory and capability challenges

IFM: In-House vs Outsourced services
(%)



In-House Outsourced

IFM: In-House vs Outsourced services
(%)



In-House Outsourced

Source: Frost & Sullivan

Business Support Services

Outsourced BSS market size

₹4,884 Cr
FY 2017-18

₹7,115 Cr
FY 2022-23

₹14,478 Cr
FY 2027-28

Mailroom Management
- Demand for end-to-end asset movement services
- Increasing need for data security
- Cost reductions

₹895 Cr
Projected market size in FY 2027-28

Employee Background Verification
- Demand for employee background screening and data intelligence
- Minimising discrepancies
- Growth in gig economy
- Emergence of new age business models

₹3,152 Cr
Projected market size in FY 2027-28

Sales enablement
- Demand for digital communication, Cloud and digitalisation
- Demand for analytics and content intelligence
- Demand for technology-driven database generation
- Localisation of voice activated instructions

₹4,517 Cr
Projected market size in FY 2027-28

Airport Ground Handling
- Growth in passenger traffic and tourism
- Increased numbers of meetings, conferences and exhibitions
- Enhanced focus on airport infrastructure
- Regional Connectivity Scheme

₹5,355 Cr
Projected market size in FY 2027-28

Business Process Audits & Assurance
- Increasing integration with third-party companies (suppliers, distributors and outsourced service providers)
- Growth of the retail industry

₹560 Cr
Projected market size in FY 2027-28

Source: Frost & Sullivan

By capitalising on the opportunity at hand

What makes us optimistic about this inflection point

Uniquely and attractively placed

We have been able to carve out a unique position in the market through our integrated business model. We have the widest range of services among all our peers and are one of the leading market players in our segments, with some being extremely niche. We have established a significant brand recall in both the IFM and BSS segments and are attractively placed to offer complementary and supplementary services to our customers.

Read more on Pg. 6

Track record of successful integration of acquisitions

We have pursued strategic acquisitions to broaden our presence in the value-added business support services sector. Our primary focus has been on acquiring companies and businesses whose offerings complement and enhance our existing services portfolio. Each acquisition we have made has been carefully chosen, which in turn, has expanded our reach: New customer segments, service lines and geographical areas.

Read more on Pg. 32

Led by experienced management, backed by PE investors

We are led by an experienced Board of Directors, who are supported by an efficient management team. They ensure we uphold the highest standards of governance and work relentlessly to bring our strategies to life. In addition to this we are/were also backed by some marquee private equity investors like New Vernon Private Equity, ICICI Venture Funds Management Company and Motilal Oswal Alternate Investment Advisors throughout various points of our journey. This has enabled us to strengthen our financial controls, enhance productivity, periodic assistance with regard to capital raising, mergers and acquisitions, and strategic business decisions.

Read about our Board of Directors on Pg. 10

Widespread presence

We have an established national footprint with 112 points of presence in India. In addition to this, we also have 13 points of international presence. Our widespread presence provides us a significant edge over our peers.

Read more on Pg. 6

Long-standing relationships with customers

Our diverse businesses have enabled us to cater to the demands of customers across a diverse set of sectors. Our gamut of services empowers us with the capability to significantly increase the wallet share from existing customers through cross-selling.

Read more on Pg. 8

Technology focus

We have continuously been focusing on leveraging technology to take our business to the next level. On one hand, we are integrating technology within all verticals of our operations to optimise productivity and enhance cost-efficiencies, and on the other, investing in technology platforms to gain an edge over our peers.

Read more on Pg. 38

Exceeding industry performance

Our focus on optimising productivity and emphasis on niche market segments has resulted in us performing significantly higher than our peers. Our margins and returns on capital employed are ~2x the industry standards, and we expect to sustain these levels as we continue to grow our revenues as well. Besides this, both our IFM and BSS segments have been growing at ~15-20% higher than the respective industry CAGRs.

By focusing on our strategic priorities

In order to ensure we make our growth trajectory a sustainable one, we have carved out a set of business strategies, both organic and inorganic.

S1

Retain, strengthen and grow the customer base

We place great emphasis on deepening our relationships with our existing customers. Our contracts with customers typically span at least one year, often renewing, creating an annuity-based revenue model. These long-term relationships, built on our brand, market position, and quality service delivery, enable us to retain and cross-sell our products to gain a greater share of the customer's wallet. In line with our 'Better Everyday' value, we prioritise daily operational excellence through the integration of technology for enhanced service quality, visibility, reliability, and cost-efficiency. We have already implemented customer-oriented initiatives, like our asset management software 'Inconn', and will be on the lookout to implement more technology going forward.

S2

Grow market share in key segments

One of our priorities going forward is to ensure we are able to expand our presence in key segments like commercial real estate, industrial facilities, warehousing, and public infrastructure, among others. We aim to achieve this through two primary methods: Mining and Business Development. Under mining, our customer-facing teams focus on getting more business from our existing customers, whereas our business development team focuses on leveraging our digital presence to acquire new customers. We boast a strong sales and marketing team of 70 members, who focus on new customer acquisitions and customer relationships.

S3

Introduce new products and services

In line with our goal of expanding our market share, we intend to continue introducing new products and services that address gaps in our current portfolio and target potentially lucrative segments. India's strong economic growth and government initiatives like "Make in India" make it the hotbed for expansion. We aim to achieve this through organic development, partnerships, alliances, minority investments, joint ventures, or acquisitions, and continue broadening our services, both within integrated facilities management and our business support services portfolio. Some of these would include value-added BPO and back-office process outsourcing, building infrastructure related solutions, expanded Audit and Assurance services, specialised staffing, airport-based services, HR and employee services, and revenue and demand generation solutions.

S4

Continue to improve operating margins

We have some of the best margins of any organised player in the market. However, we want to retain these levels, even while our revenues increase. We are already in the process of exploring a shared services model to streamline common services and boost operating leverage on a consolidated level. Besides this, we see significant potential in harnessing technology across service delivery, customer interactions, and internal processes, including employee lifecycle management, which would drive efficiency, accuracy, and quality while reducing operating costs; our paperless and touchless transition is one such example.

In addition to this, we will also focus on diversifying our business mix to improve our margins. We are placing great emphasis on developing and promoting more value-added services for both existing and new customers. Continued investments will target industries and regions that offer opportunities for increased operating margins. We will also actively pursue growth in our higher-growth business (BSS), and will be analysing opportunities for further acquisitions, which would enable us to improve our margins at the consolidated level.

S5

Pursuing inorganic growth

We aim to continue achieving inorganic growth through strategic acquisitions of high-margin businesses that complement our operations. Our history of successful acquisitions to move up the value chain by expanding our product and service portfolio, and our ability to integrate them seamlessly, empowers to actively pursue acquisitions. As our service capabilities continue to evolve, we are committed to diversifying our service portfolio and offering higher value-added, higher-margin services to our customers.

This is how we have created a One UDS

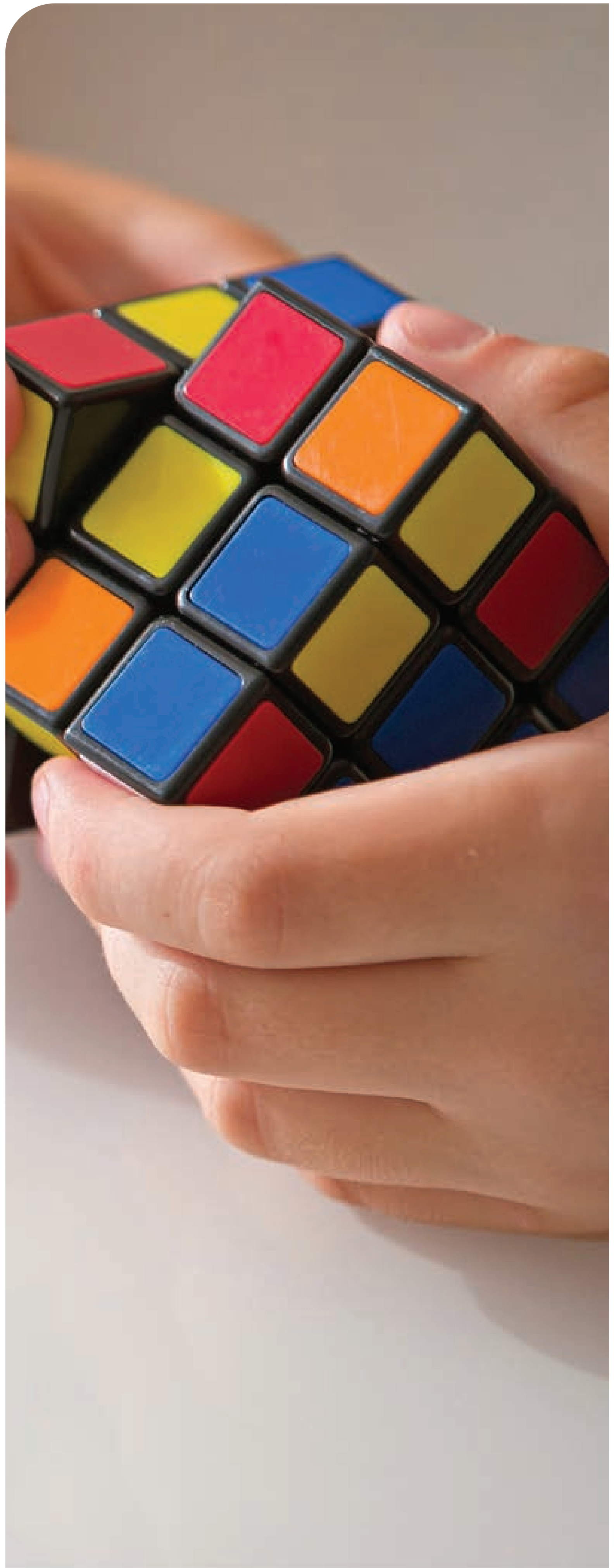
In this section

Through seamless integration of our acquired businesses

Acquisition of any business is just the starting hurdle; the game intensifies when it comes to successfully integrating it to generate value-accretive growth.

Our history of successful integration of our acquisitions largely boils down to our one-of-a-kind acquisition strategy.

This strategy, over the years, has enabled us to enhance our scale and market position, achieve operational efficiencies and leverage our strengths in key markets. Besides this, our strategy involves adding new services that not only complement our existing offerings but also strategically position us to capture additional revenue opportunities.



Our acquistion strategy – PRASAD

Promoter fit
Successful acquisitions has been the identification of businesses that are run by experienced promoters who then continue to work with us to not only build their original businesses but add value to the overall organisation.

Right Price
Acquiring quality businesses at the right acquisition price; thereby using our capital in a careful and calibrated manner.

Asset light
Acquiring businesses which are asset light, where the core assets are the people and their expertise, coupled with processes and technology (Except the ground handling business).

Synergistic businesses
Acquiring businesses which are synergistic with our existing businesses/ customers, or where we can leverage our existing experience, expertise or relationships, amongst other competencies, synergy with a strategic intent. handling business.

Accretive margins
Achieving inorganic growth strategy through improvement of our service and customer mix such that our overall margin profile improves.

Defensible
Acquiring businesses that possess competitive advantages and must be defensible.

Broadbasing our portfolio through acquisitions

Before 2019

Integrated Facility Management

- Engineering Services
- Staffing Soft Services
- Production Support Services
- Catering

Business Support Services

- Mailroom Management
- Airport Ground Handling

2019-2023

Integrated Facility Management

- Engineering Services
- Staffing Soft Services
- Production Support Services
- Catering
- **Feminine Hygiene**

Business Support Services

- Mailroom Management
- Airport Ground Handling
- **Employee Background Checks**
- **Sales Enablement**
- **Audit & Assurance**

Through seamless integration of our acquired businesses

Our acquisition history

Avon Solutions & Logistics Private Limited

Current stake
76%

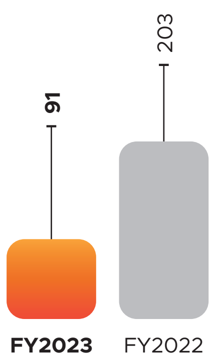
Year of acquisition
FY2007

Business vertical
BSS

Cumulative payout
₹79.10 Mn

EBITDA

(₹ In million)



Fusion Foods and Catering Private Limited

Current stake
99.99%

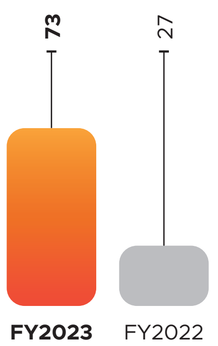
Year of acquisition
FY2019

Business vertical
IFM & Other Services

Cumulative payout
₹142.19 Mn

EBITDA

(₹ In million)



Global Flight Handling Services Private Limited

Current stake
83.25%

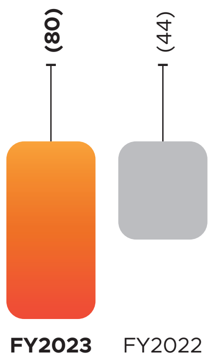
Year of acquisition
FY2019

Business vertical
BSS

Cumulative payout
₹42.99 Mn

EBITDA

(₹ In million)



Athena BPO Private Limited

Current stake
57%

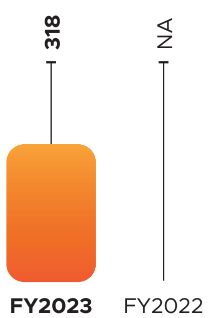
Year of acquisition
FY2023

Business vertical
BSS

Cumulative payout
₹909.08 Mn

EBITDA

(₹ In million)



Acquihire
Elizabeth Jacobs, who owns 43% stake in Athena

Holding as on 30th September 2023

Washroom Hygiene Concepts Private Limited

Current stake
99.99%

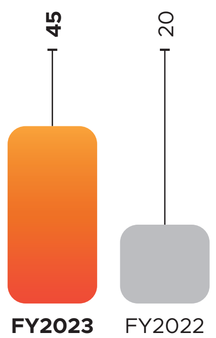
Year of acquisition
FY2020

Business vertical
IFM & Other Services

Cumulative payout
₹179.99 Mn

EBITDA

(₹ In million)



Matrix Business Services India Private Limited

Current stake
99.99%

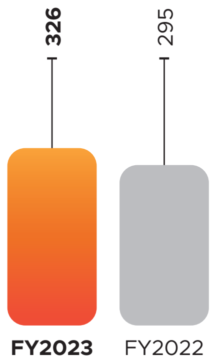
Year of acquisition
FY2020

Business vertical
BSS

Cumulative payout
₹553.74 Mn

EBITDA

(₹ In million)



Acquihire
P.C. Balasubramanian, who was one of the founding Directors of Matrix

Denave India Private Limited

Current stake
57.52%

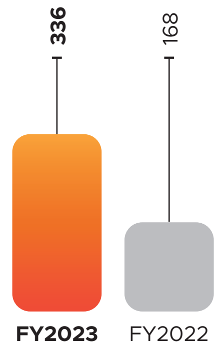
Year of acquisition
FY2022

Business vertical
BSS

Cumulative payout
₹629.96 Mn

EBITDA

(₹ In million)



Acquihire
Snehashish Bhattacharjee, who has been associated with Denave since 2000

Holding as on 30 September 2023

Through the inculcation of the UDS culture

Cultivating the UDS culture across the organisation is not merely a matter of policy and practice; it is a fundamental aspect of our identity. This is the pivot that allows us to ensure that we are able to consistently provide the best services to our customers. In order to ensure this, we have in place a well-curated set of learning and development programmes.

Post Graduate Certification in General Management from IIM Trichy

At UDS and our Group Companies, we value our employees as our most precious assets, and committed to their growth and well-being. In collaboration with IIM Trichy, we provide PG Executive Management Education to our middle and senior managers. Our recent Graduation Ceremony on 9th September, 2023, was a significant milestone, celebrating 33 middle and senior managers who completed the PG Executive Management Education in collaboration. The programme provided a structured approach to management science, equipping people with essential skills such as critical thinking, data-driven decision-making, and strategic vision. It empowered the participants with the right tools, newer insights, and fresh perspectives necessary to navigate the ever-changing VUCA world of business.

Managerial Effectiveness and Leadership Enhancement Programme (MELP)

We also launched the Managerial Effectiveness and Leadership Enhancement Programme (MELP) for our middle managers across UDS and our Group Companies. This programme has served as a catalyst in the leadership journey of over 120 middle managers, equipping them with the skills to become future leaders. After completing 375 person-days of training, with participation from 120+ individuals, we're delighted to see that the programme was well-received and deemed highly valuable by our participants. The overwhelmingly positive feedback and their eagerness for more such initiatives underscore the programme's substantial contribution to their professional development. The impact has been impressive, with transformation witnessed by our senior leaders, reinforcing our belief that investing in middle managers is key to our overall group's success.

Imbibing the UDS values

We have crafted a compelling value story with three key pillars within each value (#happypeople, #ClearPurpose, #bettereveryday, #dogood, and #BalanceAll), enhancing our ability to communicate our future strategy. Through the 'LIVE THE UDS WAY' Change Management initiative, we engage employees to internalise our values and integrate them into our culture, using interactive workshops. Managers now collaborate closely with their teams, recognising contributions, assuming mentorship and coaching roles, enhancing task management quality and timeliness, and striking a balance between vendors, customers, and themselves.

Rewards and remuneration

Impactful Udsian Award

Our Impactful Udsian Award is a platform to recognise and reward the exceptional contributions of our employees. Eligibility for this award extends to all employees with at least nine months of service in a year who have positively influenced our business. This includes everyone, from frontline executives to senior management. What makes this programme unique is that the award recipients are selected by a committee composed of our Managing Director, Executive Director, and Chief Commercial Officer. Awardees receive a letter from the MD's desk, a Merit Certificate, and a memento. Nominations should be submitted using the enclosed Annexure 1 format to the Head of HR, with a submission deadline at the end of June for the previous financial year. Employees can qualify for this award in successive years based on their annual performance. For the period 2022-23, 38 employees were nominated.

Rising Udisians Award

We are dedicated to fostering a culture of growth and development, and the Rising Udisians Award is a testament to this commitment. This award recognises and celebrates promising junior colleagues who exhibit great potential and dedication to their roles. Regional RMs and Senior Managers, play a vital role in identifying these rising stars at UDS. Identifying and nurturing such talent is essential for shaping our organisation's future. Regional RMs and Senior Managers, play a vital role in identifying these rising stars at UDS. Identifying and nurturing such talent is essential for shaping our organisation's future.

By integrating and investing in technologies

As a forward-thinking organisation, we recognise that the rapid evolution of technology is not just a trend but a transformative force that has the potential to define our growth trajectory over the foreseeable future. On one hand, we are adopting advanced solutions to optimise our business processes, and on the other, pioneering the development of technology products and strategically investing in emerging platforms.

Adopting the latest technologies

Enterprise

We have successfully implemented SAP, a robust software solution that optimises our overall business management processes.

Service delivery

We efficiently manage our extensive field force of >50,000 individuals through the strategic use of technology. This includes the automation of various employee management activities, streamlining processes, and improving efficiency. Additionally, we deployed Matex, a software platform developed in-house by Matrix, to facilitate Employee Background verification services.

Technology as a product

We have introduced Inconn, an in-house tool designed for Computerised Maintenance Management System (CMMS) and Enterprise Asset Management (EAM). This technology product enhances our ability to manage assets and maintenance effectively.

Investing in technology

To remain at the forefront of technological advancements, we have made selective investments in technology platforms. Notably, we made a minority investment in Aubotz Lab Private Limited, a manufacturer of autonomous robotic platforms. These robots are designed for a range of activities, including floor cleaning and material handling, and some have been deployed at customer locations, further optimising operations and service delivery.

By treating our community as part of the UDS family

We have always treated our communities as part of the UDS family, and strive to ensure that we are able to bring forth transformative changes in the lives of people.

₹14.03 Mn

Amount spent towards CSR initiatives in FY 2022-23

Enhancing Healthcare Facilities at Chinmaya Mission Hospital

We contributed a Philips Respironics medical equipment, which is valued at ₹ 0.2 million to Chinmaya Mission Hospital in Bangalore. This contribution will improve healthcare facilities and enhance the quality of care provided to the patients there.

₹0.2 Mn

Amount spent

Financial Assistance to CCHRC

We provided financial assistance towards the purchase of medical equipment to Cachar Cancer Hospital and Research Centre (CCHRC), a non-profit NGO Cachar administered by the Cancer Hospital Society, and is the only comprehensive cancer centre in the southern part of Assam with facilities for cancer prevention, diagnosis, treatment, palliative care, education and research.

₹1.2 Mn

Amount spent

Supporting Anandam Medical Care Centre and Physiotherapy Centre

We contributed medical equipment worth ₹ 2.4 million to Anandam Medical Care Centre and Physiotherapy Centre, Chennai, a part of 'Anandam', which is a free home for senior citizens and a public charitable trust. This contribution included essential medical equipment to enhance the well-being of senior citizens.

₹2.4 Mn

Amount spent

Supporting Healthcare at The Voluntary Health Services (VHS)

In line with our healthcare thrust, we provided financial assistance of ₹ 3.5 million towards the purchase of a Karl Storz laparoscope by the Voluntary Health Services (VHS) - Multi-Specialty Hospital & Research Centre in Chennai.

₹3.5 Mn

Amount spent

Donation to Sri Ramakrishna Math

We provided financial assistance to Sri Ramakrishna Math in Mylapore, Chennai, towards the installation of 50 kW hybrid solar system. The Math has been involved in various humanitarian services, along with spreading Swami Vivekananda's teachings through publications and preachings for the past 125 years.

₹2.4 Mn

Amount spent

Empowering Education at P.S. Higher Secondary School

Education continues to be one of the most important pillars that we focus on. During the year, we donated one smart panel for the 10th students and eight computers for the computer laboratory at P.S. Higher Secondary School, Chennai, in a bid to provide the students with access to modern technology and resources for better education.

₹0.4 Mn

Amount spent

Management Discussion and Analysis of Financial Position and Results of Operations

Annexure - A

Overview

Our Company is a leading, focused, and integrated business services platform in India offering integrated facilities management (**'IFM'**) services and business support services (**'BSS'**)to our customers, with a pan-India presence (*Source: F&S Report*). We are India's second-largest player in the IFM market and have the broadest service offering in the industry, making us a unique and differentiated player. (*Source: F&S Report*) Within our BSS segment, we offer audit and assurance services through our subsidiary, Matrix. According to the F&S Report, Matrix is a leading audit and assurance company for dealer/distributor and retail audits. A robust branch network and field associate reach have driven our Company to reach the top spot in India, with a market share of 19.2% in the financial year ending 31 March 2023. We also offer employee background verification through Matrix, and in this segment, Matrix is the third-largest company in India, with a share of 5.4% in the financial year ending 31 March 2023 *(Source: F&S Report*). In addition, we provide sales enablement services through our subsidiaries, Denave and Athena. Asper the F&S Report, Denave is the largest player in this segment with a market share of 20.1% in India in the financial year ending 31 March 2023. In addition, we offer mailroom management services through our subsidiary, Avon, a market leader in India with a share of 11.1% in the mailroom management services market in the financial year ending 31 March 2023 (*Source: F&S Report*).

We operate in the Business-to-Business (**'B2B'**)services space, offering a spectrum of business services broadly classified into two segments:

1. IFM and other services segment; and
2. BSS segment

Our portfolio of services offered across these two business segments includes the following:

uds
Redefining Business Services

IFM & Other Services
A. IFM
▪ Soft Services
▪ Production Support Services
▪ Engineering Services
▪ Washroom and Feminine Hygiene
B. Other Services
▪ Warehouse Management
▪ General Staffing
▪ Institutional Catering
▪ Others

Business Support Services
▪ Sales Enablement Services
▪ Employee Background Verification Services
▪ Audit & Assurance Services
▪ Airport Ground Handling Services
▪ Mailroom Management & Niche Logistics Solutions

Brief details of our portfolio of services are mentioned below:

IFM and Other Services Segment

Our IFM services segment primarily comprise:

- **Soft Services:** These include services such as housekeeping and cleaning services, disinfecting, and sanitising services, pest control, horticulture, and facade cleaning. We are the second largest player in the highly fragmented soft services segment market in India, with a share of 4.1% in the financial year ending 31 March 2023 (*Source: F&S Report*).
- **Production Support Services:** Production support services('PSS')aresolutionsofferedtomanufacturing facilities, including material handling, material movement, on-site warehouse management, stores and inventory management, production support activities, and equipment maintenance. The market is fragmented, and >200 companies competing in this segment. *(Source: F&S Report*) According to the F&S Report, we are the market leader in India in this highly fragmented segment with a market share of 2.0% in the Financial Year ending 31 March 2023. Our Company is one of India's leading PSS providers to the automotive segment (*Source: F&S Report*).

- **Engineering Services:** These mainly comprise services related to mechanical, electrical, and plumbing (**'MEP'**). These services, also referred to as hard services, including maintenance, repair, overhaul and performance management of heating, ventilation, and air conditioning ('HVAC') systems; power equipment such as generators and UPS systems; pumps, sewage treatment plants, fire safety systems, waste management systems as well as the management of annual maintenance contracts for elevators and other building related systems and equipment. Our Company is among the top-five players in India in the hard services market (*Source: F&S Report*).
- **Washroom and Feminine Hygiene Care Solutions:** These include feminine hygiene care solutions and products and services such as air fresheners, sanitisers, and washroom solutions. We offer washroom and feminine hygiene care solutions through our subsidiary, Washroom Hygiene Concept.

Our other services segment primarily comprise:

- **Warehouse Management:** These services comprise deploying people, equipment, and processes to manage customer warehouses and operations within them, including material handling, stock keeping, grading and sorting, breaking bulk, repacking, inward and outward dispatches, and return logistics, among others.
- **General Staffing:** These are services where field staff get deployed in various roles and who operate under the customer's supervision. These services offered through our Company and our subsidiary, integrated technical staffing and solutions, generally comprise recruitment, payroll, and human resource services. These do not constitute a significant part of our portfolio, with our focus being on specialty staffing in healthcare, payroll management and field force management.
- **Institutional Catering:** These services, provided through our subsidiary, Fusion Foods, comprise catering and food services to corporations, educational institutions, and industrial facilities.
- **Others:** Other services comprise technology services offered through our subsidiary, Wynwy and procurement services provided through our subsidiary, Tangy.

BSS Segment

These services comprise:

- **Sales Enablement Services:** Our subsidiaries, Denave and Athena, mainly provide these services. Denave is a sales enablement B2B company focused on serving global customers across multiple industries, including information technology/ information technology-enabled services ('IT/ ITeS'), telecom and other industries, through global delivery centres located in India, Malaysia and the UK, and also through partners in other parts of the world. Denave, as per the F&S Report, is the largest player in this segment, with a market share of 20.1% in India in the financial year ending 31 March 2023. Athena is a B2C outbound tele sales BPO focused on the BFSI segment in India. Through these entities, we offer services related to sales, channel management and marketing to IT/technology companies and companies in the consumer durables, fast-moving consumer goods ('FMCG'), telecom and BFSI industries. Our services include demand generation, lead management, inside sales, database management, digital marketing, sales and retail analytics, customer outreach, field force management, field marketing services and outbound tele sales.
- **Employee Background Verification Services:** These services comprise address verification, identity verification, educational qualifications verification, employment history verification, legal case history, among others. Our subsidiary, Matrix, the third-largest company in India in the segment with a share of 5.4% in the financial year ended 31 March 2023, offers these services (*Source: F&S Report*).
- **Audit and Assurance Services:** These services – offered through our Subsidiary Matrix – are provided to FMCG and consumer durables companies to ensure the integrity and performance of their distribution, channel, and retail management operations. We provide services such as supply chain audits, including warehouse depot audits, distributer audits, and retail point audits. We also provide back-office services related to marketing programmes and channel partner claim processing to global customers. According to the F&S Report, Matrix is a leading audit and assurance company for dealer/distributor audits and retail audits, and its robust branch reach and field associate reach has driven our Company to reach the top spot in India, with a market share of 19.2% in the financial year ended 31 March 2023.

Airport Ground Handling Services: These services include baggage and cargo handling, passenger movement, and aircraft turnaround. Ground handling is a critical activity at an airport. It has baggage and cargo loading and unloading, passenger movement, aircraft clean-ups, in-flight meals loading and unloading, aircraft marshalling and ancillary support services to aircraft (ground power units and ground air conditioning units). We also provide meet-and-greet services at various airports around the country. Our subsidiary, Global Flight Handling, provides these services.

- **Mailroom Management and Niche Logistics Solutions:** Our subsidiary, Avon, mainly provides this service. Avon is a leading service provider in India and a pioneer in the mailroom and asset movement business. It is the market leader in India with a share of 11.1% in the mailroom management services market in the Financial Year ended 31 March 2023 (*Source: F&S Report*). We leverage this presence to also offer services such as office supplies management, among others. We are not in the core logistics space and hence do not compete with the major companies in warehousing, transport, and logistics. Instead, we offer customised and personalised niche logistics solutions for the specific needs of our customers.

Here are the details of the customers we catered to via our two primary segments:

Particulars	Financial year ending 31 March 2021	Financial year ending 31 March 2022	Financial year ending 31 March 2023
Number of customers under the IFM segment	1,380	1,343	1,427
Number of customers under the BSS segment	901	1,105	1,669
Total customers	**2,281**	**2,448**	**3,096**

These services share common characteristics as they are all B2B services, primarily annuity-based services whereby the customer, once acquired, generates revenue over an extended period. Our annuity-based model helps spread out the customer acquisition costs and offers the opportunity to cross-sell and up-sell other services, thus resulting in a higher wallet share from our customers. Another common characteristic of certain of our services is that they enable efficiency in business operations for our customers. All our services are an integral part of our customers' business and assist in forming an essential part of our customers' core value creation. These services are also primarily such that they are created and offered through a combination of people, processes, and technology. Except for catering, none of our offerings involve raw materials and are therefore not dependent on commodity cycles or unpredictable input cost variations. Furthermore, most of our offerings do not involve any major deployment of fixed assets and are, therefore, asset-light.

Our Company has witnessed substantial growth over the years and, as of date, is regarded as a leading company in many of our business areas (*Source: F&S Report*). Between our IFM and other services and BSS segments, we have a wide range of solutions across physical facilities, business processes, people management, production support, audit and assurance services and revenue enhancement to serve customer needs across segments. During the financial years ending 31 March 2021, 2022 and 2023, our IFM and other services segment accounted for 90.44%, 79.65% and 71.52%. In contrast, our BSS segment accounted for 9.56%, 20.35% and 28.48% of our revenue from customer contracts.

Our portfolio of services has also evolved over the years to cater to the needs of diverse customer segments across a range of sectors, including FMCG, manufacturing and engineering, banking, financial services, and insurance (**'BFSI'**), healthcare, information technology/information technology-enabled services (**'IT/ITeS'**), automobiles, logistics and warehousing, airports, ports, infrastructure and retail, among others.

Over the years, your Company has become a pan-India player with a widespread network. Our widespread network enables us to service numerous customers and render customised services across India, where we are required to provide services per the specific needs of the customer through a combination of personnel, materials, supervision, technology, and economic models.

In addition to growing organically, our Company has also undertaken the acquisition of various businesses over the years, where our strategy has been to acquire and integrate businesses that are complementary to ours, thereby enabling the creation of a larger business services platform. Whilst we acquired an initial stake in Avon in the financial year ending 31 March 2007, some of our recent acquisitions comprise the acquisition of Global Flight Handling in the financial year ending 31 March 2019, Matrix in the financial year ending 31 March 2020, Washroom Hygiene Concept in the financial year ending 31 March 2020, Denave in the financial year ending 31 March 2022, and Athena in the financial year ending 31 March 2023. Through these strategic investments, your Company has added higher value-added businesses, which are also higher-margin businesses. We have undertaken these acquisitions to diversify and broaden our service mix, improve our overall margins and enable us to move up the value chain in terms of more value-added services connected to the customers' revenue and growth objectives versus only cost and efficiency. Through these acquisitions, we have added services such as employee background verification services, audit and assurance, feminine hygiene care solutions, sales enablement services and airport ground handling services, among others, to our service portfolio. In addition, our acquisition of Denave has allowed us to enter Southeast Asia and certain selected European geographies.

Several customers' operations at various locations saw disruptions due to the COVID-19 pandemic. Consequently, we witnessed a slight reduction in revenues from contracts with customers from the financial year ending 31 March 2020, to financial year ending 31 March 2021. However, our total income and revenues from contracts with customers increased subsequently.

Here is the financial information with respect to our two primary segments as per Ind AS 108 – operating segments for the financial years ending 31 March 2021, 2022 and 2023:

Particulars	Financial year ending 31 March 2021		Financial year ending 31 March 2022		Financial year ending 31 March 2023	
	in ₹ million	% of total segments	in ₹ million	% of total segments	in ₹ million	% of total segments
Revenues						
- Integrated facility management services	11,220.15	90.44%	12,182.62	79.65%	15,367.37	71.52%
- Business Support Services	1,186.13	9.56%	3,112.62	20.35%	6,120.86	28.48%
Total segments	**12,406.28**	**100.00%**	**15,295.24**	**100.00%**	**21,488.23**	**100.00%**
Adjustments and eliminations	(242.77)		(316.31)		(367.33)	
Total revenues	**12,163.51**		**14,978.93**		**21,120.90**	

Market Opportunities and Regulatory Impetus

Our Company is conscious of the environment we operate in, the context of business, and the underlying trends that we see and believe may impact our future business. Some of these underlying trends are as follows:

- **Formalisation of the Economy:** India is transitioning towards a formal economy backed by the growth in Goods and Services Tax ('GST') registered businesses, digital payment systems, increase in income of taxpayers, enrolment of informal sector workers on numerous government portals like e-Shram, growth in formal banking systems among others. (*Source: F&S Report*) Another factor indicating the movement towards formalisation is the increase in Employees' Provident Fund Organisation ('EPFO') beneficiaries, which highlights the growth in the labour force in the formal sector that is regulatory compliant (*Source: F&S Report*). This shift towards formalisation would drive the demand for organised IFM services in the long-term (*Source: F&S Report*).

- **Growth in the Real Estate Sector, Particularly Commercial, Residential, and Retail Segments:** An increase in real estate stock has a direct implication on the growth of the IFM market (*Source: F&S Report*). Regular investments in office, residential and retail segments lead to the rapid addition to India's real estate stock across commercial, residential, retail, industrial and warehousing (*Source: F&S Report*).

  Office Real Estate: With many businesses and organisations returning to work from office, the gross leasing volume in calendar year 2022 stood at 49.8 million sq ft, which is the highest since the pandemic (*Source: F&S Report*). New project completions in calendar year 2022 were 58.3 million sq ft, recording a year-on-year growth of 27.9% (*Source: F&S Report*).

  Residential Real Estate: Residential segments witnessed a surge in demand, with 215,000 units sold in calendar year 2022 across the top seven cities such as Mumbai, Delhi NCR, Bengaluru, Hyderabad, Chennai, Kolkata, and Pune (*Source: F&S Report*). New project launches in calendar year 2022 stood at 2,47,000 units, 81% higher than calendar year 2021 (*Source: F&S Report*). The segment witnessed 76,000 units launched in Q2 CY2023, the highest since 2021. Property developers are shifting their focus to the premium segment, which is evident from the 29.0% market share for premium housing of the total new launches in H1 2023 and this would drive the demand for IFM in the long-term (*Source: F&S Report*).

  Retail Real Estate: The Retailers Association of India has said India will likely add ~25million sq ft of mall space the next four to five years. Delhi NCR, Hyderabad, and Bengaluru are the top destinations for retail mall space (*Source: F&S Report*) . The top seven cities added 2.6 million sq ft of mall space in 2022, 27% more than in 2021 (*Source: F&S Report*).

- **Industrialisation:** India's competitive manufacturing segment is driving the adoption of industrialisation. Growth in exports, import substitution, increasing internal demand and penetration of contract manufacturing are driving industrialisation in India (*Source: F&S Report*). Several government initiatives are supporting the growth of the industrial segment in India. Major ones include:

  Production Linked Incentives ('PLI') Schemes: The government announced this in March 2020 and later updated in November 2020 to create national manufacturing champions (*Source: F&S Report*). The key objectives of the scheme are to scale up domestic manufacturing facilities, increase import substitution through domestic production and generate employment opportunities. The PLI scheme provides turnover-linked incentives to investors upon meeting the set investment, capacity, and turnover criteria (*Source: F&S Report*).

Industry 4.0: This term refers to implementing big data, robotics, the Internet of Things ('IoT'), artificial intelligence, machine learning and cloud services for industrial operations (*Source: F&S Report*). India is at a nascent stage in adopting Industry 4.0 and has higher growth potential in India, supported by the industrial and digital initiatives of the government (*Source: F&S Report*).

China Plus One Strategy: This refers to the diversification of supply chains from China. (*Source: F&S Report*) The recent global pandemic brought supply chain disruptions and the Ukraine-Russia war has exacerbated it. (*Source: F&S Report*) So, the global companies are looking beyond China for supply chains. India, with its cost competitiveness could benefit from this strategy and develop its manufacturing sector. (*Source: F&S Report*) This would drive demand for IFM services and other support services. (*Source: F&S Report*)

- **Digitalisation:** The Government of India has taken several initiatives to improve digital infrastructure and increase internet access among citizens (*Source: F&S Report*). Major initiatives such as the Aadhar, DigiLocker, BharatNet, Common Service Centres, Digitisation of Post Offices, Universal Access to Mobile, India Stack, Pradhan Mantri Gramin Digital Saksharta Abhiyaan, Unified Mobile Application for New-age Governance (**'UMANG'**), Unified Payment Interface (**'UPI'**), Open Government Data Platform, Open Network for Digital Commerce (**'ONDC'**), and Jan Dhan-Aadhar-Mobile (**'JAM'**) will likely increase the adoption of digitalisation in India (*Source: F&S Report*). The penetration of smartphones would support this growth (*Source: F&S Report*). Growth in digitalisation would lead to the deployment of sophisticated building management systems, eventually widening the long-term scope for IFM and BSS companies (*Source: F&S Report*). Service providers are capturing and processing vast amounts of data, designing new and value-added offerings to customers by leveraging digitalisation (*Source: F&S Report*). Digitalisation as a trend is also impacting the IFM service delivery; IFM companies would see benefits through internal efficiency gains, and therefore, can pass on the benefit to customers (*Source: F&S Report*).
- **Consolidation and Mergers and Acquisitions:** Organised players are gaining popularity by adding more service activities through mergers or tie-ups with regional players (*Source: F&S Report*). Business support services are an extension of IFM services, particularly in the commercial segment (*Source: F&S Report*). Therefore, IFM services companies are foraying into support services such as personnel supply, warehousing, and employee background verification services through acquisitions (*Source: F&S Report*).
- **Outsourcing of Non-Core Activities:** Businesses/companies increasingly outsource facilities management services to achieve strategic advantages like improving their competitive advantage and achieving market preservation or dominance goals (*Source: F&S Report*). Outsourcing is evolving rapidly worldwide; in the past decade, the main objective of outsourcing was cost optimisation, but today, organisations want to outsource facilities management services to free-up internal resources to deliver strategic value (*Source: F&S Report*). They are pursuing these objectives focusing on their core business activities, acquiring marketable benefits (or by gaining cost efficiencies) from strategic partners through outsourcing (*Source: F&S Report*).
- **Outsourcing of Revenue Generating Activities:** With changing business dynamics and complexity, many services, such as employee background verification checks and sales enablement, previously performed in-house, are being outsourced (*Source: F&S Report*). The increase in preference for outsourcing will likely grow in the long-term, and this would spike the demand for BSS (*Source: F&S Report*). As changing market conditions have impacted and transformed the buyer environment; sales enablement service has become critical (*Source: F&S Report*). Buyers today are aware, and sellers who only provide value stand to achieve business success (*Source: F&S Report*). The rising need to improve internal business processes and the complementing of sales efforts with advanced technology are the key factors driving the growth of sales enablement services market in India (*Source: F&S Report*). One of the customer needs is to improve the target and the efficiency of their business development teams by providing them with qualified leads (*Source: F&S Report*). This trend is seen globally with multinational customers outsourcing activities to delivery partners and centres worldwide, like the IT industry (*Source: F&S Report*).

Significant Factors Affecting our Results of Operations and Financial Condition

We believe that the following factors have significantly affected our results of operations and financial condition during the periods under review and may continue to affect our results of operations and financial condition in the future:

Maintaining our Customer Relationships

Our Company has, over the years, established long-term relationships with our customers, leading to recurrent business engagements with them. Our ability to offer customised services to fit the needs of our customers across various business verticals allows us to deepen our relationships with our customers. It enables us to target a greater share of their requirements, leading to recurring business. The diverse base of customers has allowed us to reduce our vulnerabilities to economic cycles and our dependence on any set of customers. Our continued relationships with these customers plays a significant role in our growth and results of operations.

Our Company firmly believes that we have retained existing customers and attract new ones because of our brand, strong market position and delivery of quality services. Our value of 'Better Everyday' means that we focus on quality customer service delivery and operational excellence daily, thus delivering superior customer service and satisfaction. This approach also means that we focus sharply on leveraging technology to improve service delivery, enhance the visibility of service delivery via dashboards and improve the reliability and cost of service delivery.

Our Company believes that our customer retention levels reflect our ability to provide high-quality services, and our consistent customer servicing standards have enabled us to increase our customer dependence on us. This strategy has also allowed us to cross-sell our offerings to our customers, thus resulting in a higher wallet share from our customers. We strive to understand our customer's business needs to provide customised services and be able to meet their requirements. Our offerings, the quality thereof and leadership in key service segments will help us increase our share of business among our existing customers and customer base. However, a slow-down in demand for these customers' services would likely have an adverse effect on our revenues and operations.

Market Opportunities and Industry Trends

The outsourced IFM market accounts for 39.3% of the total market in India and will likely increase over the forecast period (*Source: F&S Report*). Commercial, industrial and infrastructure segments are the major end-user verticals focusing more on outsourcing the IFM services (*Source: F&S Report*). An increase in real estate investments would drive the demand for various hard services, and the market will likely grow at a CAGR of 17.0% from the financial year ending 31 March 2023, to the financial year ending 31 March 2028, and reach ₹20,148.6 crore (*Source: F&S Report*). The soft services segment market will likely grow at a CAGR of 16.1% from the financial year ending 31 March 2023, to the financial year ending 31 March 2028, and reach ₹40,881.5 crore (*Source: F&S Report*). Apart from the above, the increasing demand for integrated facilities management, energy efficiency, stringent quality and compliance standards, and the increased need for mechanised cleaning are key industry trends which will drive demand for organised integrated facilities management and, as a result, is expected to consolidate the business among organised players (*Source: F&S Report*).

India is transitioning towards a formal economy backed by the growth in Goods and Services Tax ('GST') registered businesses, digital payment systems, increase in income of taxpayers, enrolment of informal sector workers on numerous government portals like e-Shram, and growth in formal banking systems (*Source: F&S Report*). There is also an increase in Employees' Provident Fund Organisation (**'EPFO'**) beneficiaries, which highlights the growth in the labour force employed in the formal sector that is regulatory compliant (*Source: F&S Report*). This shift towards formalisation would drive the long-term demand for organised IFM services. (*Source: F&S Report*) Furthermore, India's competitive manufacturing segment is driving the adoption of industrialisation. Growth in exports, import substitution, increasing internal demand and penetration of contract manufacturing are driving industrialisation in India. (*Source: F&S Report*) Digitalisation is another trend that will likely impact our business in the future. The Government of India has taken several initiatives to improve digital infrastructure and increase internet access among citizens. (*Source: F&S Report*) Growth in digitalisation would lead to deploying sophisticated building management systems, eventually widening the scope for IFM and BSS companies in the long-term. (*Source: F&S Report*)

In addition, businesses/companies are increasingly outsourcing facilities management services to achieve strategic advantages like improving their competitive advantage and achieving market preservation or dominance goals (*Source: F&S Report*). Outsourcing is evolving rapidly worldwide; in the past decade, the main objective of outsourcing was cost optimisation, but today, organisations want to outsource facilities management services to free up internal resources to deliver strategic value (*Source: F&S Report*). They are pursuing these objectives by focusing on their core business activities, acquiring marketable benefits (or by gaining cost efficiencies) from strategic partners, through outsourcing (*Source: F&S Report*). Furthermore, with changing business dynamics and complexity, many that were previously performed in-house, such as employee background verification and sales enablement, are being outsourced. (*Source: F&S Report*) The increase in preference for outsourcing will likely grow in the long-term, and this would spike the demand for BSS (*Source: F&S Report*). As changing market conditions have impacted and transformed the buyer environment, sales enablement service has become critical (*Source: F&S Report*). Buyers today are aware, and sellers who only provide value stand to achieve business success (*Source: F&S Report*). The rising need to improve internal business processes and the complementing of sales efforts with advanced technology are the key factors driving the growth of the sales enablement services market in India (*Source: F&S Report*).

Our Company intends to capitalise on the expected growth in the IFM and other services segment and in the BSS segment owing to our strong brand presence and our ability to effectively undertake our services by targeting our existing customers and new ones. We also have a strong business development team with experienced individuals focusing on acquiring new customers across our business segments. However, any slowdown in the industries in which our customers operate due to recession, pandemic or any other geopolitical reasons may adversely impact our growth prospects and the results of operations.

Inorganic Growth through Strategic Acquisitions

In the past, we have pursued selective strategic acquisitions to expand our operations, enhance our global competitive position and capitalise on potential operational synergies. Our focus has been to acquire companies and businesses whose offerings are complementary and supplementary to ours. All our acquisitions have added a new customer segment, service line, or geography to us. Certain of our recent acquisitions comprise the acquisition of Matrix, Washroom Hygiene Concept, Global Flight Handling, Denave and Athena, under which, we have been able to add high-margin services, including employee background verification services, audit and assurance services, feminine hygiene care solutions, sales enablement services and airport ground handling services, among others, to our service portfolio. These acquisitions have also enabled us to leverage the existing businesses and brand equity to diversify our revenue streams, obtain employee talent and thus expand our presence across the value chain. Consistent with our conservative funding philosophy, we have undertaken these acquisitions primarily through internal accruals rather than through any significant acquisition financing.

We expect to continue to pursue similar selective strategic acquisitions both in India and outside for our inorganic growth, where our focus will be to identify targets where we can strike a balance between the right price for such targets and the potential benefits of such acquisition. According to Frost & Sullivan, the IFM market in India is highly fragmented and unorganised and small and medium-sized companies dominate most of the market. However, in recent times, several mergers and acquisitions ('**M&As**') have indicated a market consolidation (*Source: F&S Report*). The need for an organised approach and the demand for professional IFM services drive this growth. (*Source: F&S Report*). Organised players are gaining popularity by adding more service activities through mergers or tie-ups with regional players (*Source: F&S Report*). This ongoing shift in the market results from increased customer awareness about the risks associated with unorganised service providers that must comply with quality and safety standards (*Source: F&S Report*). Leveraging on this consolidation, we intend to grow our business inorganically.

We will look to focus on opportunities to undertake acquisitions:

1. That allows us to enhance our scale and market position.
2. That allows us to achieve operating leverage in critical markets by unlocking potential efficiency and synergy benefits.
3. That provides us with a platform to extend our reach to new geographic markets within India and selected overseas markets, particularly for sales enablement, audit, and assurance, and employee background verification services.
4. That adds new services complementary to our service offerings or allows us to enter strategic businesses to capture additional revenue opportunities from our existing customer base to better our margin profile.

However, acquisitions involve a significant number of challenges, including the financial impact of the historical liabilities of potential acquisitions, the challenges arising from the integration of the management and personnel of the acquired business, potential issues concerning migrating or retaining existing customers of the acquired business and local law factors and risks associated with restructuring operations. While we believe that the effect of our acquisitions and the consolidation of the acquired entity's financial results in our consolidated financial statements will strengthen our financial performance, we may be unable to fully realise the anticipated benefits of any future acquisitions successfully within our expected timeframe.

Cost and Availability of Skilled Manpower

Our integrated business services are workforce intensive, and we hire numerous personnel yearly to sustain our growth. Our human resource policy focuses on recruiting talented and qualified personnel who integrate well with our current workforce. We conduct regular training workshops and performance reviews. We endeavour to develop and train our employees to facilitate their growth and the growth of our operations. The cost of hiring and retaining our personnel affects our profitability. It is affected by several factors, including our ability to hire and assimilate new employees in the jurisdictions where we operate, our ability to manage attrition, our need to devote time and resources to training, professional development and other non-chargeable activities, and our ability to manage our workforce. However, if we cannot recruit and retain sufficient employees, our ability to maintain our competitiveness and grow our business could be negatively affected.

Our expenses towards salaries and wages were ₹ 12,291.44 million, ₹ 9,496.00 million, and ₹ 8,754.75 million for the financial years ending 31 March 2023, 31 March 2022, and 31 March 2021, respectively. Our Company's growth and work environment, combined with our employee satisfaction rate, has allowed us to attract talent on a large scale. In addition, the presence of varied profiles available in our organisation coupled with high growth potential facilitates higher retention of employees. However, increases in our employee benefits payment obligations, including changes in applicable laws, including minimum wage laws, which we cannot promptly pass on to our customers or at all, could significantly impact our total expenses and consequently our financial condition. In addition, we rely on our employees to render services at our customers' premises. If the event our employee relationships deteriorate or we experience labour unrest, strikes and other labour action, there could be an adverse impact on our delivery of services to customers.

Grow our Business through Introduction of New Products and Services

Our Company intends to introduce new products and services to fill gaps in our current portfolio or to enter new segments which we see as potentially large and margin accretive to us. Our strategy for new products and services is constantly evolving based on customer feedback and our perception of market trends. We will organically develop some of these new products and services. In some cases, we will examine an entry through different routes such as partnerships, alliances, minority investments, joint ventures and acquisitions. This approach will align with our prior investments and acquisitions, such as Matrix and Denave, among others, under which, we added services such as employee background verification services, audit and assurance and sales enablement services, amongst others, to our service portfolio. All our acquisitions have added a new service line, customer segment or geography to our portfolio.

Some of the new products and services that we are currently evaluating and that are in various stages of development and introduction are:

- Value-added BPO and back-office process outsourcing services across segments;
- Building infrastructure design, installation, maintenance, and monitoring in areas such as fire systems and security systems;
- Expansion of audit and assurance-related services in other areas of product and process audits, testing, training, compliance and certification;
- Specialised staffing services, including IT staffing;
- Expansion of airport-based services;
- Value-added human resource and employee services; and
- Innovative revenue and demand generation services by leveraging digitisation and new emerging technologies.

While our Company believes each of these areas already commands a large market or is expected to grow, if we cannot monetise and/or sustain our efforts in developing these products and services, our results of operations may be adversely affected. Furthermore, our new services may not satisfy market's demands, which may adversely affect our business, results of operations and financial condition. In addition, we may not be able to accurately anticipate and meet our customers' needs through the development of these new offerings. While our Company will leverage its expertise and experience and look to make appropriate investments and efforts towards developing these products and services, our Company may deliver varied degrees of success, which may or may not fully satisfy its initial objectives.

Regulatory Environment for the Labour Market in India

Our Company is subject to labour legislations that protect the interests of workers, as well as laws and regulations relating to employee welfare and benefits such as minimum wage and maximum working hours, overtime, working conditions, non-discrimination, employee compensation, employee insurance, bonus, gratuity, provident fund, leave benefits and other such employee benefits. These laws in India are enacted both by the Central Government and the State Governments in India. These laws and regulations vary from state to state in India and are subject to changes. This legislation requires compliance from time to time, which may, among others, involve payments to be made depending upon their period of employment.

Competition

Our Company operates in a competitive environment, and we expect to face greater competition from existing competitors in India and globally. We compete with different companies depending on the market and the type of products and services we offer. According to Frost & Sullivan, the IFM market is highly competitive, with numerous domestic and a few international companies. Indian IFM market is highly fragmented, with ~270 to 300 companies operating nationwide. (*Source: F&S Report*). The market also witnesses the presence of both international and domestic companies (*Source: F&S Report*). International companies sub-contract the majority of their services to gain access to various markets, personnel and customers in the region (*Source: F&S Report*).

Because of the broad spectrum of services offered, the BSS market is also highly fragmented (*Source: F&S Report*). Medium and small companies have a dominating presence in the market in India (*Source: F&S Report*). This level of market fragmentation and the growing importance of compliance will likely drive market consolidation (*Source: F&S Report*). Only some BSS companies have a presence in sales enablement and airport ground handling services (*Source: F&S Report*). Our Company has the most comprehensive service offering, thus positioning us in a unique spot in India's business support services market (*Source: F&S Report*). However, the market witnesses the presence of both multinational and local companies across various services offered (*Source: F&S Report*). Such international and domestic competition also impacts our ability to negotiate prices with customers.

Furthermore, some of our competitors have more resources than us or greater financial, technological, and other resources, while certain competitors may have lower operations costs. We also face the risk of our current or prospective customers deciding to utilise their internal workforce or use independent contractors or service providers in the unorganised segment to manage their facilities. Our ability to compete and offer competitive prices highly depends on optimising our product and services portfolio. As we expand our operations into new geographies, we become exposed to competition from newer players. There can be no assurance that we can successfully compete with our competitors or sell our products at desired margins. Enhanced competitive presence could manifest itself in various ways, such as pricing pressure, increased competition for customer acquisition and retention, competitive product and service offerings with enhanced features, and pressure on talent acquisition and retention, leading to enhanced costs.

Impact of COVID-19 Pandemic Particularly on our Soft and Hard Services

Our Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investments, property, plant, and equipment, right-of-use assets and intangible assets, including goodwill. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, we used internal and external sources of information, including credit reports and related information and economic forecasts. Based on such an evaluation, our management did not expect any adverse impact on its future cash flows and shall be able to continue as a going concern and meet its obligations as and when they fall due. The impact of COVID-19 may differ from that estimated, and we will continue to monitor future economic conditions for any significant change.

The demand for our products and services depends on and is directly affected by factors affecting industries where our products and services are applied. Our customers typically engage in various industries, including healthcare, manufacturing, automobile, BFSI and consumer products. A resurgence of the virus or a variant that causes a rapid increase in cases and deaths may cause significant economic disruption in

India and the rest of the world. Lockdowns may be re-introduced in the future, which may consequently have a bearing on our results of operations and profitability of our Company.

Internal Control Systems and their Adequacy

- Our Company maintains all its records and routes all approvals using an ERP system.
- Our Company has laid down adequate systems and well-drawn procedures for ensuring internal financial controls. It has appointed an external audit firm to check and monitor internal control measures periodically. Internal auditors are present at the audit committee meetings where internal audit reports get discussed alongside management comments and the final observation of the internal auditor.
- The Board of directors have adopted various policies like related party transactions policy and whistle-blower policy and put in place controls and monitoring measures for ensuring the orderly and efficient conduct of the business of the Company, the safeguarding of the 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.
- Our Company has availed the services of an external firm of chartered accountants to evaluate the adequacy of the internal financial control systems adopted by the Company. They have expressed satisfaction with the existing internal financial control system prevalent in the Company.
- The statutory auditors have also expressed satisfaction with their audit report to the shareholders.
- The audit trail feature, as mandated by the Companies (Accounts) Rules 2014 (as amended) with effect from 1 April 2023, has been enabled in the accounting software used by the Company. Our Company also has set up practices for daily backup of the entire database and applications in remote locations.

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Discussion on Financial Performance with Respect to Operational Performance

Particulars	Standalone (in ₹ lakh)	
	31 March 2023	31 March 2022
Revenues from Operations	13,085.42	10,706.72
Other Income	62.52	75.85
Total Income	**13,147.94**	**10,782.57**
Profit Before Tax, Finance Charges/Income, depreciation, and Exceptional Items	452.60	446.13
Finance Charges (Net)	46.91	(16.23)
Provision for Depreciation	151.50	56.51
Profit Before Tax	378.54	367.33

Material Developments in Human Resources/Industrial Relations Front, Including Number of People Employed

Relations between the management and the employees were cordial throughout the year under review. Currently our Company employs 68,280 employees across ranks.

Ratio	As on 31st March, 2023	As on 31st March, 2022	% variance	Reason for Variance
a) Current ratio (Times)	0.83	1.11	-25%	The company has availed additional working capital loan facilities during the year ended March 31, 2023 which has led to reduction in current ratio
b) Debtors Turnover (Times)	4.17	4.13	1%	
c) Net profit ratio (%)	2.57%	3.29%	-22%	
d) Inventory Turnover	-	-	-	NA
e) Debt-equity ratio (Times)	0.55	0.20	174%	The company has availed additional loan facilities during the year ended March 31, 2023 including term loan which has led to increase in debt equity ratio.
f) Inventory Turnover	Not Applicable			
g) Interest Coverage Ratio (A)/(B)	4.31	13.81		Dec by 69% - Increased by Fair value changes in Liability payable/paid to promoters of acquired subsidiary due to better performance in acquired subsidiary and Interest cost increase due to higher utilisation of working capital
h) Operating Profit Margin	4.74%	5.80%		
i) Return on Networth	14.79	16.24		

Notice

Notice is hereby given that the 20th Annual General Meeting (AGM) of the Company will be held on Wednesday, November 29, 2023, at 12.00 noon AM through Video Conferencing (VC)/Other Audio Visual means, to transact the following business.

ORDINARY BUSINESS

1 **To receive, consider and adopt:**

a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon; and

b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 together with the Report of Auditors thereon.

2 **Re-appointment of retiring Director**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr P.C. Balasubramanian, Wholetime Director (DIN: 00584548), who retires by rotation, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation".

3 **To appoint M/s BSR & Co, Chartered Accountants (Firm Registration Number - 101248W/W-100022) as Statutory Auditors of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142, and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, pursuant to the recommendations of the Audit Committee, and approval of the Board, M/s BSR & Co, Chartered Accountants (Firm Registration Number - 101248W/W-100022) be appointed as the Statutory Auditors of the Company for a period of 5 years from the conclusion of this meeting until the conclusion of the 25th Annual General Meeting of the Company and fees payable for statutory audit is ₹ 62,50,000/- (Rupees Sixty Two Lakhs Fifty Thousand) excluding applicable service tax and reimbursement of travelling and out of pocket expenses.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix their remuneration on the recommendations of the Audit Committee each year".

SPECIAL BUSINESS

4 **Payment of Commission to Non-Wholetime Directors**

To consider and, if thought fit, to pass the following resolution as an Special Resolution:

RESOLVED THAT pursuant to Sections 149 (9), 197, 198 and other applicable provisions of the Companies Act, 2013 ("the Act"), the underlying rules (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), framework for remuneration to non-executive directors and subject to such regulatory approvals as may be required and subject to availability of net profits at the end of financial year and subject to the total remuneration payable to Directors who are neither Managing Directors nor Wholetime Directors not exceeding in the aggregate 1% (one percent) of the net profits of the Company computed in the manner stipulated in Section 198 of the Act, consent of the Members be and is hereby accorded to pay following compensation in the form of profit related commission (exclusive of applicable taxes) to the non-executive director of the Company as per details given below, for the financial year ending on 31 March 2024:

Sl No	Name of the Director	Period	Commission to be paid
1.	Sunil Rewach and Chandiramani, Non-Executive Independent Director	1 April 2023 to 31 March 2024	1% (one percent) of the net profits of the Company computed in the manner stipulated in Section 198 of the Act

RESOLVED FURTHER THAT the above payment of commission is in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors and/or other meetings being paid to the Non-Executive Directors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things including deciding on the manner of payment of commission and settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit and to execute any agreements, documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution.

Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), relating to the Special Business to be transacted at this Annual General Meeting ('AGM') is annexed.

(By Order of the Board)
For Updater Services Limited

B Ravishankar
Company Secretary and Compliance Officer

Chennai
19 October 2023

NOTES:

1 AGM through Video Conference (VC)

Pursuant to the General Circular Nos. 20/2020, 14/2020, 17/2020, 02/2021, 21/2021, 02/2022, 03/2022, 10/2022, 11/2022, 09/2023, issued by the Ministry of Corporate Affairs (MCA) and Circular numbers SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), Companies are allowed to hold AGM through Video Conferencing (VC)/Other Audio Visual Means (OAVM), without the physical presence of members at a common venue. The corporate office of the Company shall be deemed to be the venue for the AGM.

2 Proxy

Since the AGM is being held in accordance with the MCA Circulars through VC, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

However, Body Corporates who are Members of the Company, are entitled to appoint authorised representatives to attend the AGM through VC and participate thereat and cast their votes through e-Voting, provided certified copy of the Board Resolution authorising their representative to attend this AGM, pursuant to Section 113 of the Act, is sent through e-mail at compliance.officer@uds.in or by post to the Corporate Office of the Company at 42 Gandhi Mandapam Road, Kotturpuram, Chennai – 600 085

3 Quorum

Participation of Members through VC will be reckoned for the purpose of quorum for the AGM, as per section 103 of the Companies Act, 2013 ("the Act").

4 Register of Directors

The Register of Directors and Key Managerial Personnel and their shareholding, as maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, as maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM without payment of any fee by the Members from the date of circulation of this Notice up to the date of AGM, ie 29 November 2023. Members, seeking to inspect such documents, can send an e-mail to compliance.officer@uds.in.

5 Particulars of Directors

Particulars of Director seeking appointment/re-appointment, pursuant to Clause 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given in Appendix - A.

6 In compliance with the MCA and SEBI Circulars, Notice of the AGM along with the Annual Report for 2022-23 is sent only through electronic mode, to those Members whose e-mail addresses are registered with their Depository Participants or with the RTA.

Members may note that he Notice and Annual Report for 2022-23 will also be available on the Company's website www.uds.in, websites of the Stock Exchanges viz., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL, https://www.evoting.nsdl.com.

Instructions to Members for attending the AGM through Video Conference is given in Appendix - B.

7 Voting facilities

(a) Remote e-Voting

Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015, as amended from time to time, the Company provides facility for its Members to exercise their voting right by electronic means.

Process and manner of e-Voting, containing detailed instructions, is given in Appendix - B

(b) Voting at Annual General Meeting (E-Voting during the AGM)

Members present in the AGM through VC and who have not cast their vote on the Resolutions through Remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through the e-Voting system during the AGM. The Procedure for e-Voting on the day of AGM is same as the instructions given for Remote E-Voting in Appendix - B

Members who need assistance before or during the AGM in the use of technology, can send a request to evoting@nsdl.com or call at 022 - 4886 7000 or 022 - 2499 7000 or Contact Ms. Prajakta Pawle, NSDL at the designated e-mail ID: evoting@nsdl.co.in.

Updater Services Limited | Annual Report 2022-23

8 Permanent Account Number

SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s).

9 Route Map

Since the AGM will be held through VC, the Route Map is not annexed in this Notice.

10 Nomination Facility

As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from the Company's website www.uds.in. Members are requested to submit these details to their DP.

11 The Scrutiniser will submit his report to the Chairman of the Company ("the Chairman") or to any other person authorised by the Chairman after the completion of the scrutiny of the e-Voting (vote cast during the AGM and vote cast through Remote e-Voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutiniser's Report shall be communicated to the Stock Exchanges, NSDL and RTA and will also be displayed on the Company's website, www.uds.in.

(By Order of the Board)
For Updater Services Limited

B Ravishankar
Company Secretary and
Compliance Officer

Chennai
19 October 2023

EXPLANATORY STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013 and Regulation 17(1A) of the Listing Regulations and forming part of the notice)

Item No 2

Appointment of P.C. Balasubramanian, Wholetime Director (DIN: 00584548), liable to retire by rotation

The Board on the recommendation of the Nomination & Remuneration Committee at its meeting held on 13 September 2022, approved the appointment of Mr P C Balasubramanian (DIN: 00584548) as Additional Director designated as Executive Director (Wholetime Director) up to the Nineteenth Annual General Meeting. Further, the Board on the recommendation of the Nomination & Remuneration Committee at its meeting held on the 16.12.2022, approved the appointment of Mr P C Balasubramanian as Executive Director (Wholetime Director) for a period of 4 (Four) years from the date of approval of the shareholders in the Annual General Meeting held on 31.12.2022. The Company has received from Mr P C Balasubramanian consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified in accordance with sub-section (2) of Section 164 of the Act.

In terms of Section 160 of the Companies Act, 2013, the Company has received notice in writing from a member, proposing the candidature of Mr P C Balasubramanian for appointment. Both the Nomination and Remuneration Committee and the Board were of the opinion, after evaluation of his qualifications, experience and other attributes, that his continuance on the Board would be of immense benefit to the Company and it is desirable to appoint him as a Director to strengthen the management of the Company.

The brief resume of Mr P C Balasubramanian is available in the Annexure to the Notice.

Mr P C Balasubramanian holds 54,920 shares in the Company in his individual capacity.

A copy of the Resolution of the Board of Directors and other relevant documents in this regard are available for inspection by the Members at the Registered Office of the Company without any fee, during business hours up to the date of ensuing AGM.

The Board of Directors of the Company, therefore, recommends passing of the resolution as set out in Item No 2 of the Notice above by way of Ordinary resolution. Except Mr P C Balasubramanian, none of the Directors and Key Managerial Personnel of the Company and their relatives, is in any way, concerned or interested in the said resolution, except to the extent of their shareholding in the Company.

It is declared with reference to the proviso to Section 102(2) of the Companies Act, 2013 that the proposed Resolution does not have any bearing with the business of any other company.

The Board recommends the Ordinary Resolution set out in Agenda 2 of the Notice for approval of the Shareholders.

Item No 3

Appointment of M/s BSR & Co, Chartered Accountants (Firm Registration Number - 101248W/W-100022) as Statutory Auditors of the Company

Though this item is an ordinary business, the explanatory statement is provided as required under Regulation 36(5) of SEBI (LODR), 2015 as amended.

S R Batliboi, Chartered Accountants are the Statutory Auditors of the Company for FY 2022-23. Their 2nd five year tenure expires with the conclusion of the 20th Annual General Meeting.

The Board of Directors in their meeting held on 24 August 2023, after consideration of the recommendations of the Audit Committee, had approved appointment of M/s BSR & Co, as Statutory Auditors of the Company for a period of 5 years from the conclusion of 20th Annual General Meeting until the conclusion of the 25th Annual General Meeting of the Company and recommended the same to the shareholders of the Company for their consideration and approval.

Proposed fee payable for statutory audit is ₹ 62,50,000/- (Rupees Sixty Two Lakhs Fifty Thousand) excluding applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit and this is not materially different from the previous auditor. This excludes fees payable for other audits & certifications, as and when required.

BSR & Co, Chartered Accountants is reputed firm with extensive experience in handling audits over 25 years. The Company has received the written consent and required certificates of the proposed auditors to the appointment. The Board recommends the item for the approval of the shareholders.

None of the directors of key managerial personnel of the Company or their relatives are concerned or interested financially or otherwise, in this item of business.

Item No 4

Payment of Remuneration to Non-Wholetime Director.

Non Whole-time Directors play a pivotal role in strengthening corporate democracy and governance process. They are called upon to devote considerable time and efforts for due discharge of their role and obligation. It is but fair and equitable that they receive due compensation for this by way of permissible commission within the ceiling prescribed under the Act.

Mr Sunil Chandiramani is professional with outstanding track record and well versed in the management and administration of business with a good reputation. He is on the Board of several Companies including as Chairman.

Since his appointment in 2017, he has been playing a pivotal role in providing strategic advice with unequivocal commitment to strengthening the company's growth.

Mr Sunil Chandiramani is also the Chairperson of the Audit Committee & Risk Management Committee and as a member of other Committees of the Board, he attends and brings value to the Committees and Board Meetings of the Company.

Considering the valuable time and advice provided by the Non-Executive Independent Director on the strategic and critical issues in the course of the Board meetings and various Committee meetings of the Company and also the valuable suggestions and guidance given by him to the management of the Company from time to time with his rich professional and management and other experience, the Board of Directors at their meeting held on 19th October, 2023 and as per the terms of his appointment dated 13.09.2022, based on the recommendation of the Nomination and Remuneration Committee, had recommended to pay Mr Sunil Chandiramani, a commission of 1% of the Net Profits of the Company as computed in the manner laid down in Section 198 of the Act .

It is accordingly proposed to obtain approval of Shareholders by way of Special Resolution for the payment of commission to Mr Sunil Chandiramani for the Financial Year 2023-24.

Copies of relevant Resolutions of the Board and other relevant documents are available for inspection of the Members during business hours on any working day prior to the date of the meeting.

No Director, Key Managerial Personnel or relative of them is concerned or interested, financially or otherwise, in this business except for Mr Sunil Chandiramani.

The Board recommends the Special Resolution set out in Agenda 4 of the Notice for approval of the Shareholders.

(By Order of the Board)
For Updater Services Limited

B Ravishankar
Company Secretary and Compliance Officer

Place: Chennai
Date: 19 October 2023

Appendix-A

Appointment/Re-appointment of a Director:

Disclosure required under Clause 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of a Director seeking appointment/re-appointment at the 20th Annual General Meeting:

Item No 2 As per SS-2

Mr P C Balasubramanian

Sl No	DIN No	00584548
1	Date of Birth & Age	57 years
2	Date of Appointment	31 March 2022
3	Qualifications	Chartered Accountant
4	Experience	30 years
5	Expertise in specific functional areas	Business Strategy & Development, Commercial Acumen, Finance, Sales and Marketing, General Management & Human Resources
6	Terms and conditions of Appointment	As per Appointment Letter. He is proposed to be re-appointed as a Director, liable to retire by rotation.
7	Details of Remuneration Remuneration last drawn Remuneration proposed	₹ 7,39,722/- pm Same as approved by the shareholders in the Annual General Meeting held on 31 December 2022
8	Date of First appointment	13 September 2022
9	Shareholding in the Company	54,920 shares
10	Relationship with other directors and KMP of the Company	None
11	Number of Board Meetings attended during the year	7 Board meetings for FY 2022-23
12	Resignation of directorships from listed entities during the past 3 years	Nil
13	Directorship, Membership or Chairmanship of committees of other board	Directorship – 4 Membership of committees –2 Chairmanship of committees – NA

Appendix - B

Voting Process and Instructions

(A) Remote e-Voting (Voting through electronic means)

(i) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, as amended from time to time, the Company is pleased to provide its Members facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means. The facility of casting votes by a Member using an electronic voting system from a place other than the venue of the AGM (remote e-Voting) will be provided by National Securities Depository Limited (NSDL) and the items of business as detailed in this Notice may be transacted through remote e-Voting.

(ii) A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date of 22 November 2023 only shall be entitled to avail the facility of Remote e-Voting.

(iii) The Members who have cast their votes through Remote e-Voting prior to the AGM may also attend/participate in the AGM through VC, but shall not be entitled to cast their vote again.

(iv) The Remote e-voting period commences on 25 November 2023 (9:00 am) and ends on 28 November 2023 (5:00 pm). During this period, Members of the Company holding shares, as on the cut-off date of 22 November 2023, may cast their vote electronically. The Remote e-Voting module shall be disabled by NSDL for voting thereafter.

(v) The voting rights of Members shall be in proportion to their share of the Paid-up Equity Share Capital of the Company as on the cut-off date of 22 November 2023.

(vi) The details of the process and manner for e-voting and voting during AGM are explained below:

Step 1: Access to the NSDL e-voting system

Step 2: Cast your vote electronically on NSDL e-voting system

Step 1: Access to the NSDL e-voting system

A. Login method for e-voting and joining virtual meeting/voting during the meeting for individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9 December 2020 on "e-Voting facility provided by Listed Companies", individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail ID in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	**A. NSDL IDeAS Facility** If you are already registered for the NSDL IDeAS facility: 1. Please visit the e-Services website of NSDL. Open web browser by typing the following URL: https:// eservices.nsdl.com either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services 4. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. 5. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the Remote e-Voting period (or) joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS facility: 1. The option to register is available at https://eservices.nsdl.com. 2. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Upon successful registration, please follow steps given in points 1 - 5 above.
	B. E-voting website of NSDL 1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https:// www.evoting.nsdl.com/either on a Personal Computer or on a mobile. 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 3. A new screen will open. You will have to enter your User ID (ie your sixteen digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against Company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the Remote e-Voting period (or) joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) logging through their depository participants	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on options available against Company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the Remote e-Voting period (or) joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository ie NSDL and CDSL

Login Type	Helpdesk Details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800225533.

B. Login method for e-voting and joining virtual meeting/voting method during the meeting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a mobile

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

4. Alternatively, if you are registered for NSDL eservices ie IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 ie Cast your vote electronically on NSDL e-voting system.

5. Your User ID details are given below:

Manner of holding shares ie Demat (NSDL or CDSL)	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************

6. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

   If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment ie a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

7. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on

      i. "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   c) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL

Step 2: Cast your vote electronically and join general meeting on NSDL e-Voting system.

1. After successful logging at Step 1, you will be able to see the "EVEN" of all Companies in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of Updater Services Limited, which is 127047.

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options ie assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for procuring user id and password for e-voting for those shareholders whose e-mail IDs are not registered with the depositories/company:

Members holding shares in dematerialised form and whose e-mail IDs are not registered with the Company/Depository Participants may follow the process detailed below for registration of e-mail ID to obtain user ID/Password for e-Voting:

Type of Holder	Process to be followed Registering E-mail address
Demat	Please contact your DP and register your e-mail address and Bank account details in your demat account, as per the process advised by your DP.

The instructions for members for e-voting on the day of the AGM are as under:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/shareholders, who will be present in the AGM through VC facility and have not casted their vote on the Resolutions through Remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

5. The Chairman will fix the time for voting at the meeting.

The instructions for members for attending the AGM through VC are as under:

1. Member will be provided with a facility to attend the AGM through VC through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against the Company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the Remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that participants connecting from mobile devices or tablets or through Laptop connecting via Mobile Hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Members can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available for 1,000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.

6. The Company reserves the right to limit the number of Members asking questions depending on the availability of time at the AGM.

7. Shareholders who would like to express their views/ask questions during the meeting, may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, e-mail ID, mobile number at compliance.officer@uds.in on or before 05.00 pm IST on Wednesday, 22 November 2023. Members, who register themselves as speaker Shareholders would receive a separate link from the Company, thro' which they may join and raise questions during the AGM, as and when allowed by the moderator for the meeting. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

8. Shareholders may also send their questions in advance mentioning their name demat account number/folio number, e-mail ID, mobile number at compliance.officer@uds.in, on or before 05.00 pm IST on 22 November 2023. The same will be replied by the Company suitably.

General Instructions:

1. Institutional shareholders (ie other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution etc. with attested specimen signature of the duly authorised signatory(ies) who are

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authorised to vote, to the Scrutiniser by e-mail to spnpassociates@gmail.com with a copy marked to evoting@nsdl.co.in.

Institutional shareholders (ie other than individuals, HUF, NRI etc.) can also upload their Board Resolution by clicking on "Upload Board Resolution" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call at 022 - 4886 7000 and 022 - 2499 7000 or send a request to evoting@nsdl.co.in, or contact Ms. Prajakta Pawle, National Securities Depository Ltd., at designated e-mail IDs: evoting@nsdl.co.in to get your grievances on e-voting addressed.

4. The cut-off date for the purpose of e-Voting has been fixed as 22 November 2023. Membersholding shares as on this cut-off date should endeavour to cast their vote in any one of the two modes.

5. Any person holding shares and non-individual shareholders, who acquires shares of the Company and becomes Member of the Company after the notice is send through e-mail and holding shares as of the cut-off date ie 22 November 2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call at 022 - 4886 7000 and 022 - 2499 7000.

6. Nithya Pasupathy, Practicing Company Secretary (Membership No. FCS 10601/ COP: 22562), SPNP Associates has been appointed as the Scrutiniser.

7. The Scrutiniser will, after the conclusion of Voting at the AGM:

   (i) First count the votes cast at the meeting through e-Voting.

   (ii) Then unblock the votes cast through Remote E-Voting.

   (iii) All the above will be done in the presence of two witnesses not in the employment of the Company.

   (iv) Make a consolidated Scrutiniser's Report (integrating the votes cast at the meeting and through Remote e-Voting) of the total votes cast in favour or against, if any, to the Chairman.

   (v) The Scrutiniser's Report as above would be made soon after the conclusion of AGM and in any event not later than 48 hours from the conclusion of the Meeting.

8. Voting Results:

   (i) The Chairman or a person authorised by him in writing shall declare the result.

The Company will be webcasting the proceedings of the AGM on its corporate website www.uds.in. The transcript of the AGM proceedings will also be made available on the Company's website.

Board's Report

To the Members,

Your Directors' have pleasure in presenting the Twentieth Annual Report of the Company for the year ended 31 March 2023

1. FINANCIAL SUMMARY

Your Company has achieved a good performance in Financial Year 2023. Revenue from operations on standalone basis has increased from 1,07,067.20 lakh to 1,30,854.20 lakh, an increase of 22.09%. The consolidated results achieved demonstrate that our subsidiary companies continue to do well and add significantly to the financial performance of the UDS group. Consolidated revenue has increased from 1,48,355.20 lakh to 2,09,888.70 lakh, which is an increase of 41.48%. Consolidated profit before tax has declined from 7,094.10 lakh to 5,418.80 lakh and net profit after tax from 5,465.20 to 3,557.90, primarily due to impairment loss. On a standalone basis your Company has achieved good results with an increase in profit before tax from 3,673.30 to 3,785.40 and a slight decrease of 4.57% in profit after tax.

(₹ in lakh)

Particulars	UDS Standalone		UDS Consolidated	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Revenue from Operations	1,30,854.20	1,07,067.20	2,09,888.70	1,48,355.20
Profit Before Tax, Finance Charges and Depreciation	6,541.60	4684.00	10,579.5	9254.30
Finance Charges	1,241.20	445.60	1,456.70	506.80
Provision for Depreciation	1,515.00	565.10	3,704.00	1,653.40
Profit Before Tax	3,785.40	3,673.30	5,418.80	7,094.10
Provision for Tax	544.30	(20.70)	1,958.30	1,357.24
Net Profit After Tax	3,241.10	3,694.00	3,460.50	5,736.90
Other Comprehensive Income/(Loss) for the year, net of tax	118.80	(172.90)	97.40	(271.70)
Net Profit After Tax & Exceptional Items and Surplus carried to Balance Sheet	3,359.90	3,521.10	3,557.90	5,465.20

2. DIVIDEND

The board has decided to conserve cash and retain the profits generated during the year for business expansion activities and hence is not recommending any dividend.

3. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

Your Company has achieved good performance during the current year. On a consolidated basis also, profits rose due to good performances by many of our subsidiary companies, if not for the impairment loss provided.

The Total Income of the Company for the year ended 31 March 2023 was ₹ 1,30,854.20 lakh as compared to ₹ 1,07,067.20 lakh in the Previous Year. Profit before Tax was higher at ₹ 3,785.40 lakh as against ₹ 3,673.33 lakh for the previous year and the Profit after Tax considering Other Comprehensive Income/(Loss) was ₹ 3,359.90 lakh compared to ₹ 3,521.10 lakh during the last year. On a consolidated basis the Total Income of the Company for the year ended 31 March 2023 was ₹ 2,09,888.70 lakh as compared to ₹ 1,48,355.20 lakh in the Previous Year. Profit before Tax was lower at ₹ 5,418.80 lakh as against ₹ 7,094.10 lakh for the previous year and the Profit after Tax considering Other Comprehensive Income/(Loss) was ₹ 3,557.90 lakh compared to ₹ 5,465.20 lakh during the last year. Your Directors are optimistic about the Company's business prospects and are hopeful of a better performance with considerable increase in revenue and profits in the FY2023-24.

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

There are no known material changes and commitments affecting the Financial position of the Company between 31 March 2023 and the date of Board's Report.

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5. TRANSFER TO RESERVE

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

6. CHANGE IN THE NATURE OF BUSINESS

Your Company operates in 2 broad segments;

1. Integrated facilities management – IFM; and
2. Business support services – BSS.

Your Company continue to operate in these 2 segments and there has been no change in the nature of business of the Company.

7. CHANGES IN SHARE CAPITAL, IF ANY

During the financial year, there were changes in the Authorised, Issued, Subscribed and Paid-up Capital of the Company.

The Authorised Capital of the Company has increased from ₹ 53,00,00,000 to ₹ 75,00,00,000.

During the year the Company has allotted 1,34,988 equity shares of ₹ 325/- each for consideration other than cash aggregating to ₹ 4,38,71,100/- (Rupees four crore thirty eight lakh seventy one thousand one hundred only) by way of Preferential Allotment in lieu of acquisition of 8,888 Equity Shares from the Minority Shareholders (constituting 2.32% of the paid-up equity share capital) of Matrix Business Services India Private Limited.

There has been a share transfer by way of Gift of 7,90,000 from Mr Raghunandana Tangirala to Mr Rammohan Tangirala.

Further in FY24 on 10 August, 2023, Company made an allotment of 4,16,888 equity shares pursuant to exercise of ESOP's and application money received from the respective eligible employees.

In the Financial Year 2024, the Company made an Initial Public Offering of 2,13,33,333 Equity Shares of the face value of ₹10/- each at an issue price of ₹300/- per Equity Share, comprising offer for sale of 80,00,000 shares (40 Lakhs equity shares of Tangi Facility Solutions Pvt Ltd, 8 Lakhs equity shares of IBEF-II and 32 Lakhs equity shares of IBEF-IIA) and fresh issue of 1,33,33,333 shares. The Equity Shares of the Company were listed on BSE Limited ("BSE") and National Stock Exchange Limited ("NSE") on 04 October 2023.

Consequent to the Initial Public Offering during this financial year 2024, the subscribed, paid up and issued share capital of the company stood increased from ₹53,36,93,550 to ₹66,70,26,880.

The Company's paid-up equity share capital stood at ₹6,67,026,880 as on date of the report consisting of 6,67,02,688 equity shares of ₹10/- each.

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

(A) Conservation of energy:

Your Company is predominantly operating in Service Industry. The Company's operations are not very energy intensive and consume nominal energy. Hence entail low energy consumption costs and there are limited areas where conservation measures can be applied. However, the Company is making continuous efforts to conserve energy in the areas of lighting and air conditioning to optimise energy consumption and the use of power.

(B) Technology absorption:

Your Company has always preferred the development and use of technology to improve its operations in various ways such as automation of routine processes, improving accuracy of record keeping, collecting information from customer sites, analysing and presenting data on customer dashboards as well as to deliver our core service. Your Company continues to make investments in its subsidiary Wynwy Technologies to develop an industry leading enterprise asset management – EAM cum CMMS software. Your Company has also intensified its engagement with Aubotz Labs – the makers of Peppermint branded cleaning and material handling robots.

(C) Foreign Exchange Earnings and Outgo:

The Company has no activity, which requires reporting under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 with regard to Foreign Exchange Earnings and Outgo.

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

The Board has an effective audit committee, internal auditors and other control mechanisms to ensure a proper control environment in the Company. The board continuously reviews the control framework policies and procedures as well as technology to ensure that controls work as they are designed to. Whenever there are any incidents that still occur in spite of all the controls and whenever an incident gets reported or is detected, the board has taken note of the matter and ensured speedy and proper investigation and follow up action to ensure that controls work effectively and so that the risks involved get managed.

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

10. CORPORATE SOCIAL RESPONSIBILITY

Section 135 of the Companies Act, 2013 mandates every Company having minimum threshold limit of networth, turnover or net profit as prescribed to constitute a Corporate Social Responsibility Committee of the Board, that shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and duly approved by the Board, fix the amount of expenditure to be incurred on the activities and monitor the CSR Policy from time to time.

Since your Company falls within the threshold limit definition, CSR Committee of the Board has been constituted and has formulated a policy. The CSR Report forming part of this report is furnished **Annexure 1**.

During the year the Company has reconstituted the Corporate Social Responsibility Committee.

The Reconstituted Composition of the CSR Committee & Details of the meeting held during the year:

i) The Committee was constituted in the Board meeting held on 5 May 2022

Sl No	Name of Director	Designation	Number of meetings held during the year	Number of meetings attended
1.	Raghunandana Tangirala	Member	2	2
2.	Sunil Rewachand Chandiramani	Member	2	1
3.	Amit Choudhary	Member	2	1

ii) The Committee was reconstituted in the Board meeting held on 21 March 2023

Sl No	Name of Director	Designation	Number of meetings held during the year	Number of meetings attended
1.	P C Balasubramanian	Chairperson	2	1
2.	Raghunandana Tangirala	Member	2	2
3.	Sangeetha Sumesh	Member	2	1

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

Details of loans and investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review are given to the Notes of Financial Statements. Details with reference to guarantees are given in **Annexure 5**.

Your Company has moved forwarded on its stated path of converting itself into a full value-added business support services platform and has had another great year in the area of acquisitions and towards strengthening its control over its existing partly owned subsidiaries. Your Company has made an exciting new investment in a leading Sales Enablement and Outbound Tele Sales Company-Athena BPO Pvt Ltd. This acquisition is expected to give your Company a very strong entry into the business of sales enablement and outbound tele-sales . The details of the investments made by your Company during the year are as follows:

1. The Company made an acquisition of 57% in Athena BPO Pvt Ltd on 23 December 2022.
2. The Company acquired additional equity shares in Matrix Business Services India Private Limited during the period, thereby increasing its investment in this subsidiary from 87.50% to 100%.
3. The Company acquired additional equity shares in its Subsidiary Global Flight Handling Services Limited increasing its investment in this subsidiary from 70% to 83.25%.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

During the year under review, the contracts or arrangements with related parties did not attract the provisions of Section 188 of the Companies Act, 2013

13. STATUTORY AUDITORS

M/s S. R. Batliboi & Associates LLP, Chartered Accountants are the Statutory Auditors of the Company for the FY 2022-23. However the 2nd five year tenure of M/s S. R. Batliboi & Associates gets over with the conclusion of this Annual General Meeting.

The Board of Directors as recommended by the Audit Committee of Directors, have subject to the approval of the shareholders of the Company, appointed M/s BSR & Co, Chartered Accountants, (Firm Registration Number 101248W/W-100022) as Statutory Auditors of the Company for a period of 5 years, from the conclusion of the Twentieth Annual General Meeting to the conclusion of the Twenty Fifth Annual General Meeting,

BSR & Co. LLP, Chartered Accountants have confirmed that their appointment which is

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subject to the approval of the shareholders of the Company, is well within the limits prescribed under the Companies Act, 2013.

The Auditors M/s BSR & Co, Chartered Accountants, (Firm Registration Number 101248W/W-100022) are proposed to be appointed as Statutory Auditors for a first term of 5 years in the ensuing Twentieth Annual General Meeting

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

No Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Auditors during the year under review. Hence the need for explanation or comments by the Board does not arise. The report of the Statutory Auditors forms part of the financial statement.

During the year under review, there were no material or serious instances of fraud falling within the purview of Section 143(12) of the Companies Act, 2013 and rules made thereunder by officers or employees reported by the Statutory Auditors of the Company during the course of the audit conducted and therefore no details are required to be disclosed under Section 134(3) of the Act.

15. PARTICULARS OF EMPLOYEES

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as Annexure 2.

Statement containing particulars of employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel). Rules, 2014 is provided in the Annexure forming part of this report. In terms of proviso to Section 136 (1) of the Act, the Report and Accounts are being sent to the Shareholders excluding the aforesaid Annexure. The said Statement is also open for inspection. Any member interested in obtaining a copy of the same may write to the Company Secretary.

16. ANNUAL RETURN

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

17. NUMBER OF BOARD MEETINGS/COMMITTEE MEETING CONDUCTED DURING THE YEAR UNDER REVIEW

The Board met 11 times during the FY 2022-23 as per the details furnished in the Corporate Governance Report. The Maximum time gap between 2 board meetings did not exceed 120 days.

Audit Committee

Composition of Audit Committee

The composition of the Audit Committee is as under and it is in compliance with the provisions of Section 177 of the Companies Act, 2013 read with the rules thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. The scope of the activities of the Audit Committee is set out in the Corporate Governance Report.

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

The Members of the Audit Committee met Seven times during the financial year under review, as per the details stated in the Corporate Governance Report.

Nomination and Remuneration Committee

The Members of the Nomination and Remuneration Committee met four times during the financial year under review. The details of the constitution of the Nomination and Remuneration Committee, terms of reference and the meetings held during the financial year have been stated in the Corporate Governance Report.

During the year, the Company has adopted a revised Nomination and Remuneration Policy. The Policy can be accessed from our website www.uds.in. A formal Annual Evaluation by the Board was done as per the Board evaluation policy.

Stakeholders Relationship Committee

During the year 2022-23 the Company was unlisted Company. The Members of the Stakeholders Relationship Committee did not meet during the financial year under review. The details of the constitution of the Stakeholders Relationship Committee and terms of reference have been stated in the Corporate Governance Report.

Risk Management Committee

During the year 2022-23, the Company was unlisted Company. The risk management committee was constituted on 21 March 2023. The Members of the Risk Management Committee did not meet during the financial year under review. The details of the constitution of the Risk Management Committee and terms of reference have been stated in the Corporate Governance Report.

Corporate Social Responsibility Committee

The Members of the Corporate Social Responsibility Committee met twice during the financial year under review. The details of the constitution of the CSR Committee and the Committee meetings held during the financial year have been stated in the Corporate Governance Report.

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out evaluation of its own performance, the directors individually of its own performance and evaluation of working of the committees of the Board during the FY 2022-23 as per the criteria laid down by Nomination and Remuneration Committee. The evaluation process contained various aspects of the functioning of the Board and its committees and their roles, frequency of duties and obligations.

The Board expressed its satisfaction on the performance of all the directors, Board and its committees which reflected the overall engagement of the directors, the Board and its committees with the Company.

18. SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company had met during the year on 31st March 2023 to review the performance of Non- Independent Directors and the Board as a whole, reviewed the performance of the Chairperson of the Company and also assessed the quality, quantity and timeliness of flow of information between the company management and the Board without the presence of the Non-Independent Directors and members of the Management.

19. REMUNERATION POLICY

The Board has on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The salient features of the Remuneration Policy are stated in the Corporate Governance Report. The Remuneration Policy approved by the Board of Directors is posted on the website of the Company www.uds.in

20. DIRECTORS RESPONSIBILITY STATEMENT

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

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

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

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

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

(e) The Company being unlisted, sub clause (e) of Section 134(5) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company; and

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

21. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has no Associates and it has not entered into Joint Venture with any other Company during the financial year under review. The Company has the following subsidiary Companies as on 31 March 2023:

i. Avon Solutions & Logistics Private Limited

ii. Integrated Technical Staffing and Solutions Private Limited

iii. Tangy Supplies & Solutions Private Limited

iv. Stanworth Management Private Limited

v. Fusion Foods & Catering Private Limited

vi. Wynwy Technologies Private Limited (Earlier known as Zappy Home Solutions Private Limited)

vii. Global Flight Handling Services Private Limited

viii. Updater Services (UDS) Foundation (Section 8 Company)

ix. Matrix Business Services India Private Limited

x. Washroom Hygiene Concepts Private Limited

xi. Denave India Private Limited

xii. Athena BPO Private Limited

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Pursuant to Section 129 and Rule 5 of the Companies (Accounts) Rules 2014, the Financial Performance of the above-mentioned Subsidiary Companies is furnished in **Form AOC – 1** which is enclosed as **Annexure 3** as part of this Report.

22. DEPOSITS

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

23. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the financial year under review there was Appointment, Change in Designation and Resignation of Directors, Wholetime Directors as mentioned below:

Sl No	Name of Director	Current Designation	Changes
1	P C Balasubramanian	Wholetime Director	Appointed as Additional Director on 13 September 2022. Appointment was regularised in the AGM held on 31 December 2022. He is liable to retirement by rotation at the ensuing 20th Annual General Meeting and being eligible offers himself for re-appointment.
2	Sangeeta Sumesh	Independent Director	Appointed as Additional Director on 13 September 2022. Appointment was regularised in the AGM held on 31 December 2022.
3	Sunil Rewachand Chandiramani	Independent Director	Re-appointed for 5 consecutive years on 13 September 2022 and regularised in the EGM held on 3 December 2022.
4	Amit Choudhary	Independent Director	Re-appointed for 5 consecutive years on 13 September 2022. regularised in the EGM held on 3 December 2022.
5	Amitabh Jaipuria	Non-Executive Director	Appointed as an Executive Director on 4 March 2023. There was a change in his designation from Executive Director to Non-Executive Director on 1 May 2023 and regularised as a Director in the EGM held on 18 September 2023
6	L B Jayaram	Consultant	Resigned as Company Secretary of the Company with effect from 4 March 2023
7	B Ravishankar	Company Secretary and Compliance Officer	Appointed as the Company Secretary and Compliance Officer with effect from 6 March 2023
8	Vijay Dhanuka	-	Resigned as the Nominee Director of the Company on 21 March 2023
9	Shankarnarayanan Gopalakrishnan	-	Resigned as Nominee Director of the Company on 21 March 2023

24. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Proper and adequate internal control systems pertaining to financial statements have been adopted by your Company. Your Company ensures that existing internal controls serve to assist the operations in the best possible manner and discrepancies are reduced to the least possible extent, resulting in maximum effectiveness of the operations. During the year, such controls were tested and it was observed that they were operating effectively.

25. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION

Your Company has taken adequate steps to adhere to all the stipulations laid down in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance is included as a part of this Annual Report.

Certificate from the Practising Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this Report.

26. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed discussion on the industry structure (dealing with IFM and BSS) as well as on the financial and operational performance is contained in the 'Management Discussion and Analysis Report' that forms an integral part of this Report.

27. SECRETARIAL AUDITOR

SPNP & Associates, Chennai, was appointed as Secretarial Auditor for FY 2022-23 by the Board in its meeting held on 04.03.2023, upon recommendation by the Audit Committee. The MR-3 report of the Secretarial Auditor has been circulated to the Board of Directors. The Report of the Secretarial Auditor is annexed herewith as Annexure 4 and forms part of this Report. There has been no observation in the Secretarial Auditors report for the Current FY 2022-23.

28. DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 and Regulation 16 of the SEBI (LODR) Regulations, 2015 that the Independent Directors of the Company continues to meet the criteria of their Independence laid down in Section 149(6) including the confirmations that their names have been included in the Data Bank maintained by the Indian Institute of Corporate Affairs and all the Independent Directors were exempted from undergoing the online proficiency self-assessment test for the Independent Directors pursuant to Rule 6(4) of Companies (Appointment and Qualification of Directors) Rules, 2014.

During the year under review, the Independent Directors met on 31 March 2023 without the presence of Non - Independent Directors and members of the Management.

29. INTERNAL AUDITOR

M/s Protiviti India Member Private Limited was appointed as the Internal Auditors for FY 2022-23, upon recommendation by the Audit Committee. The internal auditors make presentation to the Audit committee on the on their report.

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

The Company is committed to and implementing the sexual harassment prevention policy in letter and spirit. The Company is committed to the cause of diversity and inclusion and to provide a safe and non-discriminatory workplace to all its employees. The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment.

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

31. DISCLOSURE WITH REGARD TO EMPLOYEES STOCK OPTION SCHEME

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

1. Number of Options which can be granted under the Scheme: 16,32,640
2. Options granted: 11,50,015
3. Options vested: 6,62,566
4. Options exercised: Nil
5. The total number of shares arising as a result of exercise of option: Nil
6. Options lapsed/cancelled: 487,449
7. The exercise price: ₹ 10/- or ₹ 111/- as applicable
8. Variation of terms of options: Relaxation of the terms and conditions of vesting beneficial to the Option Grantees vide shareholders resolution on 31.03.2022
9. Money realised by exercise of options: 2,41,54,558
10. Total number of options in force: 6,62,566 (all vested)

The details with regard to **'Updater Employee Stock Option Plan 2022' (ESOP 2022)** is given below:

1. Number of Options which can be granted under the Scheme: 18,50,000
2. Options granted: 17,33,000
3. Options vested: Nil
4. Options exercised: Nil
5. The total number of shares arising as a result of exercise of option: Nil
6. Options lapsed/cancelled: Nil
7. The exercise price: ₹ 300
8. Variation of terms of options: Nil
9. Money realised by exercise of options: Nil
10. Total number of options in force: 17,33,000

The details with regard to **'Updater Employee Stock Option Plan 2022-Second' (ESOP 2022-Second)** is given below:

1. Number of Options which can be granted under the Scheme: 1,00,000
2. Options granted: 1,00,000
3. Options vested: Nil
4. Options exercised: Nil
5. The total number of shares arising as a result of exercise of option: Nil
6. Options lapsed/cancelled: Nil
7. The exercise price: ₹ 300
8. Variation of terms of options: Nil
9. Money realised by exercise of options: Nil
10. Total number of options in force: 1,00,000

32. FRAUD REPORTING

The Company has not entered into transactions which are fraudulent or illegal or violative of the Company's code of conduct. No whistle-blower complaints was received during the year.

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

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

34. VIGIL MECHANISM /WHISTLE BLOWER POLICY:

The Company has framed a vigil mechanism for Directors/Employees and every employee has the right to report to the concerned Director any genuine concerns or grievances about unprofessional conduct, malpractices, wrongful conduct, fraud, violation of the Company's policies & values, violation of law without any fear of reprisal. The Vigil Mechanism ensures standards of professionalism, honesty, integrity and ethical behaviour. The Whistle-Blower Policy is put on the Company's website and can be accessed at: https://www.uds.in/webroot/media/relatedlinkfiles/whistle-blower-policy-file-2871.pdf

35. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Prevention of Insider Trading with a view to regulating trading in securities by the Promoters, Directors and Designated Persons of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Promoters, Directors and the designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

36. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 the Board has internally carried out an annual performance evaluation of its own performance, the directors individually as well as the working of its Audit and Nomination and Remuneration Committee for the financial year 31 March 2023. A structured questionnaire was prepared covering various aspects of the Board's functioning .

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board. The performance evaluation of the Independent Directors was carried out by the entire board .

The performance evaluation of the Chairman and Managing Director and the Executive Directors was carried out by the Independent Directors in their meeting held on 31 March 2023.

37. MAINTENANCE OF COST RECORDS

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

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

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

39. PROCEEDINGS PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

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

40. LOAN FROM BANKS OR FINANCIAL INSTITUTION AND SETTLEMENT THEREOF

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

41. ALTERATION OF MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION

During the year, the AOA has been altered 3 times. The AOA has been altered in the EGM held on 03.12.2022, 06.03.2023 and 22.03.2023

During the year, the MOA has been altered in the EGM held on 06.03.2023.

42. CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from those either expressed or implied in the statement depending on the circumstances

43. ACKNOWLEDGEMENT

Your Directors would like to take this opportunity to appreciate the hard work and efforts put in by all the employees of the Company who have discharged their duties diligently and ensured that the Company's interests are well taken care of. The Company's dedicated and experienced employees and Leadership team have also ensured that the Company's performance continues to be strong and amongst the best in its peer group. Your Directors place on record their appreciation for the Management Team as well.

The Directors also place on record their sincere thanks to all Bankers, Business associates, Consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors' also acknowledge gratefully the shareholders for their support and confidence reposed in your Company.

For and on Behalf of The Board of Directors

Date: 19/10/2023 Place: Chennai	**Raghunandana Tangirala** Chairman and Managing Director Din 00628914	**P C Balasubramanian** Director Din 00584548

ANNEXURE 1

Annexure A

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

1. Brief outline on CSR policy of the company

The CSR policy of the Company extends to all the CSR activities as covered under Schedule VII of the Companies Act, 2013 and also covers additional and allied activities, as will be notified by Ministry of Corporate Affairs or such other body, as appointed/notified by Central or State Government, from time to time. The Company's CSR policy has been uploaded in the website of the Company

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	T.Raghunandana	Chairman	2	2
2	P C Balasubramanian	Member	2	1
3	Sangeetha Sumesh	Member	2	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the company.

www.uds.in

4. Provide the executive summary along with the web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

NA

5. (a) Average net profit of the company as per sub-section (5) of Section 135
₹ 33,40,00,000.00

(b) Two percent of average net profit of the company as per sub-section (5) of Section 135
₹ 66,80,000/-

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years
Nil

(d) Amount required to be set-off for the financial year, if any
Nil

(e) Total CSR obligation for the financial year {(b)+(c)-(d)}
₹ 66,80,000/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)
₹ 66,80,000/-

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the Financial year [(a)+(b)+(c)]: ₹ 66,80,000/-

(e) CSR amount spent or unspent for the financial year: Nil

Amount Unspent (in ₹)

Total Amount Spent for the Financial Year (in ₹) Amount	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135	
	Date of transfer	Name of fund	Amount	Date of transfer
₹ 66,80,000/-	Nil	–	NA	

b. Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project District State	Project duration	Amount allocated for the project (H)	Amount spent in the current financial Year (H)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (H)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency- Name - CSR Registration Number
Not Applicable										

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project District State	Amount spent for the project (₹ in Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency - Name - CSR Reg. No
1	Medical & Health care Expenses	Promoting health care (Covered under Item -(i) of the Schedule VII)	Yes	Chennai	61.39	Yes	NA
2	Education and Training expenses	Promoting education (Covered under Item -(ii) of the Schedule VII)	Yes	Chennai	5.41	Yes	NA

d. Amount spent in Administrative Overheads: Not Applicable.

e. Amount spent on Impact Assessment, if applicable: Not Applicable.

f. Total amount spent for the Financial Year: ₹ 66.80 Lakhs

g. Excess amount for set off, if any.

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹66,80,000/-
(ii)	Total amount spent for the Financial Year	₹66,80,000/-
(iii)	Excess amount spent for the Financial Year	Nil
(iv)	Surplus arising out of the CSR Projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No	Preceding Financial year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Year (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	FY – 1	NA						
2	FY – 2							
3	FY – 3							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes ✓No.

If Yes, enter the number of Capital assets created/acquired - NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
-	-	-	-	-	-		

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/Gram Panchayat are to be specified and also the area of the immoveable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend Two percent of the average net profit as per sub-section (5) of section 135.

Nil

P.C. BALASUBRAMANIAN
Director

DIN: 00584548
(Member)

RAGHUNANDANA TANGIRALA
Chairman and
Managing Director

DIN: 00628914
(Chairman CSR Committee)

Date: 19.10.2023
Place: Chennai

CSR_Compliance Certificate_CFO

Date-19/10/2023

The Board of Director,
No.2/302/A, UDS Salai Off.
Old Mahabalipuram Road
Thoraipakkam, Chennai - 600 097

Sub: Certificate under Rule 4 of CSR Rules, 2014

Dear Sirs

This is to certify that funds of ₹ 66.80 Lakhs so disbursed for Corporate Social Responsibility (CSR) activity for FY 2022-23 has been utilised for the purpose and in the manner as approved by the Board in their meeting held on March 31, 2023 as per the rules 4 of Companies (CSR) Rules 2014 and Schedule VII of the Companies Act, 2013.

Details of CSR expenditure are as follows:

₹ In Lakhs

PARTICULARS	
Amount Outlay (Budgeted)	66.80
Amount spent on the projects	66.80
Amount unspent	-
Excess amount spent	-

Thanking you,

Yours faithfully,

For Updater Services Limited

Sd

CFO

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ANNEXURE 2

Disclosure u/s 197(12) and Rule 5(1) of each director to the median remuneration of the employees of the company for the financial year ended March 31, 2023

1. Ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year ended March 31, 2023

S. No	Director	Ratio to median remuneration
1.	Mr Raghunandana Tangirala, Chairman And Managing Director	50.47
2.	Mr Amitabh Jaipuria, Director	78.85
3.	Sangeeta Sumesh, Independent Director (Non Executive Director)	3.32
4.	Mr Amit Choudhary, Independent Director	6.27
5.	Mr Sunil Rewachand Chandiramani, Independent Director	7.37
6.	Mr Pondicherry Chidambaram Balasubramanian	20.67

2. The Percentage increase in remuneration of each Director and Key Managerial Personnel in the financial year

S. No	Director/Key Managerial Personnel	Percentage Increase/ Decrease
1.	Mr Raghunandana Tangirala, Chairman And Managing Director	Nil
2.	Mr Amitabh Jaipuria, Director	Nil
3.	Sangeeta Sumesh, Independent Director	Nil
4.	Mr Amit Choudhary, Independent Director	Nil
5.	Mr Sunil Rewachand Chandiramani, Independent Director	Nil
6.	Mr Pondicherry Chidambaram Balasubramanian, Whole Time Director	Nil
7.	Balaji Swaminathan, Chief Financial Officer	11.08%
8.	Ravishankar, Company Secretary & Compliance Officer	Nil

For these non-executive directors, no remuneration was paid during the FY 2022-23 (only sitting fee paid). Hence percentage increase is not applicable & During the year 2022-23, these independent directors have received commission for the first time and hence which not included these % are not representative.

3. Percentage increase in the median remuneration of employees in the financial year:

4. The number of Non billable employees on the rolls of the Company as at March 31, 2023:
702 employees

5. Average percentiles increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the m anagerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
8.96%

6. It is affirmed that the remuneration paid is as per the remuneration policy of the company:
Yes

For and on behalf of the Board of Directors,

Raghunandana Tangirala
Chairman and Managing Director
DIN: 00628914

Place: Chennai
Date: 19.10.2023

Statement pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Particulars	Name – Mr Raghunandana Tangirala	Name – Mr Amitabh Jaipuria
Designation of the employee	MD	Group CEO
Age of the employee	62 years	56 years
Remuneration	13.69 million per annum	21.39 million per annum
Nature of employment, whether contractual or otherwise	CMD – Employee	Group CEO – Employee,
Experience and qualifications of the employee	32 years, More than 30 years in the service sector as an entrepreneur. B.Com	33 years (approx.) Bachelor degree in science and post graduate diploma in management from XLRI.
Date of commencement of employment	13 November 2003	21 February 2022
The last employment held by the employee before joining the Company	NA	President General Staffing/Managing & Allied Services – First Meridian
The equity shares percentage held by the employee in the Company	31.01% as on 31 March 2023	-
Whether such employee is a relative of manager or director of the Company and name of such manager or director	None	None

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ANNEXURE 3

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries –

(Information in respect of each subsidiary to be presented with amounts in ₹)

1	Sl No	1
2	Name of the subsidiary	Avon Solutions & Logistics Private Limited
3	The date since when subsidiary was acquired	31.07.2006
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2022-23
5	Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	Rupees
6	Share Capital (paid-up capital)	24,84,500
7	Reserves and Surplus	30,15,90,000
8	Total assets	47,32,30,000
9	Total Liabilities	14,76,10,000
10	Investments	-
11	Turnover	61,62,10,000
12	Profit before tax	10,01,70,000
13	Provision for taxation/OCI	3,36,50,000
14	Profit after taxation	6,65,30,000
15	Proposed dividend	-
16	Extent of shareholding	76%

1	Sl No	2
2	Name of the subsidiary	Integrated Technical Staffing and Solutions Private Limited
3	The date since when subsidiary was acquired	14.12.2007
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2022-23
5	Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	Rupees
6	Share Capital (paid-up capital)	1,00,000
7	Reserves and Surplus	7,19,00,000
8	Total assets	11,27,70,000
9	Total Liabilities	4,07,40,000
10	Investments	3,80,00,000
11	Turnover	24,55,50,000
12	Profit before tax	83,70,000
13	Provision for taxation	35,90,000
14	Profit after taxation	47,80,000
15	Proposed dividend	-
16	Extent of shareholding	100%

1	Sl No	3
2	Name of the subsidiary	Tangy Supplies & Solutions Private Limited
3	The date since when subsidiary was acquired	28/03/2012
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2022-23
5	Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	Rupees
6	Share Capital (paid-up capital)	10,00,000
7	Reserves and Surplus	10,71,60,000
8	Total assets	16,84,20,000
9	Total Liabilities	6,02,60,000
10	Investments	-
11	Turnover	30,29,10,000
12	Profit before tax	1,42,20,000
13	Provision for taxation	48,40,000
14	Profit after taxation	93,80,000
15	Proposed dividend	-
16	Extent of shareholding	100%

1	Sl No	4
2	Name of the subsidiary	Stanworth Management Private Limited
3	The date since when subsidiary was acquired	12.01.2017
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2022-23
5	Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	Rupees
6	Share Capital (paid-up capital)	1,73,20,000
7	Reserves and Surplus	3,06,80,000
8	Total assets	8,99,40,000
9	Total Liabilities	4,19,40,000
10	Investments	-
11	Turnover	28,41,80,000
12	Profit before tax	1,40,60,000
13	Provision for taxation	6,70,000
14	Profit after taxation	1,33,90,000
15	Proposed dividend	-
16	Extent of shareholding	100%

1	Sl No	5
2	Name of the subsidiary	Fusion Foods & Catering Private Limited
3	The date since when subsidiary was acquired	22.09.2017
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2022-23
5	Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	Rupees
6	Share Capital (paid-up capital)	1,74,000
7	Reserves and Surplus	12,28,40,000
8	Total assets	34,83,70,000
9	Total Liabilities	19,54,00,000
10	Investments	-
11	Turnover	1,17,14,90,000
12	Profit before tax	5,18,20,000
13	Provision for taxation/OCI	1,35,80,000
14	Profit after taxation	3,82,40,000
15	Proposed dividend	-
16	Extent of shareholding	100%

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1	Sl No	6
2	Name of the subsidiary	Wynwy Technologies Private Limited (Earlier known as Zappy Home Solutions Private Limited)
3	The date since when subsidiary was acquired	02/11/2017
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2022-23
5	Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	Rupees
6	Share Capital (paid-up capital)	10,00,000
7	Reserves and Surplus	-12,21,24,541
8	Total assets	4,69,38,505
9	Total Liabilities	16,80,63,046
10	Investments	-
11	Turnover	7,73,909
12	Profit before tax	-2,81,53,536
13	Provision for taxation/OCI	-6,26,844
14	Profit after taxation	-2,75,26,692
15	Proposed dividend	-
16	Extent of shareholding	100%

1	Sl No	7
2	Name of the subsidiary	Global Flight Handling Services Private Limited
3	The date since when subsidiary was acquired	16/07/2018
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2022-23
5	Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	Rupees
6	Share Capital (paid-up capital)	1,00,000
7	Reserves and Surplus	-1,31,21,242
8	Total assets	16,29,94,216
9	Total Liabilities	17,60,15,458
10	Investments	55,50,000
11	Turnover	2,55,83,997
12	Profit before tax	-1,82,12,327
13	Provision for taxation/OCI	-33,47,723
14	Profit after taxation	-1,48,64,604
15	Proposed dividend	-
16	Extent of shareholding	83.25%

Sl No	8
Name of the subsidiary	Updater Services (UDS) Foundation
The date since when subsidiary was acquired	09/04/2018
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2022-23
Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	Rupees
Share Capital (paid-up capital)	1,00,000
Reserves and Surplus	-28,33,000
Total assets	181,01,000
Total Liabilities	1,18,000
Investments	-
Turnover	8,59,000
Profit before tax	7,89,000
Provision for taxation	0
Profit after taxation	7,89,000
Proposed dividend	-
Extent of shareholding	100%

Sl No	9
Name of the subsidiary	Matrix Business Services India Private Limited
The date since when subsidiary was acquired	26/04/2019
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2022-23
Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	Rupees
Share Capital (paid-up capital)	38,37,110
Reserves and Surplus	59,04,10,000
Total assets	85,72,20,000
Total Liabilities	26,29,70,000
Investments	-
Turnover	1,25,20,90,000
Profit before tax	27,94,80,000
Provision for taxation/OCI	6,89,40,000
Profit after taxation	21,05,40,000
Proposed dividend	-
Extent of shareholding	100%

Sl No	10
Name of the subsidiary	Washroom Hygiene Concepts Private Limited
The date since when subsidiary was acquired	05/09/2019
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2022-23
Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	Rupees
Share Capital (paid-up capital)	9,71,000
Reserves and Surplus	8,08,50,000
Total assets	11,72,60,000
Total Liabilities	3,54,40,000
Investments	-
Turnover	13,78,50,000
Profit before tax	2,82,30,000
Provision for taxation/OCI	80,00,000
Profit after taxation	2,02,30,000
Proposed dividend	-
Extent of shareholding	100%

Sl No	11
Name of the subsidiary	Denave India Private Limited
The date since when subsidiary was acquired	27/10/2021
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2022-23
Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	Rupees
Share Capital (paid-up capital)	1,78,76,358
Reserves and Surplus	80,58,80,000
Total assets	1,34,83,50,000
Total Liabilities	47,87,80,000
Investments	-
Turnover	3,64,22,50,000
Profit before tax	30,80,50,000
Provision for taxation	5,34,10,000
Profit after taxation	26,65,70,000
Proposed dividend	-
Extent of shareholding	54.07%

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Sl No	12
Name of the subsidiary	Athena BPO Private Limited
The date since when subsidiary was acquired	23/12/2022
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2022-23
Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	Rupees
Share Capital (paid-up capital)	57,60,000
Reserves and Surplus	55,28,40,000
Total assets	95,95,80,000
Total Liabilities	40,09,80,000
Investments	-
Turnover	1,43,10,50,000
Profit before tax	16,24,00,000
Provision for taxation	1,96,50,000
Profit after taxation	14,05,60,000
Proposed dividend	-
Extent of shareholding	57.00%

1. Names of subsidiaries which are yet to commence operations – NA
2. Names of subsidiaries which have been liquidated or sold during the year – NA

Part "B": Associates

Name of Associates	
1. Latest audited Balance Sheet Date	
2. Shares of Associate held by the Company on the year end	
No. of shares	NA
Amount of Investment in Associates/Joint Venture	
Extent of Holding %	
3. Description of how there is significant influence	
4. Reason why the associate/joint venture is not consolidated	
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	
6. Profit/Loss for the year	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations – NA
2. Names of associates or joint ventures which have been liquidated or sold during the year – NA

For and on Behalf of The Board of Directors

Date:
Place: Chennai

Raghunandana Tangirala
Chairman and Managing Director
DIN: 00628914

P C Balasubramanian
Director
DIN: 00584548

ANNEXURE 4

Form No. MR-3

Secretarial Audit Report
Financial Year ended 31st March, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Updater Services Limited,
Formerly "**Updater services private Limited**"
No.2/302-A, Uds Salai, Off Old Mahabalipuram Road Thoraipakkam Chennai
Kancheepuram –600097

We SPNP & Associates, Practicing Company Secretaries have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **UPDATER SERVICES LIMITED** (herein after called the "company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

1) The Companies Act, 2013 and the rules made there under ["Act"];
2) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with all the provisions of the Act, Rules, Regulations and standards.

We further report that,

The Board of Directors of the Company is duly constituted with optimum combination of executive and Non- executive Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions were carried out with the requisite approval of the Board.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of Redemption/buy-back of securities, Merger/amalgamation/reconstruction, Foreign technical collaborations except the following;

1. During the year under review, the members of the Company at their EGM held on March 22, 2023, had accorded their consent for raising of capital through IPO for an amount aggregating to ₹ 4,00,00,00,000 through fresh issue and Offer for sale upto 1,33,00,000 equity shares by certain existing shareholders. Subsequently, the company had filed Draft red herring prospectus with the SEBI on 30th March 2023.
2. During the period under review, the company had allotted 1,34,988 equity shares at ₹ 325 per share for consideration other than cash aggregating to ₹ 4,38,71,100/- by way of Preferential Allotment in lieu of acquisition of 8,888 Equity Shares from the Minority Shareholders (constituting about 2.32% of the paid-up equity share capital)of Matrix Business Services India Private Limited.

3. During the year under review the members of the Company have accorded their consent for amendment of Article of Association at their meetings held on 03rd December 2022, 06th March 2023 and 22nd March 2023.

4. During the year under review, the shareholders at their meeting held on 03rd December 2022 had accorded their consent for approval of 'updater employee stock option plan 2022' and modification of vesting conditions for 'updater employee stock option plan 2019'. The shareholders in the meeting held on 06th March 2023 approved the 'updater employee stock option plan 2022 second'

5. The Company had received foreign direct investment from India Business Excellence Fund - IIA in 2017 for investment in our Company under automatic route. However, the Company is engaged in private security services (not exceeding 3% of the Company's revenue) for which FDI upto 49% is permitted with prior Government approval. Though the sector falls under approval route, the Company has obtained the said investment without the approval of RBI. In this regard, pursuant to application dated November 24, 2021 to the Secretary, DPIIT, the company had sought post facto approval for the abovementioned FDI Investment.

   Further the company has received a letter dated May 4, 2022 from the Government of India, Ministry of Home Affairs (MHA), to ascertain the specific portion of such FDI received towards the private security agency services. In this regard, the company through its response dated May 10, 2022, clarified to MHA that no part of such FDI Investment was used in the private security agency services. Pursuant to this, MHA in its letter dated May 13, 2022 directed the Company to file a fresh application seeking approval if the Company is engaged only in activities regulated by PSARA, 2005. Since the Company is not engaged only in private security agency services, it has not filed a fresh application with MHA.

6. The company has received anonymous Whistle Blower complaint regarding a collusion between an UDS employee and Client employee, which lead to payments being made to ghost employees. In this regard, the company had filed police complaint and initiated investigation by Protiviti India Member Private Limited (Protiviti).

   Based on the report provided by Protiviti it has been identified that there was misappropriation of about INR 70 Lakhs. Further, Protiviti in its report mentioned certain action points for non-occurrence of such events in the future. The company is in the process of implementing the same.

For SPNP& Associates

Partner
Nithya Pasupathy
SPNP& Associates
FCS No. 10601 C P No: 22562
Peer Review No: 1913/2022
UDIN: F010601E000560920

Place: Chennai
Date: 06-07-2023

Annexure A

To
The Members,
Updater Services Limited
Formerly "**Updater services private Limited**"

Our report of even date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, the Company had followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

   The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For SPNP& Associates

Partner
Nithya Pasupathy
SPNP& Associates
FCS No. 10601 C P No: 22562
Peer Review No: 1913/2022
UDIN: F010601E000560920

Place: Chennai
Date: 06-07-2023

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ANNEXURE 5

Guarantee/Security given to	Nature of Security	Subsidiary	Reason	Gurantee Amount	Commission
Kotak Mahindra Bank	Corporate Guarantee	Global Flight Handling Pvt Ltd	Working capital Loan	2,00,00,000	2,00,000
HDFC Bank	Corporate Guarantee	Stanworth Management Pvt Ltd	Working capital Loan	2,50,00,000	2,50,000
HDFC Bank	Corporate Guarantee	Fusion Foods and Catering Pvt Ltd	Working capital Loan	3,00,00,000	3,00,000
					7,50,000

Report on Corporate Governance

Annexure - B

The Directors present the Company's Report on Corporate Governance for the financial year ended 31 March 2023.

1. Brief Statement on Company's Philosophy on Corporate Governance

The Company believes in the culture of good Corporate Governance in attaining growth and enhancing long-term shareholder value. Good Corporate Governance is the basis to building a strong business and achieving success in a sustainable and transparent manner. The Company is committed to follow the highest standards of Corporate Governance in dealing with Shareholders, employees, customers, suppliers and other stake holders. This includes checks and balances that facilitate the Board of Directors to have adequate control and oversee activities in such manner that the Company's interests are aligned with those of the stakeholders.

The Management's commitment to these principles are reinforced through the adherence to all Corporate Governance Practices which form part of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time. The Company has a code of conduct for the Directors and Senior Management personnel and code of Fair Disclosure and conduct as required under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

2. Board of Directors

The Board of Directors (the Board), consist of persons with considerable professional expertise and experience and they provide leadership and guidance to the management, thereby enhancing stakeholders' value and the quality of the Board's decision-making process.

(a) Board Structure:

As at 31 March 2023, the Board consists of Six (06) Directors, out of which Three (03) are Non-Executive Directors.

The Company has a minimum of fifty percent of its Directors as Non-Executive Directors. Out of the Three (03) Non-Executive Directors, all the Three (03) Directors are Independent Directors, of whom one is a Woman Director.

The composition of the Company's Board is in conformity with the Companies Act, 2013 ("Act") and the Listing Regulations.

(b) Board Profile

The Board of Directors comprises of renowned professionals drawn from diverse fields. They bring with them a wide range of skills and experiences to the Board, which enhances the quality of the Board's decision-making process.

(c) Board Meetings, Attendance and other directorships

During the financial year under review, 11 Board meetings were held on 5 May 2022, 16 June 2022, 13 September 2022, 2 December 2022, 12 December 2022, 31 December 2022, 4 March 2023, 21 March 2023, 25 March 2023, 29 March 2023 and 31 March 2023. The last Annual General Meeting (AGM) was held on 31 December 2022. Details of attendance of Directors at the Board meetings, at the AGM and details of other Directorships and committee memberships/chairmanships as on 31 March 2023 are as under:

Sl No	Name of Director and DIN	Category of Director	Number of Shares held as on 31 March 2023	Number of Board meetings attended during 2022-23	Attendance at last AGM held on 31 December 2022	Number of Directorships in Public Companies as on 31 March 2023*	Number of Board Committee Memberships held in Public Companies as on 31 March 2023**	
							Chairman	Member
1.	Mr Raghunandana Tangirala 00628914	Chairman & Managing Director - Executive Non-Independent Director	15587702	11	Yes	10	0	1
2.	Mr P C Balasubramanian 00584548	Wholetime Director	54920	7	Yes	4	0	1
3.	Mr Amitabh Jaipuria* 01864871	Executive Director	-	5	Yes	1	0	0

Sl No	Name of Director and DIN	Category of Director	Number of Shares held as on 31 March 2023	Number of Board meetings attended during 2022-23	Attendance at last AGM held on 31 December 2022	Number of Directorships in Public Companies as on 31 March 2023*	Number of Board Committee Memberships held in Public Companies as on 31 March 2023**	
							Chairman	Member
4.	Mr Sunil Chandiramani 00524035	Independent Director	-	11	Yes	6	3	2
5.	Mrs Sangeeta Sumersh 07080379	Independent Director	-	8	Yes	5	1	3
6.	Mr Amit Choudhary 07415690	Independent Director	-	7	Yes	2	0	2
7.	Mr Vijay Dhanuka^ 07614688	Nominee Director	-	6	Yes	1	0	0
8.	Mr Shankar Gopalakrishnan^ 00392337	Nominee Director	-	2	No	1	0	0
9.	Mrs Shanthi Tangirala# 07226592	Director	16237705	1	Yes	1	0	0
10.	Mr Rammohan Tangirala@ 07226592	Director	790000	Nil	No	0	0	0

Resigned with effect from 23 June 2022

@ Resigned with effect from 27 June 2022

^ Resigned with effect from 21 March 2023

• Resigned as Executive Director and Appointed as Non Executive Non Independent Director with effect from 30 April 2023

* Excludes Directorships held in Private Limited Companies, Foreign Companies and Section 8 companies (having charitable objects etc) and includes directorship in Updater Services Limited.

** In accordance with Regulation 26 of the Listing Regulations, Chairmanships/Memberships of only Audit Committee and Stakeholder Relationship Committee of all Public Limited Companies, whether listed or not, has been considered including that of Updater Services Limited.

None of the Directors of the Company is related to each other.

(d) Independent Directors:

The Chairman is an Executive Director and is classified under Promoter category. The number of Independent Directors is one-half of the total strength.

(i) None of the Independent Directors has any material pecuniary relationship or transaction with the Company, its Promoters, or Directors, or Senior Management which, in their judgement, would affect their independence. The Board confirms that based on the written affirmations from each Independent Director, all Independent Directors fulfill the conditions specified for independence as stipulated in the Regulation 16(1)(b) of the Listing Regulations' and are independent of the Management. All the Independent Directors have given the declaration affirming that the meet the criteria of independence as provided in Section 149(6) of the Act and have complied with relevant provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Further, the Independent Directors have also registered their names in the Data bank maintained by the Indian Institute of Corporate Affairs as mandated in the Companies (Appointment and Qualification of Directors), Rules, 2014, as amended.

(ii) In the opinion of the Board, (a) all the Independent Directors fulfill the conditions for being appointed as Independent Director as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015., (b) they possess the integrity for their role as Independent Director of the Company, (c) the Board has taken note that all the Independent Directors have been issued certificate by IICA.

None of the directors of the Company is a director in more than ten public limited companies or serves as an Independent Director in more than seven listed companies or is a member of more than ten committees or Chairman of more than five committees across all companies. Further, as per the disclosures made by the Directors, none of the Directors, who is serving as a Wholetime Director/Managing Director in any listed entity is an Independent Director in more than three listed entities. Chairmanship and Membership of Committees include only Audit and Stakeholders' Relationship Committee as covered under Regulation 26 of the Listing Regulations.

(e) Familiarisation Programme:

The Company has a familiarisation programme for Independent Directors with regard to their roles & responsibilities and rights & duties in the Company, nature of the industry in which the Company operates, the business models of the Company and the strategy and plan in operation. During the year, strategic presentations were made to Independent Directors to familiarise themselves with the updates and current trends of the industry, expansion, new projects and future business projections/operations of the Company besides presentations made to Independent Directors on significant regulatory updates. Details of familiarisation programmes are available at Company's website https://www.uds.in/related-links/company-policies

(f) Meeting of Independent Directors

The Independent Directors met on 31 March 2023 *inter alia*, to discuss the evaluation of the

- performance of Non-Independent Directors (including Chairman of the Company) and the Board of Directors as a whole;
- Quality, content and timelines of flow of information between the management and the Board which is necessary for the Board to perform its duties effectively and reasonably.
- All the Independent Directors were present at the meeting.

The particulars of Directorships of the Company Directors in other listed companies are given hereunder:

Sl No	Name of Director	Names of other listed entities in which Directorships held	Category of Directorship
1.	Mr Raghunandana Tangirala	-	-
2.	Mr P C Balasubramanian	-	-
3.	Mr Amitabh Jaipuria	-	-
4	Mr Sunil Chandiramani	Sapphire Foods India Limited Rupa & Co Limited	ID
5	Mrs Sangeeta Sumesh	IFB Industries Limited	ID
6	Mr Amit Choudhary	-	-

ID – Independent Director

NED – Non-Executive Director

(g) Major Functions of the Board:

The Company has clearly defined the roles, functions, responsibility and accountability of the Board of Directors. In addition to its primary role of monitoring corporate performance, the major functions of the Board include:

- Formulating strategic and business plans
- Reviewing and approving financial plans and budgets
- Monitoring corporate performance against strategic and business plans
- Review of Business risk issues
- Ensuring ethical behaviour and compliance with laws and regulations

(h) Board Meetings

During the year under review,11 Board meetings were held and the interval between two meetings during the year was not more than 120 days.

(i) Core Skills/ Expertise/ Competencies available with the Board

The Board of Directors comprises of highly renowned professionals drawn from diverse fields. They bring with them a wide range of skills and experiences to the Board, which enhances the quality of the Board's decision-making process

The below list summarises the key skills, expertise and competencies that the Board thinks necessary for the proper functioning in the context of the Company's business and industry and which in the opinion of the Board, its Members possess.

(i) Leadership

(ii) Business Strategy & Development

(iii) Commercial acumen

(iv) Finance including audit, accounts and taxation

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(v) Economics and Global Business

(vi) Sales and Marketing

(vii) Information Technology

(viii) General Management & Human Resources

(ix) Corporate Governance

Name of the Director	Area of expertise
Mr Raghunandana Tangirala	Leadership, Business Strategy & Development, Commercial acumen, Finance, Sales and Marketing, Economics & Global Business, Corporate Governance and General Management & Human Resources
Mr P C Balasubramanian	Business Strategy & Development, Commercial acumen, Finance, Sales and Marketing, General Management & Human Resources
Mr Amitabh Jaipuria	Finance, Commercial Acumen, Economics, General Management & Human Resources
Mr Sunil Chandiramani	Leadership, Finance, Business Information Technology, Strategy & Development, Economics & Global Business
Mrs Sangeeta Sumesh	Finance, Business Strategy & Development, General Management & Human Resources, Economic Affairs and Corporate Governance
Mr Amit Choudhary	Finance including audit and taxation, Business Strategy & Development & Corporate Governance

(j) Code of Conduct

The Company has in place the Code of Conduct for Business and Ethics for members of the Board and Senior Management Personnel approved by the Board. The Code has been communicated to Directors and the Senior Management Personnel. The Code has also been displayed in the Company's website www.UDS.in and the same is available in the following link hthttps://www.uds.in/related-links/company-policies

All the Board Members and Senior Management Personnel have confirmed compliance with the Code for the year ended 31 March 2023. A declaration to this effect signed by the Managing Director is annexed to this report.

(k) Prevention of Insider Trading:

Company has adopted a Code of Conduct for prevention of Insider Trading to regulate, monitor and report trading by designated persons as per SEBI (Prohibition of Insider Trading) Regulations, 2015.

All the Directors and designated persons who could have access to unpublished price sensitive information of the Company are governed by the said Code.

1. Committees of the Board:

For better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee and two non-mandatory committees, namely, IPO Committee and Committee of Directors. The Board determines and reviews the terms of reference of these Committees from time to time and as and when there are changes to the relevant statutory provisions. Each of these Committee meetings are convened by the respective Committee Chairman who also informs the Board about the discussions held in the Committee meetings. The minutes of the Committee meetings are sent to respective members individually and circulated to all the Directors too.

(a) Audit Committee

The terms of reference of the Audit Committee covers the areas mentioned in Section 177 of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations. The brief terms of reference of the Committee, are as follows:

Brief description of terms of reference

A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

(1) to investigate any activity within its terms of reference;

(2) to seek information from any employee;

(3) to obtain outside legal or other professional advice;

(4) to secure attendance of outsiders with relevant expertise, if it considers necessary; and

(5) such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

Role of Audit Committee

The role of the Audit Committee shall include the following:

(1) oversight of financial reporting process and the disclosure of financial information relating to Updater Services Limited (the **"Company"**) to ensure that the financial statements are correct, sufficient and credible;

(2) recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;

(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) formulation of a policy on related party transactions, which shall include materiality of related party transactions;

(5) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

(6) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(a) Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013

(b) Changes, if any, in accounting policies and practices and reasons for the same

(c) Major accounting entries involving estimates based on the exercise of judgement by management

(d) Significant adjustments made in the financial statements arising out of audit findings

(e) Compliance with listing and other legal requirements relating to financial statements

(f) Disclosure of any related party transactions; and

(g) Modified opinion(s) in the draft audit report.

(7) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(8) reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the Offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board of directors of the Company (the "Board" or "Board of Directors") to take up steps in this matter;

(9) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(10) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

(11) scrutiny of inter-corporate loans and investments;

(12) valuation of undertakings or assets of the Company, wherever it is necessary;

(13) evaluation of internal financial controls and risk management systems;

(14) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(15) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(16) discussion with internal auditors of any significant findings and follow up there on;

(17) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(18) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(19) recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(20) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

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(21) reviewing the functioning of the whistle-blower mechanism;

(22) monitoring the end use of funds raised through public offers and related matters;

(23) overseeing the vigil mechanism established by the Company, with the Chairman of the Audit Committee directly hearing grievances of victimisation of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

(24) approval of appointment of chief financial officer (ie the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(25) reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision; and

(26) carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time."

Further he Audit Committee shall mandatorily review the following information:

(a) Management discussion and analysis of financial condition and results of operations;

(b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

(c) Management letters/letters of internal control weaknesses issued by the statutory auditors;

(d) Internal audit reports relating to internal control weaknesses;

(e) The appointment, removal and terms of remuneration of the chief internal auditor; and

(f) Statement of deviations in terms of the SEBI Listing Regulations:

   a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations; and

   b) annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of the SEBI Listing Regulations.

(g) review the financial statements, in particular, the investments made by any unlisted subsidiary.

Further the recommendations of the Audit Committee on any matter relating to financial management, including the audit report, shall be binding on the Board. The Boards report under sub-section (3) of Section 134 shall disclose the composition of an Audit Committee and where the Board had not accepted any recommendation of the Audit Committee , the same shall be disclosed in such report along with the reasons thereof.

The Audit Committee shall meet at least four times a year with maximum interval of 120 days between two consecutive meetings, and shall have the authority to investigate into any matter in relation to the items specified under the terms of reference or such other matter as may be referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company and shall have power to seek information from any employee, obtain external professional advice, and secure attendance of outsiders with relevant expertise if necessary.

The Chairperson of the Audit Committee shall be present at the annual general meeting of the Company to answer shareholder queries.

The Audit Committee may invite such executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Company.

The quorum for a meeting of the Audit Committee shall either be two members or one-third of the members of the Audit Committee, whichever is greater, with at least two independent directors present.

The Company Secretary of the Company shall act as secretary to the Audit Committee.

Composition, names of members and Chairperson

The Audit Committee initially constituted in the board meeting held on 05.05.2022 consisted of Mr Vijay Dhanuka, Mr Sunil Chandiramani and Mr Amit Choudhary as members. It was reconstituted in in the board meeting held on 21.03.2023, consisting of Mr Sunil Chandiramani, Mr Raghunandana Tangirala and Mr Amit Choudhary.

Mr Sunil Chandiramani, Independent Director is its Chairman.

The Company Secretary acts as the Secretary of the Audit Committee

The Composition of the Committee is in accordance with Section 177(2) of the Act and Regulation 18 of the Listing Regulations.

The Chairman of the Audit Committee was present at the last AGM on 31 December 2022 held through Video Conferencing (VC)/Other Audio Visual Means (OAVM).

During the year Seven (7) Audit Committee Meetings were held, the dates of which are as follows: 4 July 2022, 15 November 2022, 5 December 2022, 31 December 2022, 4 March 2023, 25 March 2023 and 31 March 2023.

Particulars of the meetings and attendance by the members of the Audit Committee are given below:

Name of Members	Category	Number of Meetings attended during the year 2022-23
Mr Sunil Chandiramani	Chairman	7
Mr Vijay Dhanuka*	Member	4
Mr Raghunandana Tangirala^	Member	1
Mr Amit Choudhary	Member	7

* Mr Vijay Dhanuka was a member of the Audit Committee until it was reconstituted on 21.03.2023

^Mr Raghunandana Tangirala become a member of the Audit committee after its reconstitution on 21.03.2023.

The requisite quorum was present at the said meetings.

Audit Committee Meetings are also attended by the Chief Financial Officer, and the Company Secretary and by the Statutory and Internal Auditors of the Company as required. Managing Director, other Board Members and Senior Management Personnel were also present as invitees.

The Board of Directors has appointed M/s Protiviti India Member Private Limited, Chartered Accountants, as Internal Auditors to conduct the internal audit of the various areas of operations and records of the Company. The periodical reports of the said internal auditors were regularly placed before the Audit Committee along with the comments of the management on the action taken to correct any observed deficiencies.

(b) Nomination and Remuneration Committee (NRC)

Brief description of terms of reference of Nomination and Remuneration Committee

Terms of Reference for the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "Board" or "Board of Directors") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("Remuneration Policy").

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

   (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

   (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

(2) Formulation of criteria for evaluation of independent directors and the Board.

(3) Devising a policy on Board diversity.

(4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director).

(5) Analysing, monitoring and reviewing various human resource and compensation matters.

(6) Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

(7) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors.

(8) Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary.

(9) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

(10) Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws.

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(11) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share-Based Employee Benefits and Sweat Equity) Regulations, 2021, if applicable.

(12) Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

(a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

(b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.

(13) Perform such other activities as may be delegated by the Board or specified/provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

Composition, Name of Members and Chairperson

The Nomination and Remuneration Committee (NRC) initially constituted in the board meeting held on 05.05.2022 consisted of Mr Raghunandana Tangirala, Mr Vijay Dhanuka, Mr Sunil Chandiramani and Mr Amit Choudhary as the members. It was reconstituted in in the board meeting held on 21.03.2023, consisting of Mr Amit Choudhary, Independent Director and Chairperson Mr Sunil Chandiramanl Independent Director, Mrs Sangeeta Sumesh, Independent Director and Mr Raghunandana Tangirala, Chairman & Managing Director.

The Company Secretary acts as the Secretary of the NRC

The Composition of the Committee is in accordance with Section 178 (1) of the Act and Regulation 19 of the Listing Regulations.

The particulars of meetings and the attendance by the members of the NRC are given below:

During the year, Four (4) NRC Meetings were held on 2 August 2022, 24 November 2022, 16 December 2022, 4 March 2023.

Name of Members	Category	Number of meetings attended during the year 2022-23
Mr Amit Choudhary	Chairman	4
Mr Sunil Chandiramani	Member	3
Mr Sangeeta Sumesh*	Member	0
Mr Raghunandana Tangirala	Member	2
Mr Vijay Dhanuka^	Member	3

*Ms. Sangeeta Sumesh become a member of the Audit committee after its reconstitution on 21.03.2023.

^Mr Vijay Dhanuka was a member of the Audit Committee until it was reconstituted on 21.03.2023

The requisite quorum was present at the said meetings.

Performance Evaluation

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, its Directors (including Independent Directors) individually as well as the working of Audit Committee, Nomination and Remuneration Committee, and Corporate Social Responsibility Committee based on their attendance, participation in deliberations, understanding company's business and that of the industry and in guiding the Company in decisions affecting the business.

Nomination and Remuneration Policy

The Company's Nomination and Remuneration Policy, as approved by the Board of Directors, covers Directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and policy relating to remuneration for the directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) of the Company. The said policy can be accessed at Company's website https://www.uds.in/related-links/company-policies

Implementation of the Policy

The NRC shall take suitable steps to issue guidelines, procedures and such other steps as may be considered appropriate from time to time, for effective implementation of this Remuneration Policy.

Criteria of making payments to Non-Executive Non-Independent Directors

During the financial year, no payments were made to Non-Executive Non-Independent Directors of the Company.

Remuneration paid to Independent Directors

The details of remuneration paid to the Non-Executive Independent Directors, in the Financial Year 2022-23, are as follows:

Name of the Director	Sitting Fees		Commission #	Grand Total
	Board	Committees		
Mr Sunil Chandiramani	1.1 mn	0.9 mn	1.83 mn	3.83mn
Mrs Sangeeta Sumesh	0.8 mn	0.1 mn	-	0.9mn
Mr Amit Choudhary	0.7 mn	1.0 mn	-	1.7mn
Total				

Commission for the FY 2021-22 was paid to Independent Directors during the year under report.

Remuneration paid to Executive Director

Particulars of remuneration paid to Chairman & Managing Director, Executive and wholetime director during the FY 2022-23:

Name of the Director	Salary, Allowances & Perquisites	Contribution to Funds	Total
Mr Raghunandana Tangirala, Chairman & Managing Director	13.69 mn	NIL	NIL
Mr Amitabh Jaipuria*, Executive Director	21.39 mn	1.05 mn	22.44 mn
Mr P C Balasubramanian, Wholetime Director	5.61 mn	0.4 mn	6.01 mn

*Mr Amitabh Jaipuria executive director was given 100,000 stock options (unvested).

(c) Stakeholders' Relationship Committee (SRC)

The SRC was constituted in the Board meeting held on 21.03.2023. It consists of Ms Sangeeta Sumesh, Independent Director Mr Raghunandana Tangirala, Chairman & Managing Director and Mr P C Balasubramanian, Wholetime Director as its members. Mrs Sangeeta Sumesh, Independent Director, is the Chairperson of the Committee. The Committee did not meet during the financial year 2022- 2023, since the Company was unlisted company.

The Composition of the Committee is in accordance with Section 178 (5) of the Act and Regulation 20 of the Listing Regulations.

The Company Secretary acts as the Secretary of the Committee.

Name, designation, and address of the Compliance Officer:

Mr B Ravishankar
Company Secretary and Compliance officer

No. 42, Gandhi Mandapaml Road, Kotturpuram, Chennai – 600 085

Number of complaints received, not solved and pending

Number of complaints received during the year 2022-23	NA
Number of complaints not solved to the satisfaction of shareholders	NA
Number of pending complaints as on 31 March 2023	NA

(d) Risk Management Committee (RMC)

Brief description of terms of reference

The brief terms of reference of the RMC as set out in Regulation 21 of the Listing Regulations are as follows:

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;

(b) Measures for risk mitigation including systems and processes for internal control of identified risks; and

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity, and recommend for any amendment or modification thereof, as necessary;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee; and

(7) To implement and monitor policies and/or processes for ensuring cyber security.

Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the SEBI Listing Regulations.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

Composition, Members and Chairperson

The committee was constituted in the board meeting held on 21.03.2023. The Risk Management Committee consists of Mr Sunil Chandiramani, Mr P C Balasubramanian, Mr Amitabh Jaipuria, Mr Balaji Swaminathan and Mr C R Saravanan as its members. Mr Sunil Chandiramani is the Chairman of the Committee. The Committee did not meet during the FY 2022-23, since the Company was unlisted company.

The Composition of the Committee is in accordance with Regulation 21 of the Listing Regulations.

The Company Secretary acts as the Secretary of the Committee.

(e) Corporate Social Responsibility (CSR) Committee

The CSR was constituted pursuant to a resolution passed by the Board on 01.04.2015 and reconstituted pursuant to Board resolutions dated 05.05.2022 and 21.03.2023 as per Section 135 of Companies Act, 2013. The reconstituted committee consists of Mrs Sangeeta Sumesh, Independent Director, Mr Raghunandan Tangirala , Chairman & Managing Director and Mr P C Balasubramanian, Wholetime Director as its members. Mr P C Balasubramanian is the Chairman of the Committee. The Committee met twice during the year on 9 January 2023 and 31 March 2023.

Name of Members	Category	Number of Meetings attended during the year 2022-23
Mr P C Balasubramanian	Chairman	1
Mrs Sangeeta Sumesh	Member	1
Mr Raghunandana Tangirala	Member	2

The requisite quorum was present at the meeting.

The Company Secretary acts as the Secretary of the CSR Committee.

The terms of reference of the Committee are as follows:-

(a) formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;

(b) identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

(c) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

(d) delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(e) review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

(f) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time, and

(g) exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

Other Committees

IPO Committee

The Board of Directors constituted during the FY 2022-23, an IPO Committee to handle various matters pertaining to Initial Public Offer and to determine the utilisation of proceeds of the Fresh Issue and accept and appropriate proceeds of the Fresh Issue in accordance with the applicable laws and to settle all questions, difficulties or doubts that may arise in regard to such issues or allotment and matters incidental thereto as it may deem fit including authorisation for opening of accounts with banks relating to the IPO and matters incidental thereto and to delegate such of its powers as may be deemed necessary to the officials of the Company.

During the financial year, the Committee did not meet.

2. Whistle-Blower Policy

The Company has adopted an ethical code of conduct for the highest degree of transparency, integrity, accountability, and corporate social responsibility. Any actual or potential violation of the Code would be a matter of serious concern for the Company. The Directors, Employees or any person dealing with the Company can play an important role in pointing out such violations of the Code.

Accordingly, this policy has been formulated with a view:

(a) To provide a mechanism for employees of the Company and other persons dealing with the Company to report to the Audit Committee or Director who is nominated by the Audit Committee, as Ombudsman, any instance of unethical behaviour, actual or suspected fraud or violation of Company's Ethics Policy.

(b) To safeguard the confidentiality and interest of such employees/other persons dealing with the Company against victimisation, who notice and report any unethical or improper practices, and

(c) To appropriately communicate the existence of such mechanism, within the organisation and to the outsiders.

To meet the objective of the Policy, a dedicated e-mail id uds@boardmembers.in has been created.

The policy has been posted on the website of the Company viz. https://www.UDS. downloads/investor-relations/csl-policies/vigil-mechanism-whistle-blower-policy.pdf

No employee or any other person has been denied access to the Chairman of the Audit Committee.

During the year, no instance was reported under this policy.

3. Subsidiary Company/Policy on Material Subsidiaries

1. Matrix Business Services India Private Limited (Matrix) is the wholly-owned material subsidiary of the Company in the immediately preceding accounting year.

   Regulation 24 (1) of SEBI LODR with respect to governance of material subsidiary of a listed entity prescribes *inter alia* the listed entity appointing one of its Independent Directors on the Board of its material subsidiary as a Director. One Independent Director of the Company, namely, Ms. Sangeeta Sumesh was appointed as Independent Directors on the board of the Company's material subsidiary Matrix.

2. Denave India Private Limited (Denave) is a partly owned material subsidiary of the Company in the immediately preceding accounting year.

   Regulation 24 (1) of SEBI LODR with respect to governance of material subsidiary of a listed entity prescribes *inter alia* the listed entity appointing one of its Independent Directors on the Board of its material subsidiary as a Director. One Independent Director of the Company, namely, Mr Sunil Chandramani was appointed as Independent Directors on the board of the Company's material subsidiary Denave.

3. Athena BPO Private Limited is a partly owned material subsidiary of the Company in the immediately preceding accounting year.

   Regulation 24 (1) of SEBI LODR with respect to governance of material subsidiary of a listed entity prescribes *inter alia* the listed entity appointing one of its Independent Directors on the Board of its material subsidiary as a Director. Two Independent Director of the Company, namely, Ms. Sangeeta Sumesh and Mr Amit Choudhary were appointed as Independent Directors on the board of the Company's material subsidiary Athena.

   A policy on material subsidiary(s) has been formulated. The policy is hosted on the Company's website www.uds.in.

   Regulation 24 and 24A of SEBI LODR – not applicable for the FY 2022-23, since the Company was an unlisted Company.

3.1 Details with regard to Material Subsidiary

Name	: Matrix Business Services India Private Limited
Date of incorporation	: 29/03/2003
Place of incorporation	: Chennai
Name of the Statutory Auditor	: Deloitte Haskins & Sells LLP
Date of appointment	: 28/10/2020
Name	: Denave India Private Limited
Date of incorporation	: 12/01/1999
Place of incorporation	: Delhi
Name of the Statutory Auditor	: M/s Varma & Varma
Date of appointment	: 30/09/2019
Name	: Athena BPO Private Limited
Date of incorporation	: 01/01/1993
Place of incorporation	: Mumbai
Name of the Statutory Auditor	: M/s Sukhbir & Associates
Date of appointment	: 17/05/2021

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4. General Body Meeting/AGM

Location and time where the annual general meetings were held during the last three years:

Financial Year	Date	Location	Time
2019-20	31 December 2020	2/302-A, UDS Salai, Off Old Mahabalipuram Road, Thoraipakkam, Chennai – 600 097	04.00 pm
2020-21	29 September 2021	2/302-A, UDS Salai, Off Old Mahabalipuram Road, Thoraipakkam, Chennai – 600 097	04.00 pm
2021-22	31 December 2022	2/302-A, UDS Salai, Off Old Mahabalipuram Road, Thoraipakkam, Chennai – 600 097 (held through Video Conferencing (VC)/Other Audio Visual Means (OAVM)	04.00 pm

The number and particulars of Special Resolutions which were passed in the last three Annual General Meetings are as follows:

Dates of the Annual General Meetings	Number and particulars of the Special Resolutions passed.
31 December 2020	No special resolutions were passed.
29 September 2021	Granting of Loan to Global Flight Handling Services Private Limited, a subsidiary of the Company.
31 December 2022	a) To approve the Corporate Guarantee to be issued in favour of Kotak Mahindra Bank on behalf of M/s Global Flight Handling Services (VIZAG) Private Limited, a subsidiary of the Company. b) To approve the Corporate Guarantee to be issued in favour of Kotak Mahindra Bank on behalf of M/s Global Flight Handling Services (Surat) Private Limited, step-down subsidiary of the Company, c) To approve the Corporate Guarantee to be issued in favour of Kotak Mahindra Bank on behalf of M/s Global Flight Handling Services (Raipur) Private Limited, step-down subsidiary of the Company, d) To approve the Corporate Guarantee to be issued in favour of Kotak Mahindra Bank on behalf of M/s Global Flight Handling Services (Patna) Private Limited, step-down subsidiary of the Company e) To approve the variation in the terms and conditions of employment with Mr Raghunandana Tangirala, step-down subsidiary of the Company

No business was required to be transacted through Postal Ballot at the above meetings and none is required to be transacted through postal ballot at the ensuing Annual General Meeting.

5. Others:

(a) Related Party Transactions:

Materially significant related party transactions

All transactions entered into with Related Parties as defined under the Act, during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There are no materially significant transactions with related parties during the financial year which are in conflict with the interest of the Company. Suitable disclosure as required by the IND AS 18 has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which is available on the Company's website https://www.uds.in/related-links/company-policies

(b) Risk Management

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

(c) Commodity or Foreign Exchange Risk and Hedging Activities

The Company does not have any exposure hedged through Commodity derivatives.

(d) Instances of non-compliance(s), if any

There were no instances of non-compliances by the Company or penalties and strictures imposed on the Company by statutory authorities on any matter related to the capital markets during the year.

(e) Disclosure by Senior Management Personnel

The senior management personnel have made disclosures to the Board relating to all material, financial and other transactions stating that they did not have any personal interest that could result in a conflict with the interest of the Company at large.

(f) Disclosure for loans and advances in the nature of loans to firms/companies in which directors are interested by name and amounts:

Loan and accrued Interest receivable from	
Stanworth Management Private Limited	2.50
Wynwy Technologies Private Limited (excluding Impairments on loan)	158.45
Global Flight Handling Services Private Limited	109.24

(g) Details of total fees paid to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part are as follows:

₹ in million

Type of Service	
Audit Fees	14.46

(h) Sexual Harassment at workplace

During the year under review, the Company has not received any complaints in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

a) Number of complaints filed during the Financial Year – Nil

b) Number of complaints disposed off during the Financial Year – NA

c) Number of complaints pending as on end of the Financial Year – Nil

(i) List of Credit Rating

The Company has obtained rating from ICRA during the year ended 31 March 2023:

Annexure

Details of Bank Limits Rated by ICRA (Rated on Long-Term Scale)	Amount (₹ in crore)	Rating	Rating assigned on
Citi Bank Cash Credit	25.00	[ICRA]A+ (Stable)	26 December 2022
DBS Bank Cash Credit	20.00		
ICICI Bank Cash Credit	5.00		
HDFC Bank Cash Credit	55.00		
Standard Chartered Bank Term Loan Cash Credit/Short-term Loan	30.00		
Citi Bank - Sub-limits	(5.00)		
DBS Bank - Sub-limits	(25.00)		
Kotak Mahindra Bank - Sub-limits	(5.00)		
Total	**135.00**		

Details of Bank Limits Rated by ICRA (Rated on Short-Term Scale)	Amount (₹ in crore)	Rating	Rating assigned on
Citi Bank - Non-fund-based limits	5.00	[ICRA]A+ (Stable)	26 December 2022
DBS Bank - Non-fund-based limits	5.00		
ICICI Bank - Non-fund-based limits	20.00		
HDFC Bank - Non-fund-based limits	14.00		
Kotak Mahindra Bank-Working Capital Demand Loan	35.00		
Total	**79.00**		

Recommendations of Committees to Board

During the FY 2022-23, the Board has accepted all the recommendations of its Committees.

6. Certificate from Practising Company Secretary

The Company has received a certificate from the Secretarial Auditor of the Company stating that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this report as Annexure.

7. Compliance with Corporate Governance Requirements

The Company was an unlisted Company as on March 31, 2023.The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clause (b) to (i) of sub- regulation (2) of Regulation 46 of the Listing Regulations as applicable.

8. CEO and CFO certification

The company has been an unlisted company and for adequate compliance Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 pertaining to CEO/ CFO certification for the financial year ended 31st March, 2023 is attached

9. Compliance with mandatory/non-mandatory requirements

The Company has complied with all applicable mandatory requirements in terms of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015. The discretionary requirements of Part E of Schedule II will be adopted by the Company, as and when required.

10. Means of communication

Since the Company was an unlisted company, the shareholder communication requirements by way of publication in periodicals does not apply.

11. General shareholder information

A)	Annual General Meeting, Date and Time	Date: 29 November 2023 Time: 12 noon Mode: Video Conference/Other Audio Visual Means (OAVM)
B)	Financial Year	1 April to 31 March
	Financial reporting for the quarter ending	Financial calendar (tentative)
	30 June 2023	Before 25 October 2023
	30 September 2023	Before 14 November 2023
	31 December 2023	Before 14 February 2024
	31 March 2023	Before 30 May 2024
C)	Dividend Payment date	Not Applicable
D)	Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	
	Name & Address of the Stock Exchange	Stock code/Symbol
	BSE Ltd Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	UDS SCRIP CODE: 543996
	National Stock Exchange of India Ltd Exchange Plaza, Bandra-Kurla Complex, Mumbai – 400 050	UDS
	ISIN allotted by Depositories (Company ID Number)	INE851I01011
	Annual listing fees for the year 2023-24 were duly paid to the above Stock Exchanges.	

E) The monthly high/low quotation of shares traded on the BSE Limited and National Stock Exchange of India Limited is not applicable since the Company has been an unlisted company.

F) Registrar to an Issue and Share Transfer Agents
Registrar & Share Transfer Agent of the Company

Link Intime India Private Limited
C-101, 247 Park
1st Floor, L.B.S. Marg
Vikhroli (West), Mumbai – 400 083
Maharashtra, India
Telephone: +91 810 811 4949
E-mail: uds.ipo@linkintime.co.in
Website: www.linkintime.co.in
Investor grievance e-mail:
uds.ipo@linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI registration number: INR000004058

Share Transfer System

The Company's entire share capital is in dematerialised form.

Transfers of equity shares in electronic form are done through the depositories with no involvement of the Company.

The shareholders are, therefore, requested to correspond with the Share Transfer Agent for any queries pertaining their shareholdings, dividends, etc, at the address given in this report.

Investors may register complaints, if any, by e-mailing compliance.officer@uds.in

G) Distribution of Shareholding

The company was an unlisted company as on March 31, 2023 and the shareholding pattern as on March 31st, 2023 is hereunder:

Sl No	Category (Shares)	Number of Holders	% to Holders	Number of Shares	% to Equity
1	1 – 5000	3	23.09	3951	0.01
2	5001 – 10000	-	-	-	0.00
3	10001 – 20000	1	7.69	15810	0.03
4	20001 – 30000	1	7.69	27839	0.05
5	30001 – 40000	1	7.69	32471	0.06
6	40001 – 50000	-	-		0.00
7	50001 – 100000	1	7.69	54920	0.10
8	100001 and above	6	46.15	52817476	99.75
Total:		**13**	**100**	**52952467**	**100**

H) Shareholding Pattern:
Shareholding Pattern As On 31/03/2023 (Total)

The company was an unlisted company as on March 31, 2023 and the shareholding pattern as on March 31st, 2023 is hereunder:

Sl No	Description	Number of shareholders	Total Shares	% Equity
1	Alternative Investment Fund	-	-	-
2	Bodies Corporate	-	-	-
3	Clearing Members	-	-	-
4	Foreign Nationals	-	-	-
5	Foreign Portfolio – Corp	1	6139468	11.59
6	H U F	-	-	-
7	Mutual Funds	-	-	-
8	NBFC	-	-	-
9	Non-Resident Indian Non-Repatriable	-	-	-
10	Non-Resident Indians	-	-	-
11	Promoter (including shares held by its 5 Nominees)	3	42998847	81.20
12	Qualified Institutional Buyer	-	-	-
13	Resident Individuals	8	924991	1.75
14	Trusts	1	2889161	5.46
	Total:	**13**	**52952467**	**100.00**

I) Dematerialisation of shares and liquidity

All its shares ie 100% of the share capital of the Company, are in dematerialised form including Promoters' shareholding.

The equity shares of the Company was listed on October 04, 2023 and are regularly traded on NSE and BSE

Please refer Para "Finance" in the Directors Report for details of IPO made by the Company during the year under review.

The Company has not issued any Global Depository Receipt/ American Depository Receipt/ Warrant or any convertible instrument, which is likely to have impact on the Company's equity.

12. Transfer of Unclaimed Dividend Shares to Investor Education and Protection Fund Authority (IEPF Authority)

As required under Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit,Transfer and Refund) Rules, 2016, as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

There is no dividend amount liable to be transferred to Investor Education and Protection Fund.

13. Branch Locations

1. 1st Floor of RCC building being premises No 4-B, Dr. Sarat Banerjee Road, Kolkata – 700 029 1, 260 sq fts
2. 3rd Floor, Plot No 7, guttalabegampet village, Serilingamplly Municipality & Mandal, R.R District, Telangana; 515 sq fts
3. Plot No 774, Udyog Vihar phase V, Gurugram, Haryana, 3300 sq fts
4. Ground Floor, A-81, Road No 2, Mahipalpur Extn, New Delhi – 110 037

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5. Survey No 18/1-18/2, Padma Complex, Sri Mookambiga Nagar, Kattupakkam, Chennai – 600056
6. No 2 & 3, Third floor, HAL 3rd Stage, J B Nagar Main road, Bangaluru – 560 075
7. Office No 806, Sapath-II, Opp Rajpath Club, Bodakdevc, Ahmedabad
8. Lakshmi Nilayam, 52-1/1-1C, Veterinary Colony Service Road, National Highway 16, Vijayawada – 520 008
9. Plot No 2104, Sadashiv Peth, Vijaya Nagar Colony, Sane Guruji Marg, Pune – 411 030, 2237 sq fts Approx
10. First Floor, #2805/D22, Aadipampa Road, VV Mohalla, Mysore, Karnataka – 570 002
11. Shop No 601, B Block, Suriyadevi Complex, Vandalur-Walajabad Main Road, Oragadam – 60 2105
12. First Floor, No 21, 1st Cross Street, Natesan Nagar (West), Puducherry – 605 005
13. Old No 42, New No 15, Gandhi Madapam Road, Kotturpuram, Chennai – 600 085, 14095 sq fts
14. 6th Floor, Office No 611, CTS No 240, 241/1, Neelkanth Corporate Park, Sterlite, Compound Kirol Village, Sterlite Compound, Vidhyavihar West, Mumbai – 400 086, Maharashtra
17. 2nd Floor, P No 47, 5th Street, Sri Ram Nagar, Kattur Post, Thiruverumbur Taluk, Ellakudy, Pappakurichi, Tirchy
15. Plot No 278, Scheme No 54, PU4, Indore
16. 2nd Floor, H No 107/28/S-F-F-1, Kamaxi Building, Opp. Bharat Petrol, Pump, Kesarval, Cortalim, Goa, South Goa, Goa – 403 710
17. House No 41/ 1426, Nandhavan House, Sangamam Lane, Padivattom, Alinchuvadu, Edappilly P.O, Ernakulam, Kerala – 682 024
18. House No TC 99/2381, Near South Indian Bank By Pass View, Thykkoottathil Veedu, Vssc Road, Kulathoor, P O Thiruvananthapuram, Thiruvananthapuram, Kerala – 695 583
19. 105, Saheed Nagar Main Road, Saheed Nagar Bhubaneswar, Khordha, Odisha – 751 007
20. 3rd Floor, Gowtham Centre, Annex Building, Avinashi Road, Coimbatore, Tamil Nadu – 641 018

14. Address for Communication

Company Secretary and Compliance Officer
B Ravishankar
Updater Services Limited (formerly Updater Services Private Limited)
Corporate Office: 42, Gandhi Madapam Road, Kotturpuram, Chennai – 600 085,
Tamil Nadu, India

Registered Office: No 2/302-A, UDS Salai,
Off Old Mahabalipuram Road,
Thoraipakkam, Chennai – 600 097,
Tamil Nadu, India
Tel: +91 44 24963234
E-mail: compliance.officer@uds.in
Website: www.uds.in

15. Disclosures With Respect To Demat Suspense Account/Unclaimed Suspense Account.

Details of Unclaimed Suspense Account - NIL

Annexure to Corporate Governance Report

Declaration regarding affirmation of Code of Conduct

In terms of the requirements of Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all the members of the Board and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31 March 2023.

Place: Chennai
Date: 19/10/2023

Raghunandana Tangirala
Chairman and Managing Director

Corporate Governance Compliance Certificate

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATION 34 (3) SEBI (LISTING OBLIGATION & DISCLOSURE REQUIREMENT) REGULATIONS, 2015

To,
The members,
UPDATER SERVICES LIMITED.

We have examined the compliance of conditions of Corporate Governance by UPDATER SERVICES LIMITED, for the year ended 31 March 2023 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

Management Responsibility:

The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditors Responsibility:

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the Management, we certify that the Company has complied with the all the provisions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and Paragraphs C, D and E of Schedule V of the Listing Regulations, up to the extent applicable for the Financial year ended 31 March 2023.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SPNP & ASSOCIATES

Nithya Pasupathy
Partner
Membership Number: 10601
Certificate of Practice Number: 22562
Peer Review Number: 1913/2022
UDIN: F010601E001592940

Date: 02/11/2023
Place: Chennai

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Certificate from Managing Director and Chief Financial Officer

The Board of Directors
Updater Services Limited

We hereby certify that

a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended 31 March 2023 and to the best of our knowledge and belief:

   i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee:

   i) Significant changes in internal control over financial reporting during the year;

   ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

   iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Updater Services Limited

Raghunandana Tangirala
Chairman and Managing Director

Balaji Swaminathan
Chief Financial Officer

Place: Chennai
Date: 19/10/2023

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and clause (10) (i) of Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,

UPDATER SERVICES LIMITED,
No.2/302-A, UDS Salai, Off Old Mahabalipuram Road,
Thoraipakkam, Kancheepuram, Chennai,
Tamil Nadu – 600 097.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **UPDATER SERVICES LIMITED** having CIN: U74140TN2003PLC051955 and having registered office No 2/302-A, UDS Salai, Off Old Mahabalipuram Road Thoraipakkam, Kancheepuram, Chennai, Tamil Nadu – 600 097, India, (hereinafter referred to as 'the Company'), produced before us by the Company in electronic mode, for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sl No	Name of director	Din	Designation	Original date of appointment in company	Date of appointment in the current designation
1.	Raghunandana Tangirala	00628914	Chairman and Managing Director	13/11/2003	01/01/2021
2.	Amitabh Jaipuria	01864871	Additional Executive Director	04/03/2023	04/03/2023
3.	Sangeeta Sumesh	07080379	Independent Director	13/09/2022	13/09/2022
4.	Amit Choudhary	07415690	Independent Director	25/04/2020	13/09/2022
5.	Sunil Rewachand Chandiramani	00524035	Independent Director	20/06/2017	13/09/2022
6.	Pondicherry Chidambaram Balasubramanian	00584548	Wholetime Director	13/09/2022	31/12/2022

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

a) Mr Amitabh Jaipuria was appointed as the Additional Director (Executive Director) of the Company pursuant to the resolution passed by our Board on 4 March 2023, for a period of one year with effect from 4 March 2023.Subsequently, the designation of Mr Amitabh Jaipuria was change from 'Additional Director (Executive Director)' to 'Non-Executive Director' with effect from 30 April 2023.

b) Ms. Sangeeta Sumesh was appointed as an Independent Director of the Company with effect from 13 September 2022.

c) Mr Amit Choudhary was Re-appointed as an Independent Director of the Company with effect from 13 September 2023.

d) Mr Sunil Rewachand Chandiramani was re-appointed as an Independent Director of the Company with effect from 13 September 2023.

e) Mr Pondicherry Chidambaram Balasubramanian was appointed as an Executive Director (Wholetime Director) of the Company pursuant to the resolution passed by the Board on 13 September 2022, and by Shareholders on 31 December 2022, for a period of four years with effect from 13 September 2022.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company.

Our responsibility is to express an opinion on these based on our verification.

For SPNP & ASSOCIATES

Nithya Pasupathy
Partner
Membership Number: 10601
Certificate of Practice Number: 22562
Peer Review Number: 1913/2022
UDIN: F010601E001592940

Date: 02/11/2023
Place: Chennai

Independent Auditor's Report

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

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Updater Services Limited ("the Company"), which comprise the Balance sheet as at 31 March 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

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

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

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

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

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

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

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

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

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

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

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

(g) In our opinion, the managerial remuneration for the year ended 31 March 2023 has been paid/provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 42 to the Standalone Financial Statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 6 and 23 to the Standalone Financial Statements;

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, other than as disclosed in the Note 50 to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief and as disclosed in Note 50 to the Standalone Financial Statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have 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 (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only wef 1 April 2023, reporting under this clause is not applicable.

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

per Aravind K
Partner
Membership Number: 221268
UDIN: 23221268BGXPPM5643

Place of Signature: Chennai
Date: 6 July 2023

Annexure 1

referred to in Paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Updater Services Limited ("the Company")

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 intangibles assets.

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

(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in Note 3 to the Standalone Financial Statements included in property, plant and equipment are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended 31 March 2023.

(e) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in Note 21 to the Standalone Financial Statements, the Company has been sanctioned working capital limits in excess of ₹ five crore in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the Standalone Financial Statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are not in agreement with the books of account of the Company and the details are as follows:

(Amounts in MINR)

Quarterly statement Period	Name of the Bank	Account	Amount as per books of account	Amount as reported in the quarterly statement	Discrepancy**
30-Jun-22	All Banks	Debtor	2,721.48	3,046.41	(324.93)
30-Sep-22	HDFC, SCB, DBS, ICICI, Kotak	Debtor	2,866.53	3,399.90	(533.37)
30-Sep-22	Citi	Debtor	2,866.53	3,386.60	(520.07)
31-Dec-22	All Banks	Debtor	2,179.65	3,295.16	(1,115.51)
31-Mar-23	All Banks	Debtor	2,872.48	2,944.43	(71.95)
30-Jun-22	HDFC, SCB, DBS, Citi, Kotak	Creditor	233.21	66.18	167.03
30-Jun-22	ICICI	Creditor	233.21	-	233.21
30-Sep-22	HDFC, SCB, DBS, Citi, Kotak	Creditor	271.76	153.80	117.96
30-Sep-22	ICICI	Creditor	271.76	-	271.76
31-Dec-22	HDFC, SCB, DBS, Citi, Kotak	Creditor	306.89	271.49	35.40
31-Dec-22	ICICI	Creditor	306.89	-	306.89
31-Mar-23	HDFC, SCB, DBS, Citi, Kotak	Creditor	288.67	348.92	(60.25)
31-Mar-23	ICICI	Creditor	288.67	-	288.67
30-Jun-22	HDFC, SCB, DBS, Citi, Kotak	Sales	2,974.45	2,975.50	(1.05)
30-Jun-22	ICICI	Sales	2,974.45	29,755.00	(26,780.55)
30-Sep-22	HDFC, SCB, DBS, Citi, Kotak	Sales	6,230.53	6,189.40	41.13
30-Sep-22	ICICI	Sales	6,230.53	61,894.00	(55,663.47)

(Amounts in MINR)

Quarterly statement Period	Name of the Bank	Account	Amount as per books of account	Amount as reported in the quarterly statement	Discrepancy**
31-Dec-22	All Banks	Sales	9,672.04	9,690.57	(18.53)
31-Mar-23	All Banks	Sales	13,085.42	12,981.21	104.21
30-Jun-22	ICICI	Purchases	238.24	1,600.00	(1,361.76)
30-Sep-22	ICICI	Purchases	515.30	5,499.00	(4,983.70)
31-Dec-22	ICICI	Purchases	808.71	772.22	36.49
31-Mar-23	ICICI	Purchases	1,102.93	1,152.75	(49.82)
30-Jun-22	HDFC, SCB, DBS, Citi, Kotak	Borrowing	1,005.08	1,005.00	0.08
30-Jun-22	ICICI	Borrowing	1,005.08	920.00	85.08
30-Sep-22	HDFC, SCB, DBS, Citi	Borrowing	1,698.18	1,441.20	256.98
30-Sep-22	Kotak	Borrowing	1,698.18	1,084.00	614.18
30-Sep-22	ICICI	Borrowing	1,698.18	750.00	948.18
31-Dec-22	HDFC, SCB, DBS, Citi, Kotak	Borrowing	1,934.01	1,853.60	80.41
31-Dec-22	ICICI	Borrowing	1,934.01	1,350.00	584.01
31-Mar-23	Citi, Kotak	Borrowing	1,765.48	2,018.60	(253.12)
31-Mar-23	HDFC,DBS, SCB	Borrowing	1,765.48	1,768.60	(3.12)
31-Mar-23	ICICI	Borrowing	1,765.48	1,755.58	9.90

** Remarks for discrepancy: As represented to us, the discrepancy in respect of debtors, creditors, sales for the period, purchases for the period and borrowings for the period were attributable to the Company's financial closure process being not fully completed at the time of filing quarterly statements and clerical errors at the time of filing returns with banks.

Also refer Note 21 to the Standalone financial statements regarding submission of the revised statements to the respective banks during July 2023.

(iii) (a) During the year the Company has provided loans and guarantees to companies as follows:

Particulars	Loans (in MINR)	Guarantees (in MINR)
Aggregate amount granted/provided during the year - Subsidiaries	91.34	75.00
Balance outstanding as at balance sheet date in respect of above cases - Subsidiaries	270.30	75.00

During the year the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to Limited Liability Partnerships or any other parties.

(b) During the year the investments made, guarantees provided, and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees to companies are not prejudicial to the Company's interest.

(c) The Company has granted loans during the year to its subsidiaries where the schedule of repayment of principal and payment of interest has been stipulated. However, there have been delays noted in the following case:

Name of the Entity	Amount (in MINR)	Due date	Date of payment	Extent of delay (in days)
Stanworth Management India Private Limited	2.50	31 March 2023	19 June 2023	80

(d) There are no amounts of loans and advances in the nature of loans granted to Companies, Firms, Limited Liability Partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to Companies, Firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to subsidiary companies. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments, guarantees and security in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, professional tax, income-tax, goods and services tax, cess and other statutory dues have been regularly deposited with the appropriate authorities though there have been delays in respect of: Provident Fund (up to 187 days); Professional Tax (up to 40 days); and Labour Welfare Fund (up to 1,261 days).

According to the information and explanations given to us and based on audit procedures performed by us, undisputed dues in respect of goods and services tax, provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of customs, duty of excise, value added tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of the Statute	Nature of the Dues	Amount (in MINR)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Labour Welfare Fund Act, 1965	Dues relating to gratuity payable, salary payable and bonus payable to employees unpaid for a period greater than 3 years to be transferred to Labour Welfare fund	38.97	FY 2016-17 to FY 2019-20	Various dates	Not Paid	NA
Goods and Services Tax	Dues relating to payment of GST	41.93	FY 2020-21 to FY 2022-23	Various dates	Not Paid	Also refer Note 51 to the Standalone Financial Statements.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Nature of the statute	Nature of dues	Amount in MINR	Period to which the amount relates	Form where dispute is pending
The Gujarat Panchayats, Municipalities, Municipal Corporations and State Tax on Professions, Traders, Callings and Employment Act, 1976	Professional Tax	5.61*	March 2011 to December 2019	The Court of Professional Tax Officer and Taluka Development Officer at Sanand.
The Provident Fund Act, 1952	Provident Fund	3.63	January 2012 to October 2014	Regional Assistant Provident Fund Commissioner (RAPFC)
Goods and Services Tax Act, 2017	GST Input Credit	1.13	FY 2021-22	Joint Commissioner Appeals Chennai
Income Tax Act, 1961	Income Tax	410.72	FY 2016-17	Commissioner of Income Tax (Appeal)

*The Company has paid an amount of MINR 5.61 under protest with the above-mentioned authorities.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) In our opinion and according to the information and explanations given by the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

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(b) In our opinion and according to the information and explanations given by the Company, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, the Company has used funds raised on short-term basis in the form of short-term revolving loan aggregating to ₹ 350 million for long-term purposes representing acquisition of shares of a subsidiary.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments). Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has complied with provisions of Sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares/fully or partially or optionally convertible debentures respectively during the year. As disclosed in Note 16(b) to the Standalone Financial Statements these shares have been issued for consideration other than cash to settle certain liabilities.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-Section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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

(xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Standalone Financial Statements, as required by the applicable accounting standards.

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

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has complied with requirements of Section 192 for the non-cash transactions with one of its directors in respect of acquisition of shares in a Subsidiary held by such director for a consideration other than cash (through issue of its equity shares). Further, the Company has not entered into any non-cash transactions with persons connected with the directors as referred to in Section 192 of Companies Act, 2013.

(xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

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

(d) There is no Core Investment Company as part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

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

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in Note 52 to the Standalone Financial Statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

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

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub-section 5 of Section 135 of the Act. This matter has been disclosed in Note 34 to the Standalone Financial Statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub-section (6) of Section 135 of Companies Act. This matter has been disclosed in Note 34 to the Standalone Financial Statements.

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

per Aravind K
Partner
Membership Number: 221268
UDIN: 23221268BGXPPM5643

Place of Signature: Chennai
Date: 6 July 2023

Annexure 2

To the Independent Auditor's Report of even date on the Standalone Financial Statements of Updater Services Limited

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

We have audited the internal financial controls with reference to Standalone Financial Statements of Updater Services Limited ("the Company") as of 31 March 2023, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per Aravind K
Partner
Membership Number: 221268
UDIN: 23221268BGXPPM5643

Place of Signature: Chennai
Date: 6 July 2023

Standalone Balance Sheet

as at 31 March 2023

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

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	331.96	228.84
Capital Work-in-Progress	4A	-	18.47
Intangible assets	4B	0.06	0.14
Right-of-use assets	38	30.71	0.76
Contract Assets	10	219.93	186.81
Financial assets			
(i) Investments	5	3,782.38	1,669.78
(ii) Loans	6	109.24	65.98
(iii) Other financial assets	7	60.68	65.22
Non-current tax assets (net)	8	414.12	403.91
Deferred tax asset (net)	15	351.41	383.92
Other non-current assets	9	21.71	116.53
Total Non-Current Assets		**5,322.20**	**3,140.36**
Current assets			
Contract Assets	10	318.16	315.83
Financial assets			
(i) Trade receivables	11	2,872.48	2,364.62
(ii) Cash and cash equivalents	12	240.64	21.64
(iii) Bank balances other than (ii) above	13	89.29	85.90
(iv) Loans	6	6.12	7.58
(v) Other financial assets	7	125.36	70.89
Other current assets	9	161.88	100.90
Total Current Assets		**3,813.93**	**2,967.36**
TOTAL ASSETS		**9,136.13**	**6,107.72**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	529.52	528.17
Other equity			
Retained earnings	17	2,075.16	1,739.17
Capital redemption reserve	17	20.75	20.75
Securities premium	17	601.95	559.43
Employee stock option reserve	17	48.08	36.36
Total equity		**3,275.46**	**2,883.88**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	21	179.25	-
(ii) Lease liabilities	38	25.95	0.79
(iii) Other Financial liabilities	23	608.02	123.20
Net Employee defined benefit liabilities	19	462.36	428.30
Total Non-Current Liabilities		**1,275.58**	**552.29**
Current Liabilities			
Financial liabilities			
(i) Borrowings	21	1,586.23	575.76
(ii) Lease Liabilities	38	15.54	3.85
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	22	37.69	20.69
Total outstanding dues of creditors other than micro enterprises and small enterprises	22	250.98	198.91
(iv) Other current financial liabilities	23	1,938.84	1,203.93
Other current liabilities	24	511.80	451.17
Current tax liabilities (net)	20	9.14	9.14
Short-Term Provisions	18	61.67	63.68
Net Employee defined benefit liabilities	19	173.20	144.42
Total Current Liabilities		**4,585.09**	**2,671.55**
TOTAL LIABILITIES		**5,860.67**	**3,223.84**
TOTAL EQUITY AND LIABLITIES		**9,136.13**	**6,107.72**
Summary of Significant Accounting Policies	1-2		
The accompanying notes form an integral part of Standalone Financial Statements	3-55		

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

Per Aravind K
Partner
Membership Number: 221268

Place: Chennai
Date: 6 July 2023

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

Raghunandana Tangirala
Managing Director
(DIN: 00628914)

Place: Mumbai
Date: 6 July 2023

Pondicherry Chidambaram Balasubramanian
Director
(DIN: 00584548)

Place: Chennai
Date: 6 July 2023

Balaji Swaminathan
Chief Financial Officer

Place: Chennai
Date: 6 July 2023

Ravishankar B
Company Secretary
Membership Number: 08688
Place: Chennai
Date: 6 July 2023

Standalone Statement of Profit and Loss

for the year ended 31 March 2023

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

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from contracts with customers	25	13,085.42	10,706.72
Other income	26	62.52	75.85
Fair value gain on financial Instruments at FVTPL	27	145.78	1.68
Finance income	28	77.21	60.79
Total Income		**13,370.93**	**10,845.04**
Expenses			
Employee benefits expense	29	11,434.72	9,331.16
Finance costs	30	124.12	44.56
Depreciation and amortisation expense	31	151.50	56.51
Impairment losses on financial instrument and contract assets	32	67.22	80.88
Fair value changes in Liability payable/paid to promoters of acquired subsidiary	33	21.43	40.20
Other expenses	34	1,193.40	924.40
Total Expense		**12,992.39**	**10,477.71**
Profit before tax		**378.54**	**367.33**
Tax Expense:			
Current tax		20.63	54.51
Adjustment of tax relating to earlier periods		5.27	(15.59)
Deferred Tax:			
Deferred tax charge/(credit)		28.53	(40.99)
Income tax expense/(Credit)	**35**	**54.43**	**(2.07)**
Profit after tax		**324.11**	**369.40**
Other Comprehensive Income:			
Items that will not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit obligations (net)		15.87	(23.10)
Income tax effect		(3.99)	5.81
		11.88	**(17.29)**
Other comprehensive income for the year, net of tax		**11.88**	**(17.29)**
Total comprehensive income for the year, net of tax		**335.99**	**352.11**
Earnings per equity share (EPS)			
Basic (Amount in ₹)	36	6.14	6.99
Diluted (Amount in ₹)	36	6.07	6.95
Summary of Significant Accounting Policies	1-2		
The accompanying notes form an integral part of Standalone Financial Statements	3-55		

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

Per Aravind K
Partner
Membership Number: 221268

Place: Chennai
Date: 6 July 2023

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

Raghunandana Tangirala
Managing Director
(DIN: 00628914)

Place: Mumbai
Date: 6 July 2023

Pondicherry Chidambaram Balasubramanian
Director
(DIN: 00584548)

Place: Chennai
Date: 6 July 2023

Balaji Swaminathan
Chief Financial Officer

Place: Chennai
Date: 6 July 2023

Ravishankar B
Company Secretary
Membership Number: 08688
Place: Chennai
Date: 6 July 2023

Statement of Changes in Equity

for the year ended 31 March 2023

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

(a) Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	Number of shares	Amount
For the year ended 31 March 2023		
Balance as on 1 April 2022	5,28,17,479	528.17
Add: Shares issued during the year	1,34,988	1.35
Balance as on 31 March 2023	**5,29,52,467**	**529.52**
For the year ended 31 March 2022		
Balance as on 1 April 2021	5,28,17,479	528.17
Add: Shares issued during the year	-	-
Balance as on 31 March 2022	**5,28,17,479**	**528.17**

(b) Other equity

Particulars	Retained Earnings	Capital Redemption Reserve	Securities Premium	Employee Stock Options Reserve	Total
As at 31 March 2021	1,387.06	20.75	559.43	34.05	2,001.29
Add: Profit for the year	369.39	-	-	-	369.39
Employee stock options provided (Refer Note 39)	-	-	-	2.31	2.31
Other Comprehensive Income/ (Loss)	(17.28)	-	-	-	(17.28)
As at 31 March 2022	**1,739.17**	**20.75**	**559.43**	**36.36**	**2,355.71**
Add: Profit for the year	324.11	-	-	-	324.11
Premium on issue of shares for consideration other than cash	-	-	42.52	-	42.52
Other Comprehensive Income/ (Loss)	11.88	-	-	-	11.88
Employee stock options provided (Refer Note 39)	-	-	-	11.72	11.72
As at 31 March 2023	**2,075.16**	**20.75**	**601.95**	**48.08**	**2,745.94**

Summary of Significant Accounting Policies 1-2

The accompanying notes form an integral part of Standalone Financial Statements 3-55

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

Per Aravind K
Partner
Membership Number: 221268

Place: Chennai
Date: 6 July 2023

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

Raghunandana Tangirala
Managing Director
(DIN: 00628914)

Place: Mumbai
Date: 6 July 2023

Pondicherry Chidambaram Balasubramanian
Director
(DIN: 00584548)

Place: Chennai
Date: 6 July 2023

Balaji Swaminathan
Chief Financial Officer

Place: Chennai
Date: 6 July 2023

Ravishankar B
Company Secretary
Membership Number: 08688
Place: Chennai
Date: 6 July 2023

Standalone Cash Flow Statement

for the year ended 31 March 2023

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

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax		378.54	367.33
Adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortisation expense		151.50	54.17
Finance costs		124.12	44.56
Finance income		(47.00)	(60.79)
Fair value changes in Liability payable to promoters of acquired subsidiary		21.43	40.20
Fair value gain on financial Insutruments at FVTPL		(145.78)	-
Impairment for doubtful trade receivables and contract assets		-	37.65
Liability payable to promoters of acquired subsidiary no longer required written back		-	(18.94)
Impairment on loans to related parties and other advances		55.58	38.67
Lease liability write back on termination		(1.43)	-
Provision/Liability no longer required written back		(56.05)	(30.46)
(Profit)/Loss on sales of property, plant and equipment		(1.06)	8.54
Gain on buy back of Company's Investments in Subsidiary		-	(22.50)
Bad debts written off		-	0.67
Expected credit loss on reimbursement right of gratuity		11.64	4.57
Advances written off		-	2.49
Unrealised Exchange differences (net)		0.10	0.17
Dividend Income		(30.21)	-
Employee stock option expenses		3.10	2.31
Operating cash flow before working capital changes		**464.48**	**468.64**
Movements in working capital:			
(Increase)/decrease in trade receivables and contract assets		(499.00)	(404.49)
(Increase)/decrease in other financial assets		(55.94)	(61.16)
(Increase)/decrease in non-financial assets		(60.98)	(12.53)
Increase/(decrease) in trade payables		59.71	9.24
Increase/ (decrease) in current liabilities, current financial liabilities and provisions		286.75	382.84
Cash generated from operations		**195.02**	**382.54**
Direct taxes paid (net of refunds)		(29.92)	(43.64)
Net cash flow from operating activities	**A**	**165.10**	**338.90**
Cash flow from investing activities			
Purchase of property, plant and equipment, capital advance and capital work-in-progress		(148.32)	(319.63)
Investment in Subsidiaries		(855.28)	(710.46)
Loans given to subsidiaries		(107.02)	(63.95)
Proceeds from buy back of Company's Investments in Subsidiary		-	33.55
Repayment of loan from subsidiaries		18.71	-
Investments in fixed deposits		(2,943.96)	(1,575.82)
Redemption/Maturity of fixed deposits		2,945.47	1,659.10
Proceeds from sale of property, plant and equipment		4.09	1.22
Dividends received from subsidiary company		30.21	-
Finance income		41.46	60.79
Net cash flow used in investing activities	**B**	**(1,014.64)**	**(915.20)**

Standalone Cash Flow Statement

for the year ended 31 March 2023

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

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Cash flow from financing activities			
Proceeds from long-term borrowings		303.99	-
Repayment of long-term borrowings		(47.92)	-
Proceeds from short-term borrowings		10,486.28	8,822.31
Repayment of short-term borrowings		(9,560.04)	(8,361.31)
Payment of principal portion of lease liabilities		(7.64)	(1.93)
Finance cost		(106.13)	(72.76)
Net cash flow from financing activities	**C**	**1,068.54**	**386.31**
Net increase/(decrease) in cash and cash equivalents	**A+B+C**	**219.00**	**(189.99)**
Cash and cash equivalents at the beginning of the year	12	21.64	211.63
Cash and cash equivalents at the end of the year (Refer Note 12)		240.64	21.64
Non-cash investing and financing activities			
Acquisition of Right of use assets (Refer Note 38)		47.04	3.09
Share issued to erstwhile promoters of acquired subsidiary (Refer Note 5(c))		43.87	-
Refer note 14 for change in liabilities arising from financing activities.			
Summary of Significant Accounting Policies	1-2		
The accompanying notes form an integral part of Standalone Financial Statements	3-55		

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

Per Aravind K
Partner
Membership Number: 221268

Place: Chennai
Date: 6 July 2023

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

Raghunandana Tangirala
Managing Director
(DIN: 00628914)

Place: Mumbai
Date: 6 July 2023

Pondicherry Chidambaram Balasubramanian
Director
(DIN: 00584548)

Place: Chennai
Date: 6 July 2023

Balaji Swaminathan
Chief Financial Officer

Place: Chennai
Date: 6 July 2023

Ravishankar B
Company Secretary
Membership Number: 08688
Place: Chennai
Date: 6 July 2023

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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

1. Corporate information

Updater Services Limited ("the Company") [Formerly Known as Updater Services Private Limited] was incorporated on 13 November 2003.The standalone financial statement is for the year ended 31 March 2023. The Company is a limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at No. 2/302-A, UDS Salai, off Old Mahabalipuram Road, Thoraipakkam, Chennai. Updater Services Limited (Formerly Known as Updater Services Private Limited) is engaged in providing facility management services like integrated facility management services to various industries such as information technology, information technology enabled services, manufacturing, hospitality and other industries and catering services, which includes industrial catering, and services at food courts.

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

The standalone financial statements were approved for issue in accordance with a resolution of the Board of Directors on 6 July 2023

2. Significant Accounting Policies

2.1 Basis of Accounting and Preparation of Standalone Financial Statements

The accompanying standalone financial statements comprising the standalone Balance Sheet as of 31 March 2023, standalone statement of profit and loss for the year ended 31 March 2023, standalone cash flow statement for the year ended 31 March 2023 and the standalone statement of changes in equity for the year ended 31 March 2023 have been prepared in accordance with Indian Accounting Standards, as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 as amended and presentation and disclosure requirements of Division II of Schedule III to the Companies Act, 2013.

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

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

a) Certain financial assets and liabilities measured at fair value as explained in the accounting policies; and

b) Defined benefit plan assets measured at fair value.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

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

2.2 Summary of Significant Accounting Policies

a) Current Versus Non-current Classification

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

- Expected to be realised or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.
- A liability is current when:
  - It is expected to be settled in normal operating cycle;
  - It is held primarily for the purpose of trading
  - It is due to be settled within twelve months after the reporting period, or
  - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non- current.

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

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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

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

b) Property, Plant and Equipment

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

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

For depreciation purposes, the Company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the life of the principal asset and depreciates them separately based on their specific useful lives. Expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred when recognition criteria are not met.

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

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

Depreciation

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

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

Asset Classification	Estimated Useful Life (Years)	Useful lives as per Sch-II of Companies Act, 2013 (years)
Plant and machinery*	5	15
Furniture and fittings	10	10
Office equipment	5	5
Vehicles	8	8
Computer and accessories	3	3
Building	30	30

*The Company is using useful life different from the life prescribed in Schedule II of the Companies act based on technical estimate by expert. The Plant and Machinery are used more than one shift and based on the nature of assets and Industry of the Company, such assets can be used for a period of 5 years.

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

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

c) Intangible Assets

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

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

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

Derecognition of Intangible Assets

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

A summary of the policies applied to the Company's intangible assets is, as follows:

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

d) Impairment of Non-financial Assets

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

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

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

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

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

e) Revenue from Contracts with Customers

The Company derives revenue primarily from Integrated Facility Management services. Further, it also provides training and skill development services under the workforce management. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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

Revenue is recognised upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The contract with customer for Integrated Facility Management services, generally contains a single performance obligation and revenue is measured at the transaction price of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company's contracts may include variable consideration including discounts and penalties which are reduced from revenues and recognised based on an estimate of the expected pay out relating to these considerations (expected price concessions). Revenue is adjusted for expected price concessions based on the management estimates.

Revenue from Integrated Facility Management services (Supply of Manpower) is recognised over time since the customer simultaneously receives and consumes the benefits. The invoicing for these services is either based on cost plus a service fee or fixed fee model depending upon the contract with customer

Revenue from training and skill development services are recognised over time based on satisfaction of specific performance criteria included in contractual arrangements with customers. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor and has pricing latitude which establishes control before transferring products and services to the customer. The Company's receivables are rights to consideration that are unconditional.

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

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

Dividend Income

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

Interest Income

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

Contract Balances

(i) Contract Assets

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

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

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (f)(iv).

(ii) Trade Receivables

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

(iii) Contract Liabilities

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

(iv) Refund Liabilities

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

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f) Financial Instruments

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

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (e) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss.

(i) Financial Assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash fows; and
- the contractual terms of the instrument give rise on specifed dates to cash fows that are solely payments on principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

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

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- 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.

Investment in equity instruments issued by subsidiaries are measured at cost less impairment.

(ii) Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item.

(iii) Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. Investments in Mutual funds are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "Other Income" line item.

(iv) Impairment of Financial Assets

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Provision for ECL is recognised for financial assets measured at amortised cost and fair value through other comprehensive income. It is the Company's policy to measure ECLs on financial assets on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

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

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

(v) De-recognition of Financial Assets

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

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

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(vi) Reclassification of Financial Assets

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

(vii) Financial Liabilities and Equity Instruments

1) **Classification as Debt or Equity**

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

2) **Equity Instruments**

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(viii)Financial Liabilities

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

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at FVTPL are recognised in profit or loss.

(ix) Financial Liabilities Subsequently Measured at Amortised Cost

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

(x) Effective Interest Method

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

(xi) De-recognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or have expired, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

The Company has applied the de-recognition requirements of financial liabilities prospectively for transactions occurring on or after 1 April 2017 (the transition date).

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(xii) Derivative Financial Instruments

Initial Recognition and Subsequent Measurement

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

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

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

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

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

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

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

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

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

(i) Fair Value Hedges

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

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

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

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

(ii) Cash Flow Hedges

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

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

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

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

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

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

(iii) Hedges of a Net Investment

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

(xiii) Offsetting of Financial Instruments

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

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g) Leases

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

As A Lessee

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

i. Right-of-use Assets

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

Asset Classification	Estimated Useful Life (Years)
Building	1 – 5

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

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

ii. Lease Liabilities

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

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset (see Note 38).

iii. Short-term Leases and Leases of Low-value Assets

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

As A Lessor

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

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

h) Retirement and Other Employee Benefits

i. Compensated Absences

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

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

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

ii. Post-employment Obligations

The Company operates the following post-employment schemes:

i) Gratuity Obligations

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

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

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

Past service cost is recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises

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the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs and
- Net interest expense or income.

ii. Retirement Benefits

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

i) Taxes

Current Income Tax

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

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

Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and written off to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

j) Government Grants

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

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

The Company is availing of benefits under a government scheme – Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) wherein the Central Government is paying the employer's contribution towards Employee Pension Scheme/Provident Fund in respect of new employees meeting specified criteria. The same is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed (Refer Note 29).

k) Financial Guarantee Contracts

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

l) Fair Value Measurement

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

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

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

The principal or the most advantageous market must be accessible by the Company.

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value,

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maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

Involvement of external valuers is decided upon annually by the Company. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. Other fair value related disclosures are given in the relevant notes (Refer Note 46).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above (Refer Note 47).

m) Segment Reporting

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

The Managing Director of the Company has been identified as being the chief operating decision maker (CODM), he evaluates the company's performance, allocate resources based on the analysis of the various performance indicator of the Company into two segments viz. 'Integrated Facility Management Services' and 'Business Support Services'.

n) Earnings Per Share

Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period.

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

o) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous Contract

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

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

If it is no longer probable that the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, the provision shall be reversed

p) Contingent Liabilities and Contingent Assets

Contingent liability is disclosed for,

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

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

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

q) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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

r) Borrowing Costs

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

s) Share-based Payments

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

Equity-settled Transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in Note 39.

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

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

Notes to Standalone Financial Statements
for the year ended 31 March 2023

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

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

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

t) Foreign Currencies

Functional and Presentation Currency

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates, i.e., the "functional currency". The standalone financial statements are presented in Indian rupee (INR), which is functional and presentation currency of the Company.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

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

u) Contingent Consideration

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

v. Changes in Accounting Policies and Disclosures

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2022 to amend the following Ind AS which are effective from 1 April 2022.

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

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

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The Company has evaluated the amendment and the impact is not expected to be material.

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

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

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

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

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

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

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

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

iv. Ind AS 109 Financial Instruments – Fees in The '10 per cent' Test for Derecognition of Financial Liabilities

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

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

v. Ind AS 41 Agriculture – Taxation in Fair Value Measurements

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

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

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3 Property, plant and equipment

Particulars	Building	Plant and Machinery	Furniture and Fixtures	Office Equipments	Vehicles	Computer and Accessories	Leasehold improvements	Total
Gross Carrying amount/Deemed Cost								
At 1 April 2021	17.76	228.03	10.27	10.34	13.21	28.10	7.02	314.73
Additions	-	39.14	0.22	0.34	156.25	8.58	-	204.53
Disposals	-	(78.93)	(0.12)	(3.09)	(1.48)	(15.56)	(6.02)	(105.20)
At 31 March 2022	**17.76**	**188.24**	**10.37**	**7.59**	**167.98**	**21.12**	**1.00**	**414.06**
Additions	-	95.55	-	0.57	132.69	11.67	-	240.48
Disposals	-	(32.74)	(2.38)	(0.78)	(1.39)	(5.34)	-	(42.63)
As at 31 March 2023	**17.76**	**251.05**	**7.99**	**7.38**	**299.28**	**27.45**	**1.00**	**611.91**
Accumulated Depreciation								
At 1 April 2021	5.29	170.05	4.81	8.32	8.96	22.89	6.23	226.55
Charge for the period	1.18	31.49	1.11	1.04	14.32	4.68	0.30	54.12
Disposals	-	(71.32)	(0.05)	(2.72)	(1.28)	(14.36)	(5.72)	(95.45)
At 31 March 2022	**6.47**	**130.22**	**5.87**	**6.64**	**22.00**	**13.21**	**0.81**	**185.22**
Charge for the period	1.07	49.45	1.41	0.67	73.61	8.01	0.11	134.33
Disposals	-	(30.46)	(2.25)	(0.74)	(1.23)	(4.92)	-	(39.60)
As at 31 March 2023	**7.54**	**149.21**	**5.03**	**6.57**	**94.38**	**16.30**	**0.92**	**279.95**
Net Block								
As at 31 March 2023	**10.22**	**101.84**	**2.96**	**0.81**	**204.90**	**11.15**	**0.08**	**331.96**
At 31 March 2022	**11.29**	**58.02**	**4.50**	**0.95**	**145.98**	**7.91**	**0.19**	**228.84**

Note:

Cash credit, Working Capital Demand Loan, Short-term revolving loan are secured by first *pari passu* charge on certain moveable assets. Term loan is secured by charge on certain movable fixed assets of the Company and second charge on current assets of the Company (Refer Note 21).

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4A Capital Work-in-Progress (CWIP)

Particulars	Amount
At 1 April 2021	-
Add: Addition	-
Less: Capitalised	-
As at 30 September 2021	-
Add: Addition	18.47
Less: Capitalised	-
At 31 March 2022	**18.47**
Add: Addition	-
Less: Capitalised	(18.47)
As at 31 March 2023	**-**

There are no overdue or temporarily suspended Capital Work-in-Progress.

Capital Work-in-Progress (CWIP) Ageing Schedule

Particulars	As at 31 March 2023	As at 31 March 2022
Projects in progress (In Transit)		
Less than 1 year	-	18.47
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	**-**	**18.47**

4B Intangible assets

Particulars	Computer software	Total
Gross Carrying amount/Deemed Cost		
At 1 April 2021	3.58	3.58
Additions	-	-
Disposals	-	-
At 31 March 2022	**3.58**	**3.58**
Additions	-	-
Disposals	-	-
As at 31 March 2023	**3.58**	**3.58**
Accumulated Amortisation		
At 1 April 2021	3.38	3.38
Charge for the Period	0.06	0.06
Disposals	-	-
At 31 March 2022	**3.44**	**3.44**
Charge for the period	0.08	0.08
Disposals	-	-
As at 31 March 2023	**3.52**	**3.52**
Net Block		
As at 31 March 2023	**0.06**	**0.06**
At 31 March 2022	**0.14**	**0.14**

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for the year ended 31 March 2023

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

5 Investments

		As at 31 March 2023	As at 31 March 2022
A	**Non-current investments**		
	Investments at Cost		
	Unquoted equity instruments in subsidiaries		
a)	Athena BPO Private Limited	1,437.74	-
	57,584 (31 March 2022: Nil) equity shares of ₹ 100 each fully paid up		
b)	Denave India Private Limited	1,397.45	753.15
	96,66,329 (31 March 2022: 96,66,329) equity shares of ₹ 10 each fully paid up		
c)	Matrix Business Services India Private Limited	488.02	488.02
	3,83,710 (31 March 2022: 3,65,935) equity shares of ₹ 10 each, fully paid up		
d)	Washroom Hygiene Concepts Private Limited	188.06	188.06
	97,148 (31 March 2022: 97,148) Equity Shares of ₹ 10 each, fully paid up		
e)	Fusion Foods India Private Limited	142.50	142.20
	17,401 (31 March 2022: 17,401) equity shares of ₹ 10 each fully paid up		
f)	Avon Solutions and Logistics Private Limited	68.64	68.64
	18,883 (31 March 2022: 18,883) equity shares of ₹ 100 each fully paid up		
g)	Stanworth Management Private Limited	26.57	26.32
	17,32,000 (31 March 2022: 17,32,000) equity shares of ₹ 10 each fully paid up		
h)	Global Flight Handling Services Private Limited	31.20	1.19
	8,325 (31 March 2022: 7,000) equity shares of ₹ 10 each fully paid up		
i)	Tangy Supplies & Solutions Private Limited	1.00	1.00
	99,999 (31 March 2022: 99,999) equity shares of ₹ 10 each fully paid up		
j)	Wynwy Technologies Private Limited	1.00	1.00
	99,999 (31 March 2022: 99,999) equity shares of ₹ 10 each fully paid up		
k)	Integrated Technical and Staffing Solutions Private Limited	0.10	0.10
	9,999 (31 March 2022: 9,999) equity shares of ₹ 10 each fully paid up		
l)	Updater Services (UDS) Foundation	0.10	0.10
	9,999 (31 March 2022: 9,999) equity shares of ₹ 10 each fully paid up		
		3,782.38	**1,669.78**
	Current	-	-
	Non-Current	3,782.38	1,669.78
	Aggregate value of unquoted investments*	3,782.38	1,669.78

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

a) Athena BPO Private Limited - During the year ended 31 March 2023, the Company has acquired 57% equity ownership in Athena BPO Private Limited ("Athena") at an investment of ₹ 1437.74 million as equity share capital. Athena is in the business of providing business process outsourcing (BPO). Investment recorded during the year includes ₹ 586.74 million on account of obligation to purchase future share, recognised pursuant to Shareholder's Agreement between the Company and the erstwhile promoters of Athena. (Refer Note 23)

b) Denave India Private Limited - During the year ended 31 March 2022, the Company had acquired 52% equity ownership in Denave India Private Limited ("Denave") at an investment of ₹ 629.96 million as equity share capital. Denave is primarily engaged in the business of providing Sales Enablement & Other support and staffing services to various industries. Investment recorded during the previous year ended 31 March 2022 includes an amount of ₹ 123.2 million of put option liability on account of option to purchase additional shares in future pursuant to Sharholder's Agreement between the Company and the erstwhile promoters of Denave.

During the year ended 31 March 2023, the Company is under an obligation to buy additional 24% ownership (such shares will be acquired subsequent to 31 March 2023) in Denave India Private Limited as per the share purchase agrement entered with the promoters of acquired subsidary. Basis the same, the Company has recorded additional investment amounting to ₹ 665.80 million. In addition, the derivative option for the balance acquisition has been remeasured and the corresponding fair value change has been accounted in the Profit and loss statement. (Also refer notes 23 & 27).

Notes to Standalone Financial Statements

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c) Matrix Business Services India Private Limited ("Matrix") - During the year ended 31 March 2020, the Company has acquired 75% equity ownership in Matrix Business Services India Private Limited ("Matrix") by investing a total of ₹ 391.50 million as equity share capital. Matrix is primarily engaged in the business of providing assurance services, claims processing, including employee background verifications checks and product and process audits *inter alia* of warehouses, depots, distributors and distribution centres, retail points and outlets and franchisees. Investment recorded during the previous years includes ₹ 96.52 million on account of obligation to purchase future share, recognised pursuant to Shareholder's Agreement between the Company and the erstwhile promoters of Matrix. During the year ended 31 March 2022 the Company has acquired 12.5% Equity ownership in Matrix, out of total obligation of future purchase of shares.

During current year ended 31 March 2023, the Company had entered into an addendums with erstwhile promoters for acquisition of remaining equity shares (of Tranche III - 52,276 equity shares), wherein the erstwhile promoters has participated in the buyback offer extended by Matrix vide letter dated 19 September 2022 for 34,500 equity shares. Subsequently, the Company has acquired 8,888 equity shares of Matrix by paying a consideration of ₹ 43.87 million and for balance equity shares, the Company has allotted 134,988 equity shares of UDS for consideration other than cash to the erstwhile promoters of Matrix aggregating to ₹ 43.87 million by way of preferential allotment in lieu of acquisition of the balance 8,888 equity shares of Matrix.

d) Global Flight Services Private Limited ("GFHSPL"): During the year ended 31 March 2023, the Company entered into an agreement with the erstwhile promoters of GFHSL to acquire further 1,325 Shares (13.25% stake) in Global Flight Handling Services Private Limited for ₹ 29.81 million. Further, as per the agreement, the Company will be under an obligation to acquire additional 875 shares which are subject to achievement of the performance condition specified in the agreement for the financial year 2025-26. GFHSPL is engaged in the business of Flight Handling, Ground Handling and Facility Management Services including House Keeping, Manpower Recruitment, Security and Maintenance services for Airlines, Business and Industrial Undertakings.

6 Loans (At Amortised Cost)

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
(Considered good, Unsecured unless stated otherwise)				
Loans to related parties #				
- considered good	109.24	65.98	2.50	2.54
- credit impaired	158.45	113.36	-	-
	267.69	**179.34**	**2.50**	**2.54**
Less: Impairment on loans to related parties	(158.45)	(113.36)	-	-
	109.24	**65.98**	**2.50**	**2.54**
Loans to employees				
- considered good	-	-	3.62	5.04
- credit impaired	-	-	3.41	3.41
	-	**-**	**7.03**	**8.45**
Less: Impairment for doubtful loans	-	-	(3.41)	(3.41)
	-	**-**	**3.62**	**5.04**
	109.24	**65.98**	**6.12**	**7.58**

Disclosure required under Section 186(4) of the Companies Act, 2013.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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

Below are the loans given by the Company to its subsidiaries:

Name of the loanee	Rate of Interest	Secured/ Unsecured	As at 31 March 2023	As at 31 March 2022
Wynwy Technologies Private Limited *	9.50%	Unsecured	158.45	113.58
Global Flight Handling Services Private Limited **	9.50%	Unsecured	109.24	65.77
StanWorth Management Private Limited	9.50%	Unsecured	2.50	2.52
			270.19	**181.87**

Below are the Corporate Guarantees given by the Company on behalf of its subsidiaries :

Particulars	As at 31 March 2023	As at 31 March 2022
Global Flight Handling Services Private Limited	20.00	-
Stanworth Management Private Limited	25.00	-
Fusion Foods and Catering Private Limited	30.00	-
	75.00	**-**

* The Non-Current Loan will be paid in instalments of 25% for 4 years starting from FY 2024-25. In view of continuing losses, negative net worth and current asssessment of Wynwy's ability to repay such loan, the Company has made a provision for the outstanding loans receivable at 31 March 2023 and 31 March 2022 respectively.

** The Non-Current Loan will be paid in instalments of 25% for 4 years starting from FY 2024-25.

Particulars	As at 31 March 2023		As at 31 March 2022	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	0%	-	0%
Directors	-	0%	-	0%
KMPs	-	0%	-	0%
Related parties (before impairment)	270.19	100%	181.88	100%

7 Other financial assets

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
(At Amortised Cost)				
(Considered good, Unsecured unless stated otherwise)				
Retention Deposits				
- considered good	0.20	3.34	-	-
- credit impaired	0.60	0.59	-	-
	0.80	**3.93**	**-**	**-**
Less: Impairment for doubtful deposits	(0.60)	(0.59)	-	-
	0.20	**3.34**	**-**	**-**
Security Deposits				
- considered good	17.02	22.47	36.09	37.58
- credit impaired	-	-	14.76	6.46
	17.02	**22.47**	**50.85**	**44.04**
Less: Impairment for doubtful deposits	-	-	(14.76)	(6.46)
	17.02	**22.47**	**36.09**	**37.58**

Notes to Standalone Financial Statements

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

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Rental deposits				
- considered good	13.34	3.73	35.57	30.65
- credit impaired	3.08	2.70	-	-
	16.42	**6.43**	**35.57**	**30.65**
Less: Impairment for doubtful deposits	(3.08)	(2.70)	-	-
	13.34	**3.73**	**35.57**	**30.65**
Advances recoverable in cash				
- considered good	-	-	0.93	1.13
- credit impaired	-	-	0.31	2.90
	-	**-**	**1.24**	**4.03**
Less: Impairment for doubtful advances	-	-	(0.31)	(2.90)
	-	**-**	**0.93**	**1.13**
Interest accrued and not due on bank deposits	-	-	0.86	1.53
Bank balances other than cash and cash equivalents				
- Margin Money deposits with banks #	30.12	28.68	-	-
- in long-term deposits with maturity more than 12 months	-	7.00	-	-
At Fair Value Through Profit or Loss (FVTPL)				
Call/Put Option asset [Refer Note 5(A)(b)]	-	-	43.30	-
Other financial assets	-	-	8.61	-
	60.68	**65.22**	**125.36**	**70.89**

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

8 Non-current tax assets (net)

Particulars	Non-Current	
	As at 31 March 2023	As at 31 March 2022
Advance income taxes	1,072.07	1,121.70
Less: Provision for income taxes	(657.95)	(717.79)
	414.12	**403.91**

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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

9 Other Assets (At Amortised Cost)

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
(Considered good, Unsecured unless stated otherwise)				
Balance with government authorities (Refer Note 42 (a))				
- considered good	5.61	5.61	31.21	36.84
- credit impaired	-	-	4.16	4.16
	5.61	**5.61**	**35.37**	**41.00**
Less: Provision for doubtful balance with government authorities	-	-	(4.16)	(4.16)
	5.61	**5.61**	**31.21**	**36.84**
Capital Advance				
- considered good	16.10	110.92	-	-
- credit impaired	0.06	0.95	-	-
	16.16	**111.87**	**-**	**-**
Less: Provision for doubtful capital advances	(0.06)	(0.95)	-	-
	16.10	**110.92**	**-**	**-**
Advances for supply of goods				
- considered good	-	-	17.52	13.00
- credit impaired	-	-	14.38	13.33
	-	**-**	**31.90**	**26.33**
Less: Provision for doubtful advances for supply of goods	-	-	(14.38)	(13.33)
	-	**-**	**17.52**	**13.00**
Advances to employees				
- considered good	-	-	17.04	8.71
- credit impaired	-	-	2.01	2.01
	-	**-**	**19.05**	**10.72**
Less: Provision for doubtful advances to employees	-	-	(2.01)	(2.01)
	-	**-**	**17.04**	**8.71**
Prepaid Expenses	-	-	36.19	42.35
Share issue expenses *	-	-	59.92	-
	21.71	**116.53**	**161.88**	**100.90**

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

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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

10 Contract Assets

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Reimbursement right of gratuity*				
- considered good	219.93	186.81	156.12	131.78
- credit impaired	-	10.55	22.96	-
	219.93	**197.36**	**179.08**	**131.78**
Less: Provision for Expected Credit Loss (ECL)		(10.55)	(22.96)	-
	219.93	**186.81**	**156.12**	**131.78**
Unbilled revenue				
- considered good	-	-	162.04	184.05
- credit impaired	-	-	2.44	3.00
	-	**-**	**164.48**	**187.05**
Less: Provision for Estimated Price Concession (EPC)	-	-	(2.44)	(3.00)
	-	**-**	**162.04**	**184.05**
	219.93	**186.81**	**318.16**	**315.83**

Movement of Contract Assets

Particulars	As at 31 March 2023	As at 31 March 2022
As at 1 April	502.65	440.02
Add: Addition during the year	247.77	516.20
Less: billed during the year	(186.93)	(440.02)
Less: Provision for expected credit loss and Estimated Price Concession	(25.40)	(13.55)
As at 31 March	**538.09**	**502.65**

*Classified as contract assets as there is no unconditional right to consideration and it is dependent on completion of contractual obligations. The Company has recognised gratuity liability and reimbursement right in respect of employees where there is contractual right to receive reimbursement from customers, pursuant to paragraph 116 of Ind AS - 19. (Refer Note 37)

11 A Trade Receivables

Particulars	As at 31 March 2023	As at 31 March 2022
(At Amortised Cost)		
Trade receivables	2,037.87	1,743.66
Trade receivable from related parties (Note 44)	62.72	0.82
	2,100.59	**1,744.48**
Security details		
Considered good, Secured	-	-
Considered good, Unsecured	2,100.59	1,744.48
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	65.85	115.45
	2,166.44	**1,859.93**
Impairment allowance (allowance for bad and doubtful debts)		
Considered good, Unsecured	(2.16)	(1.79)
Trade Receivables - credit impaired	(63.69)	(113.66)
	(65.85)	**(115.45)**
Trade receivables	**2,100.59**	**1,744.48**

No trade or other receivables are due from Directors or other officers of the Company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days based on the type of the customers. For balances, terms and conditions relating to related parties, refer Note 44.

Notes to Standalone Financial Statements
for the year ended 31 March 2023

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

Movement for expected credit loss

Particulars	As at 31 March 2023	As at 31 March 2022
Opening Balance	1.79	2.48
Provision for expected credit loss	0.37	(0.69)
Closing Balance	**2.16**	**1.79**

B Unbilled Receivables (At Amortised Cost)

Particulars	As at 31 March 2023	As at 31 March 2022
Unbilled receivables**		
- considered good	771.89	620.14
- credit impaired	8.81	6.00
	780.70	**626.14**
Less: Provision for Estimated price concession	(8.81)	(6.00)
	771.89	**620.14**
Total Trade Receivables (A+B)	**2,872.48**	**2,364.62**

Movement of Unbilled receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Opening Balance	620.14	486.83
Add: Addition during the year	739.52	626.14
Less: billed during the year	(578.96)	(486.83)
Less: Provision for Estimated price concession	(8.81)	(6.00)
Closing Balance	**771.89**	**620.14**

**Classified as financial asset as right to consideration is unconditional upon passage of time

12 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Balances with banks:		
- On current accounts	240.64	21.64
	240.64	**21.64**
For the purpose of statement of cashflows, cash and cash equivalents comprise the following:		
On current accounts	240.64	21.64
Total Cash and cash equivalents	**240.64**	**21.64**

Notes to Standalone Financial Statements
for the year ended 31 March 2023

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

13 Bank Balances other than cash and cash equivalents as above

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Margin Money Deposit and earmarked balances with banks*	-	-	89.29	63.16
Long-term deposits with maturity more than 3 months but less than 12 months	-	-	-	22.74
Long-term deposits under lien with maturity more than 12 months	30.12	35.68	-	-
Less: disclosed as part of Non-Current other financial assets	(30.12)	(35.68)	-	-
Total Bank balance other than cash and cash equivalents	**-**	**-**	**89.29**	**85.90**

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

14 Changes in liabilities arising from financing activities

As at 31 March 2023

Particulars	As at 1 April 2022	Cash Inflows	New Leases/ Deletion and Interest	Cash Out Flows	As at 31 March 2023
Borrowings	575.76	10,788.28	120.13	9,718.69	1,765.48
Lease Liabilites	4.64	-	44.48	7.63	41.49

As at 31 March 2022

Changes in liabilities arising from financing activities

Particulars	As at 1 April 2022	Cash Inflows	New Leases/ Deletion and Interest	Cash Out Flows	As at 31 March 2023
Borrowings	114.76	8,861.31	44.29	8,444.60	575.76
Lease Liabilites	6.56	-	3.64	5.56	4.64

15 Deferred Tax Asset (Net)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax assets		
Difference between books balance and Tax balance of Property, plant and equipment	40.10	40.35
Provision for litigation	0.71	0.71
Impairment for doubtful advances and Loan	56.47	40.37
Impairment for doubtful debts and estimated price concession	37.59	110.74
Provision for gratuity	103.02	88.28
Provision for compensated absences	14.55	15.32
Expenses allowable on payment basis	96.02	79.31
Others	0.25	8.47
Deferred tax liability		
Ind AS 116 - Lease Adjustments	2.70	0.37
	351.41	**383.92**

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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

Reconciliation of deferred tax (net):

	As at 31 March 2023	As at 31 March 2022
Opening balance	383.92	337.12
Tax income/(expense) during the period recognised in profit or loss	(28.53)	40.99
Tax income/(expense) during the period recognised in OCI	(3.98)	5.81
Closing balance	**351.41**	**383.92**

16 Equity share capital

	As at 31 March 2023	As at 31 March 2022
Authorised		
7,50,00,000 (31 March 2022: 5,30,00,000) equity shares of ₹ 10 each	750.00	530.00
Issued, subscribed and paid up		
5,29,52,467 (31 March 2022: 5,28,17,479) equity shares of ₹ 10 each fully paid up	529.52	528.17
	529.52	**528.17**

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

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the beginning of the year	5,28,17,479	528.17	5,28,17,479	528.17
Add: Shares issued during the year	1,34,988	1.35	-	-
Outstanding at the end of the year	**5,29,52,467**	**529.52**	**5,28,17,479**	**528.17**

b) 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.

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

During the year ended 31 March 2023, the Company had issued and allotted 134,988 equity shares for consideration other than cash to the erstwhile promoters of acquired subsidiary. Refer Note 5(c).

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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

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

As at 31 March 2023

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

As at 31 March 2022

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

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

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Equity shares of ₹ 10 each fully paid				
Mr Raghunandana Tangirala	1,55,87,702	29.44%	1,63,77,702	31.01%
Ms Shanthi Tangirala	1,62,37,705	30.66%	1,62,37,705	30.74%
Tangi Facility Solutions Private Limited	1,11,73,440	21.10%	1,11,73,440	21.15%
India Business Excellence Fund – II	28,89,161	5.46%	28,89,161	5.47%
India Business Excellence Fund – IIA	61,39,468	11.59%	61,39,468	11.63%

Shares reserved for issue under options

For details of shares reserved for issue under the Share-based payment plan of the Company, please refer Note 39.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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

Promoter's Shareholding

As at 31 March 2023

Promoter Name	Number of shares at the beginning of the period	Change during the period	Number of shares at the end of the period	% of Total Shares	% change during the period
Mr Raghunandana Tangirala	1,63,77,702	(7,90,000)	1,55,87,702	29.44%	-2%
Ms Shanthi Tangirala	1,62,37,705	-	1,62,37,705	30.66%	0%
Tangi Facility Solutions Private Limited	1,11,73,440	-	1,11,73,440	21.10%	0%

As at 31 March 2022

Promoter Name	Number of shares at the beginning of the period	Change during the period	Number of shares at the end of the period	% of Total Shares	% change during the period
Mr Raghunandana Tangirala	1,63,77,705	(3)	1,63,77,702	31.01%	0%
Ms Shanthi Tangirala	1,62,37,705	-	1,62,37,705	30.74%	0%
Tangi Facility Solutions Private Limited	1,11,73,440	-	1,11,73,440	21.15%	0%

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

17 Other Equity

Particulars	As at 31 March 2023	As at 31 March 2022
Retained earnings	2,075.16	1,739.17
Capital redemption reserve	20.75	20.75
Securities premium	601.95	559.43
Employee stock option reserve (Refer Note 39)	48.08	36.36
	2,745.94	**2,355.71**

Retained Earnings

Particulars	Amount
At 1 April 2021	**1,387.06**
Add: Profit for the Year	369.39
Less: Other Comprehensive Loss	(17.28)
At 31 March 2022	**1,739.17**
Add: Profit for the year	324.11
Add: Other Comprehensive income	11.88
At 31 March 2023	**2,075.16**

Capital Redemption Reserve

Particulars	Amount
At 1 April 2021	**20.75**
Changes during the Year	-
At 31 March 2022	**20.75**
Changes during the Year	-
At 31 March 2023	**20.75**

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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

Securities Premium

Particulars	Amount
At 1 April 2021	**559.43**
Changes during the Year	-
At 31 March 2022	**559.43**
Changes during the Year	42.52
At 31 March 2023	**601.95**

Employee Stock Option Reserve

Particulars	Amount
At 1 April 2021	**34.05**
Changes during the Year	2.31
At 31 March 2022	**36.36**
Changes during the Year	11.72
At 31 March 2023	**48.08**

Nature and Purpose of Reserves

(i) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(ii) Capital Redemption Reserve

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

(iii) Employee Stock Option Reserve

The share options-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan. Under Ind AS 102, fair value of the options granted is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service.

(iv) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

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for the year ended 31 March 2023

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18 Provisions

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Provision for leave benefits	-	-	58.87	60.88
Provision for litigations	-	-	2.80	2.80
	-	**-**	**61.67**	**63.68**

19 Net Employee Defined Benefit Liabilities

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Provision for gratuity (Refer Note 37A)	242.43	230.94	50.00	50.00
Provision for gratuity – reimbursement employees (Refer Note 37B)	219.93	197.36	123.20	94.42
	462.36	**428.30**	**173.20**	**144.42**

20 Current Tax Liabilities (Net)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for income taxes (net of advance income taxes)	9.14	9.14
	9.14	**9.14**

21 Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Non-Current Borrowings		
Term Loan from banks (Secured) ****	179.25	-
	179.25	**-**

Particulars	As at 31 March 2023	As at 31 March 2022
Current Borrowings		
Current Maturities of Long-Term Loans (secured) ****	78.63	-
Cash credit from banks (secured) *	-	3.76
Working capital loan (secured) **	1,155.41	572.00
Short-Term Revolving Loan (secured) ***	352.19	-
	1,586.23	**575.76**

*The Company had taken cash credit having interest rate ranging from 6% to 24% pa (31 March 2022 - 7% to 13.70% pa). These facilities are repayable on demand and are secured primarily by way of *pari passu* first charge on the current assets of the Company on both present and future and collateral by way of *pari passu* first charge on the movable assets of the Company both present and future of the Company

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

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

**** During the year ended 31 March 2023, the Company had taken a Term Loan facility with an interest rate ranging from 7.15% to 8.25% pa These facilities are secured by way of charge on certain movable fixed assets of the Company and second charge on current assets of the Company. This facility is repayable by way of 48 equal monthly instalments. The amount repayable within the next 12 months is shown as current borrowings and the balance is shown as non-current borrowings.

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

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

The Summary of differences noted in quarterly statements filed by the Company with banks are as below:

As at 31 March 2023

Borrowings secured against Current Assets

Quarterly statement Period (Refer Note 1)	Name of the Bank	Account	Amount as per books of account	Amount as reported in the quarterly statement	Difference
30-Jun-22	All Banks	Debtor	2,721.48	3,046.41	(324.93)
30-Sep-22	HDFC, SCB, DBS, ICICI, Kotak	Debtor	2,866.53	3,399.90	(533.37)
30-Sep-22	Citi	Debtor	2,866.53	3,386.60	(520.07)
31-Dec-22	All Banks	Debtor	2,179.65	3,295.16	(1,115.51)
31-Mar-23	All Banks	Debtor	2,872.48	2,944.43	(71.95)
30-Jun-22	HDFC, SCB, DBS, Citi, Kotak	Creditor	233.21	66.18	167.03
30-Jun-22	ICICI	Creditor	233.21	-	233.21
30-Sep-22	HDFC, SCB, DBS, Citi, Kotak	Creditor	271.76	153.80	117.96
30-Sep-22	ICICI	Creditor	271.76	-	271.76
31-Dec-22	HDFC, SCB, DBS, Citi, Kotak	Creditor	306.89	271.49	35.40
31-Dec-22	ICICI	Creditor	306.89	-	306.89
31-Mar-23	HDFC, SCB, DBS, Citi, Kotak	Creditor	288.67	348.92	(60.25)
31-Mar-23	ICICI	Creditor	288.67	-	288.67
30-Jun-22	HDFC, SCB, DBS, Citi, Kotak	Sales	2,974.45	2,975.50	(1.05)
30-Jun-22	ICICI	Sales	2,974.45	29,755.00	(26,780.55)
30-Sep-22	HDFC, SCB, DBS, Citi, Kotak	Sales	6,230.53	6,189.40	41.13
30-Sep-22	ICICI	Sales	6,230.53	61,894.00	(55,663.47)
31-Dec-22	All Banks	Sales	9,672.04	9,690.57	(18.53)
31-Mar-23	All Banks	Sales	13,085.42	12,981.21	104.21
30-Jun-22	ICICI	Purchases	238.24	1,600.00	(1,361.76)
30-Sep-22	ICICI	Purchases	515.30	5,499.00	(4,983.70)
31-Dec-22	ICICI	Purchases	808.71	772.22	36.49
31-Mar-23	ICICI	Purchases	1,102.93	1,152.75	(49.82)
30-Jun-22	HDFC, SCB, DBS, Citi, Kotak	Borrowing	1,005.08	1,005.00	0.08
30-Jun-22	ICICI	Borrowing	1,005.08	920.00	85.08
30-Sep-22	HDFC, SCB, DBS, Citi	Borrowing	1,698.18	1,441.20	256.98
30-Sep-22	Kotak	Borrowing	1,698.18	1,084.00	614.18
30-Sep-22	ICICI	Borrowing	1,698.18	750.00	948.18
31-Dec-22	HDFC, SCB, DBS, Citi, Kotak	Borrowing	1,934.01	1,853.60	80.41
31-Dec-22	ICICI	Borrowing	1,934.01	1,350.00	584.01
31-Mar-23	Citi, Kotak	Borrowing	1,765.48	2,018.60	(253.12)
31-Mar-23	HDFC,DBS, SCB	Borrowing	1,765.48	1,768.60	(3.12)
31-Mar-23	ICICI	Borrowing	1,765.48	1,755.58	9.90

Note:

1. The Company has submitted quarterly returns to the banks in respect of borrowings taken against the security of current assets. These quarterly returns are submitted to HDFC Bank, ICICI Bank, SCB Bank, Citi Bank, DBS Bank and Kotak Mahindra Bank.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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

2. The discrepancy in respect of debtors, creditors, sales for the period, purchases for the period and borrowings for the period were attributable to the Company's financial closure process being not fully completed at the time of filing quarterly statements and clerical errors at the time of filing returns with banks

3. The Company has subsequent to year end, re-submitted the above statements to the respective banks in the month of July 2023

As at 31 March 2022

Quarterly statement Period	Name of the Bank	Account	Amount as per books of account	Amount as reported in the quarterly statement	" Difference Refer Note 2 (below) "
30-Jun-21	Refer Note 1 (below)	Debtor	1,737.85	2,414.39	(676.54)
30-Sep-21		Debtor	2,790.08	2,782.76	7.32
31-Dec-21		Debtor	2,206.23	2,990.16	(783.93)
31-Mar-22		Debtor	1,744.49	2,849.44	(1,104.95)
30-Jun-21		Creditor	229.42	160.00	69.42
30-Sep-21		Creditor	135.06	160.00	(24.94)
31-Dec-21		Creditor	191.23	160.00	31.23
31-Mar-22		Creditor	248.38	160.00	88.38
30-Jun-21		Sales	2,530.62	2,480.30	50.32
30-Sep-21		Sales	5,112.87	5,100.34	12.53
31-Dec-21		Sales	7,861.71	7,779.21	82.50
31-Mar-22		Sales	10,706.73	10,622.70	84.03
30-Jun-21		Purchases	162.07	135.00	27.07
30-Sep-21		Purchases	362.98	260.00	102.98
31-Dec-21		Purchases	546.27	320.00	226.27
31-Mar-22		Purchases	822.03	320.00	502.03
30-Jun-21		Borrowing	364.98	194.10	170.88
30-Sep-21		Borrowing	953.07	95.33	857.74
31-Dec-21		Borrowing	940.34	94.04	846.30
31-Mar-22		Borrowing	570.00	57.00	513.00

Notes:

1. The Company has submitted the above quarterly statements to HDFC Bank, ICICI Bank, SCB Bank, Citi Bank, DBS Bank and Kotak Mahindra Bank.

2. The discrepancy in respect of borrowings outstanding reported for the quarter ending 30 September 2021, 30 December 2021 and 31 March 2022, was attributable to clerical errors while the discrepancies in respect of debtors, creditors, sales for the period, purchases for the period for all the quarters and borrowings for quarter ending 30 June 2021 were attributable to the Company's financial closure process being not fully completed at the time of filing quarterly statements. The Company has subsequent to year end, re-submitted the above statements to the respective bank during December 2022.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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

22 Trade Payables

	As at 31 March 2023	As at 31 March 2022
(At Amortised Cost)		
Total outstanding dues of micro enterprises and small enterprises (refer note 40 for details of dues to micro and small enterprises)	37.69	20.69
Total outstanding dues of creditors other than micro enterprises and small enterprises	250.98	198.91
	288.67	**219.60**
Dues to Related Parties (Refer note 44)	68.82	72.51
Dues to other than micro enterprises and small enterprises	219.85	147.09
	288.67	**219.60**

Trade payables Ageing Schedule As at 31 March 2023

	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	32.04	14.29	21.29	0.67	0.80	0.95	70.04
Total outstanding dues of creditors other than micro enterprises and small enterprises	60.42	29.87	97.46	13.06	4.17	6.75	211.73
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	0.37	0.37
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	6.53	6.53
Total	**92.46**	**44.16**	**118.75**	**13.73**	**4.97**	**14.60**	**288.67**

Trade payables Ageing Schedule As at 31 March 2022

	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	19.28	2.49	14.04	2.18	1.27	0.72	39.98
Total outstanding dues of creditors other than micro enterprises and small enterprises	49.36	61.12	42.79	6.78	5.00	7.70	172.75
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	0.37	0.37
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	6.50	6.50
Total	**68.64**	**63.61**	**56.83**	**8.96**	**6.27**	**15.29**	**219.60**

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 30-day terms.

For terms and conditions with related parties, refer to Note 44.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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

23 Other Financial Liabilities

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
At Amortised Cost				
Capital creditors	-	-	3.30	22.52
Capital creditors to related parties	-	-	6.70	6.26
Employee benefits payable	-	-	862.31	771.77
Financial guarantee obligation	-	-	0.37	-
Bonus payable	-	-	329.35	315.11
Director fees payable	-	-	0.72	0.54
At Fair Value Through Profit or Loss (FVTPL)				
Liability payable to promoters of acquired subsidiaries [Refer Note 5A]	608.02	-	736.09	87.73
Call/Put Option Liability [Refer Note 5A]	-	123.20	-	-
	608.02	**123.20**	**1,938.84**	**1,203.93**

24 Other Current Liabilities

	As at 31 March 2023	As at 31 March 2022
Advance from customers	2.34	44.00
Statutory dues and related liabilities*	460.73	371.02
Other current liabilities	48.73	36.15
	511.80	**451.17**

*Statutory dues and related liabilities includes PF, ESI, PT, LWF, TDS & GST payable.

25 Revenue from contracts with customers

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of services (A)	13,031.34	10,692.06
Other Operating Revenue (B)		
Rental Income on Equipments	54.08	14.66
Total (A+B)	**13,085.42**	**10,706.72**
Disaggregated revenue information		
Type of services		
Facility Management Services (including materials sales as part of composite service)	12,666.77	10,541.43
Catering Services	65.63	22.48
Others Services	524.34	414.42
Total revenue from contracts with customers	**13,256.74**	**10,978.33**
Timing of revenue recognition		
Services transferred over time	13,256.74	10,978.33
	13,256.74	**10,978.33**
Contract Balances		
Trade receivables (Refer Note 11)	2,872.48	2,364.62
Contract Assets (Refer Note 10)	538.09	502.64
Contract Liabilities		
Advance from customers*	2.34	44.00
Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:		
Revenue as per contracted price	13,256.74	10,978.33
Adjustments:		
- Estimated price concessions**	(171.32)	(271.61)
	13,085.42	**10,706.72**

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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

	Year ended 31 March 2023	Year ended 31 March 2022
The table gives the information about movement of the Estimated price concessions		
At the beginning of the year	324.56	215.32
Created during the year	171.32	271.61
Utilised during the year	(412.36)	(162.37)
At the end of the year	**83.52**	**324.56**
***The table below gives the information about movement of contractual liabilities**		
At the beginning of the year	44.00	75.89
Addition during the year	1.88	1.68
Billed during the year	(43.54)	(33.57)
At the end of the year	**2.34**	**44.00**

26 Other Income

	Year ended 31 March 2023	Year ended 31 March 2022
Profit on sale of property, plant and equipment	3.19	0.32
Provision/Liability no longer required written back*	57.48	30.46
Commission income	0.38	-
Liability payable to promoters of acquired subsidiary no longer required written back **	-	18.94
Gain on buy back of Company's Investments in Subsidiary	-	22.50
Bad debts recovered	-	3.59
Other non-operating income	1.47	0.04
	62.52	**75.85**

*Includes reversal of impairment allowance amounting to ₹ 47.18 million relating to certain receivables in respect of which management had estimated the recovery to be the doubtful in the previous year. In the current year, post issuance of credit notes as per the relevant provisions of the Central Goods and Services Act, 2017 and other rules thereunder, such impairment allowance is no longer considered necessary and has accordingly been reversed in the current year.

** Liability payable to promoters of acquired subsidiary no longer required written back.

During the year ended 31 March 2020, the Company had entered into Shareholder's Agreement with the Matrix Business Services India Private Limited and its erstwhile promoters, under which the Company has an obligation to purchase the remaining shares held by the promoters of such companies based on agreed methodology per the purchase agreement. Accordingly, the Company has recognised a liability payable to promoters of acquired subsidiary for the present value of such future obligation based on a best estimate available with the management amounting to ₹ 161.95 million.

The Company has reassessed the Liability payable to promoters of Matrix Business Services India Private Limited during the year ended 31 March 2022 based on the actual results available (applying the agreed methodology) and accordingly reversed an amount of ₹ 18.94 million.

27 Fair Value gain on Financial Instruments at FVTPL

	Year ended 31 March 2023	Year ended 31 March 2022
Fair value gain on financial instruments at FVTPL*	145.78	1.68
	145.78	**1.68**

* It includes an amount of ₹ 145.10 million (31 March 2022: Nil) recorded as gain on the fair value change in the derivative option. Also Refer Note 5A(b) for details.

Notes to Standalone Financial Statements
for the year ended 31 March 2023

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

28 Finance Income

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income - Bank deposits	20.73	18.21
Interest Income on Loans to related parties	19.86	11.36
Interest income on income tax refund	6.41	31.22
Dividend Income	30.21	-
	77.21	**60.79**

29 Employee Benefits Expense

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	10,171.66	8,294.26
Contribution to provident and other fund (Refer note 37)	1,151.32	967.63
Less: Income from government grants#	(1.70)	(9.85)
Gratuity expense (Refer note 37)	68.79	56.74
Staff welfare expenses	41.55	20.07
Employee stock option expenses (Refer note 39)	3.10	2.31
	11,434.72	**9,331.16**

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

30 Finance Costs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest on borrowings	113.19	44.01
Interest on lease liabilities	1.22	0.55
Interest others	9.71	-
	124.12	**44.56**

31 Depreciation and Amortisation Expense

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of property, plant & equipment (Refer note 3)	134.33	54.12
Amortisation of intangible assets (Refer note 4)	0.08	0.05
Depreciation of Right-of-use assets (Refer note 38)	17.09	2.34
	151.50	**56.51**

32 Impairment Losses on Financial Instrument and Contract Assets

	Year ended 31 March 2023	Year ended 31 March 2022
Impairment on loans to related parties	45.09	37.04
Impairment on other advance	10.49	1.62
Impairment for doubtful trade receivables and contract assets	-	37.65
Expected credit loss on reimbursement right of gratuity	11.64	4.57
	67.22	**80.88**

Notes to Standalone Financial Statements
for the year ended 31 March 2023

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

33 Fair Value changes in Liability Payable/Paid to promoters of acquired subsidiary

	Year ended 31 March 2023	Year ended 31 March 2022
Fair Value changes in Liability Payable to promoters of acquired subsidiary*	21.43	40.20
	21.43	**40.20**

The Company has reassessed the Liability payable to promoters of Global Flight Handling Services Private Limited during the year ended 31 March 2022 based on the actual results available (applying the agreed methodology) and accordingly accounted ₹ 12 million as Fair value changes in Liability payable to promoters of acquired subsidiary during the year. Company has reassessed the Liability payable to promoters of acquired subsidiary (Matrix Business Services India Private Limited) based on the actual results available (applying the agreed methodology). Accordingly, the Company has recognised expense of ₹ 28.20 million as a Fair value changes in Liability payable to promoters of acquired subsidiary in previous year.

During current year, the Company has reassessed the Liability payable to promoters of acquired subsidiary (Athena BPO Private Limited) based on the actual results available (applying the agreed methodology). Accordingly, the Company has recognised expense of ₹ 21.43 million as a Fair value changes in Liability payable to promoters of acquired subsidiary.

34 Other expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Site maintenance expenses	521.65	381.90
Cleaning materials and consumables	340.09	245.47
Canteen materials	48.20	21.21
Travelling and conveyance	48.15	36.01
Rent	29.82	34.07
Legal and professional fees	43.26	45.18
Training expenses	55.39	39.02
Repairs and maintenance	34.61	24.83
Communication expenses	10.63	9.41
Rates and taxes	18.07	41.54
Bad debts written off	-	0.67
CSR expenditure ^^^	6.68	6.91
Printing and stationery	7.51	6.11
Power and fuel	5.35	4.90
Payment to auditor ***	6.43	9.93
Non-Executive Director's remuneration	6.43	-
Director sitting fees	-	2.10
Loss on Scrapping of Property, Plant and Equipment	2.13	8.86
Advances written off	-	2.49
Exchange differences (net)	0.10	0.17
Miscellaneous expenses	8.90	3.62
	1,193.40	**924.40**

*** Payment to auditors

^^^ Details of CSR expenditure.

	Year ended 31 March 2023	Year ended 31 March 2022
As auditors		
Audit fees*	6.34	6.00
In other capacity		
Other services	-	3.93
Reimbursement of expenses	0.09	-
	6.43	**9.93**

*Audit fees (including reimbursement of expenses) for the year ended 31, 2023 excludes amount of ₹ 13.57 million pertaining to services rendered in connection with proposed IPO. Also refer Note 9.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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

Consequent to the requirements of Section 135 and Schedule VII of the Companies Act, 2013, the Company is required to contribute 2% of its average net profits during the immediately three preceding financial years in pursuance of its Corporate Social Responsibility Policy.

	Year ended 31 March 2023	Year ended 31 March 2022
a) Gross amount required to be spent by the Company during the year	6.68	6.91
b) Amount approved by the Board to be spent during the year	6.68	6.91

c) Amount spent during the year ended 31 March 2023

	In Cash	Yet to be Paid In Cash	Total
(i) Construction/acquisition of any asset	6.68	-	6.68
(ii) On purposes other than (i) above	-	-	-

d) Amount spent during the year ended 31 March 2022

	In Cash	Yet to be Paid In Cash	Total
(i) Construction/acquisition of any asset	6.91	-	6.91
(ii) On purposes other than (i) above	-	-	-

35 Income tax expense/(Credit)

	Year ended 31 March 2023	Year ended 31 March 2022
The major components of income tax expense are		
Profit and Loss Section		
Current income tax:		
Current income tax charge	20.63	54.51
Tax related to earlier years	5.27	(15.59)
Deferred tax:		
Relating to origination and reversal of temporary differences	28.53	(40.99)
	54.43	**(2.07)**

	Year ended 31 March 2023	Year ended 31 March 2022
Other Comprehensive income (OCI) Section		
Deferred tax related to items recognised in OCI during in the year:		
Re-measurement gains and (losses) on defined benefit obligations (net)	(3.99)	5.81
	(3.99)	**5.81**

	Year ended 31 March 2023	Year ended 31 March 2022
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate		
Accounting Profit before income tax	378.54	367.33
Enacted tax rate in India	25.17%	25.17%
Profit before income tax multiplied by enacted tax rate	95.27	92.45
Effects of:		
Adjustment in respect of tax related to earlier years	5.27	(15.59)
Additional deduction under Income Tax based on employment generation	(55.26)	(70.50)
Income from Deemed Dividend u/s 2(22)(e) - Loan by a subisidiary to another fellow subsidiary	10.07	-
Liability payable to promoters of acquired subsidiary re-measurement	(31.33)	5.35
Others	30.41	(13.78)
Net effective income tax	**54.43**	**(2.07)**

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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

Note: The Company has elected to exercise the option permitted under Section 115BAA of The Income Tax Act, 1961 as introduced by the taxation laws (Amendment) ordinance, 2019. Accordingly, the Company has recognised provision for income tax and deferred tax for the year basis the rate prescribed under that section.

Deferred tax

Deferred tax relates to the following:	Year ended 31 March 2023	Year ended 31 March 2022
Difference between books balance and Tax balance of Property, plant and equipment	(0.25)	1.97
Impairment for doubtful advances and Loan	16.10	6.93
Impairment for doubtful debts and estimated price concession	(73.18)	16.12
Provision for gratuity	14.76	10.17
Provision for leave benefits	(0.77)	(2.60)
Expenses allowable on payment basis	16.73	4.67
Others	(8.96)	5.92
Ind AS 116 - Lease Adjustments	2.34	3.62
Net Deferred assets/(liabilites)	**(33.23)**	**46.80**

Reconcilation of defered tax liabilites(net)

	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance	383.94	337.14
Tax Income/(Expenses) during the year recognised in profit or loss	(28.53)	40.99
Tax Income/(Expenses) during the year recognised in OCI	(3.99)	5.81
Closing Balance	**351.42**	**383.94**

36 Earnings per Equity Share (EPS)

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

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

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

	Year ended 31 March 2023	Year ended 31 March 2022
Profit attributable to equity holders of the Company for basic earnings	324.11	369.40
Profit attributable to equity holders of the Company adjusted for the effect of dilution	324.11	369.40
Weighted average number of Equity shares for basic EPS	5,28,21,547	5,28,17,479
Effect of dilution:		
Employee Stock Options	5,57,444	3,63,033
Weighted average number of Equity shares adjusted for the effect of dilution	5,33,78,991	5,31,80,512
Earning per share of ₹ 10 each		
- Basic	6.14	6.99
- Diluted	6.07	6.95

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Notes to Standalone Financial Statements

for the year ended 31 March 2023

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

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

(i) Defined contribution plan:

The Company's provident fund are the defined contribution plan. An amount of ₹ 1,151.32 million being contribution made to recognised provident fund is recognised as expense for the year ended 31 March 2023 (31 March 2022: ₹ 967.65 million) and included under Employee benefit expense (Note 29) in the Statement of Profit and loss.

(ii) Defined benefit plans:

A. Gratuity (Regular)

The Company has defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed 5 years of service are eligible for gratuity on departure at 15 days salary (last drawn) for each completed year of service or part thereof in excess of 6 months. The level of benefits provided depends on the member's length of service and salary at retirement.

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of Defined Benefit Obligation	305.17	289.61
Fair value of plan assets	(12.74)	(8.67)
Net Liability or asset	**292.43**	**280.94**
Current	50.00	50.00
Non-Current	242.43	230.94

(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	55.39	47.26
Net interest cost :		
Interest Expense on Defined Benefit Obligation	13.94	9.81
Interest Income on Plan Assets	(0.54)	(0.33)
Total included in 'Employee Benefit Expense'	**68.79**	**56.74**

(c) Remeasurement recognised 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	(14.25)	2.00
Due to change in demographic assumption	0.25	7.42
Due to experience adjustments	(1.92)	13.78
Return on plan assets	0.05	(0.10)
	(15.87)	**23.10**

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for the year ended 31 March 2023

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
Opening defined benefit obligation	289.61	224.68
Current service cost	55.39	47.26
Interest cost	13.94	9.81
Actuarial losses/(gains)		
Due to change in financial assumptions	(14.25)	1.99
Due to change in demographic assumption	0.25	7.42
Due to experience adjustments	(1.92)	13.78
Benefit Paid	(37.85)	(15.33)
Closing balance of the present value of defined benefit obligation	**305.17**	**289.61**

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

Particulars	As at 31 March 2023	As at 31 March 2022
Opening plan assets	8.67	6.33
Expected return on plan assets	0.54	0.34
Contributions	41.43	17.23
Benefits paid and charges deducted	(37.85)	(15.33)
Actuarial gain/(loss) on plan assets	(0.05)	0.10
Closing balance of the present value of plan assets	**12.74**	**8.67**

(f) 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	280.94	218.34
Defined Benefit cost included in the Profit/Loss	68.79	56.73
Defined Benefit cost included in Other Comprehensive Income	(15.87)	23.10
Contributions	(41.43)	(17.23)
Net Liability/(Asset) at the end of the year	**292.43**	**280.94**

(g) Principal actuarial assumptions at the Balance Sheet date: Disclosure requirement relating to the methods and assumptions used in preparing the sensitivity analysis and also the limitations of those methods

Particulars	As at 31 March 2023	As at 31 March 2022
1) Discount rate	7.10%	5.15%
2) Salary growth rate	6.67% to 7.86%	6.45% to 7.10%
3) Attrition rate	26.38% to 42.90%	26.76% to 42.98%
4) Retirement age	58 Years	58 Years
5) Maturity tables	Indian Assured Lives Mortality (2012-14) Ultimate Table	Indian Assured Lives Mortality (2012-14) Ultimate Table

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for the year ended 31 March 2023

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

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	Change	Obligation	Change	Obligation
(i) Discount rate	+BP50	301.06	+BP50	286.20
	-BP50	309.39	-BP50	293.10
(ii) Salary growth rate	+BP50	309.97	+BP50	293.66
	-BP50	300.45	-BP50	285.62

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

(i) **Expected cash flows based on past service liability**

Particulars	As at 31 March 2023	As at 31 March 2022
Year 1	99.46	90.08
Year 2	76.80	70.51
Year 3	59.06	52.68
Year 4	43.38	39.01
Year 5	29.57	28.03
More than 5 years	49.28	44.10

The average duration of the defined benefit plan obligation at the end of the reporting period is 2.9 years (31 March 2022 is 3 years).

(j) **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	12.74	8.67
	12.74	**8.67**

B. Gratuity (Reimbursement from clients)

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

(a) **Net defined benefit liability**

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of Defined Benefit Obligation	343.13	291.78
Fair value of plan assets	-	-
Net Liability	**343.13**	**291.78**
Current	123.20	94.42
Non-Current	219.93	197.36

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for the year ended 31 March 2023

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
Service cost :		
Current service cost	61.83	39.01
Interest cost on defined benefit obligation	14.40	8.28
Net actuarial (gain)/loss recognised during the year	(0.55)	83.48
	75.68	**130.77**

Note:

The employee benefits expenses towards gratuity and related reimbursement right for associate employees for the year ended 31 March 2023 ₹ 75.68 million [31 March 2022 ₹ 130.77 million] have been netted off in the Statement of Profit and Loss.

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

Particulars	As at 31 March 2023	As at 31 March 2022
Opening defined benefit obligation	291.78	205.27
Current service cost	61.83	39.01
Interest cost	14.40	8.28
Actuarial losses/(gains)		
Due to change in financial assumptions	(23.92)	(2.87)
Due to change in demographic assumption	2.24	13.90
Due to experience adjustments	21.13	72.46
Benefit Paid	(24.33)	(44.27)
Closing balance of the present value of defined benefit obligation	**343.13**	**291.78**

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

Particulars	As at 31 March 2023	As at 31 March 2022
Opening plan assets	-	-
Expected return on plan assets	-	-
Contributions	24.33	44.27
Benefits paid and charges deducted	(24.33)	(44.27)
Actuarial gain/(loss) on plan assets	-	-
Closing balance of the present value of plan assets	**-**	**-**

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

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

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for the year ended 31 March 2023

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

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

A quantitative sensitivity analysis for significant assumptions on defined benefit obligation as at 31 March 2023 and 31 March 2022 are as shown below:

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	Change	Obligation	Change	Obligation
(i) Discount rate	+BP50	338.53	+BP50	288.25
	-BP50	347.85	-BP50	295.40
(ii) Salary growth rate	+BP50	348.54	+BP50	295.98
	-BP50	337.82	-BP50	287.64

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

(g) Expected cash flows based on past service liability

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

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

38 Leases

The Company has lease contracts for building used in its operations. Leases of building generally have lease terms between 2 and 6 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company also has certain leases of machinery with lease terms of 12 months. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Particulars	Building
As at 1 April 2021	0.01
Additions	3.09
Depreciation expense	(2.34)
As at 31 March 2022	**0.76**
Additions	47.04
Depreciation expense	(17.09)
As at 31 March 2023	**30.71**

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

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31 March 2023	Within Five Years	More than Five years	Total
Extension options expected not to be exercised	-	-	-
Termination options expected to be exercised	46.92	10.39	57.31

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	4.64	6.55
Additions	44.70	3.09
Accretion of interest	1.22	0.55
Payments	(7.64)	(5.55)
Deletion	(1.43)	-
Closing balance	**41.49**	**4.64**
Current	15.54	3.85
Non-current	25.95	0.79

The maturity analysis of lease liabilities are disclosed in Note 48 (Financial risk management objectives and policies).

The effective interest rate for lease liabilities is 8.5% with maturity between 2022-2026.

The following are the amounts recognised in profit or loss:

Particulars	As at 31 March 2023	As at 31 March 2022
Depreciation expense of right-of-use assets	17.09	2.34
Interest expense on lease liabilities	1.22	0.55
Expense relating to short-term leases (included in other expenses)	29.82	34.07
Lease Closure (included in other non-operating Income)	(1.43)	-
Total amount recognised in profit or loss	**46.70**	**36.96**

The Company had total cash outflows for leases of ₹ 7.64 million in 31 March 2023 (₹ 5.55 million in 31 March 2022).

Company as a lessor

The Company has entered into operating lease with a term of 11 months for leasing out certain assets included under Plant & machinery to be used in ground handling services at airports.

Rental income recognised during the year 31 March 2023 is ₹ 54.08 million [March 31, 2022 ₹ 14.66 million].

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for the year ended 31 March 2023

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39 Share-based payments

(A) Employee Share-option Plan - 2019

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

The expense recognised (net of reversal) for share options during the year ended 31 March 2023 is ₹ Nil [31 March 2022): ₹ 2.31 million]. There are no cancellations or modifications to the awards for the year ended 31 March 2023.

Tranche I (A)

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

Tranche I (B), II and III

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

A. Details of ESOP 2019

Name of the scheme - ESOP 2019	Tranche - I (A)	Tranche - I (B)	Tranche - II	Tranche - III
Date of grant	17 April 2019	17 April 2019	18 October 2019	10 January2020
Number granted	4,06,772	5,21,235	1,44,788	77,220
Exercise price (in INR)	10	111	111	111
Vesting period	1 year	1-3 years	1-3 years	1-3 years
Vesting condition	100% on 17 April 2020	25% on 30 September 2020 25% on 30 September 2021 50% on 30 September 2022	25% on 30 September 2020 25% on 30 September 2021 50% on 30 September 2022	25% on 30 September 2020 25% on 30 September 2021 50% on 30 September 2022

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B. Movement in the options granted to employees

Particulars	Number of options		Weighted Average Exercise Price	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Outstanding at the beginning of the year	**6,62,563**	**8,33,895**	**48.99**	**61.73**
Options granted during the year	-	-	-	-
Options exercised during the year	-	-	-	-
Options forfeited during the year	-	-	-	-
Options expired during the year	-	(1,71,332)	-	111.00
Outstanding at the end of the year	**6,62,563**	**6,62,563**	**48.99**	**48.99**
Exercisable at the end of the year	6,62,563	-	-	-

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

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

The exercise period for the options granted to employees under the plan is 5 years from the date of vesting or Liquidity event whichever is earlier. Liquidity Event is defined as Change in Control of the Management, Listing of the Company's shares with Stock Exchanges and any other events as may be decided by the Board.

C. Fair value of options granted

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

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

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

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

(B) Employee Share-option Plan - 2022

The shareholders of Updater Services Limited approved Employee Stock Option Schemes "Updater Employee Stock Option Plan 2022" ("ESOP 2022" or "Plan") on 3 December 2022. The primary objective of the above schemes is to reward certain employees of the Company and its subsidiaries for their association, dedication and contribution to the goals of the Company.

Under the Scheme 1,039,000 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 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)

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has been communicated to respective employees, while for Tranches 2-4, these will be communicated in future. Further, the Plan also provides ability for the employee to catch up any unvested options for a particular Trache 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 ₹ 10/- each fully paid up.

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

The expense recognised (net of reversal) for share options during the year ended 31 March 2023 is ₹ 3.10 million [31 March 2022: ₹ Nil]. There are no cancellations or modifications to the awards during the year ended 31 March 2023.

A. Details of ESOP 2022

Name of the scheme - ESOP 2022	Tenure Based Tranche -T II (A)	Performance based Tranche -E II (B)
Date of grant	04-Mar-23	04-Mar-23
Number granted	4,69,500	4,69,500
Exercise price (in INR) per share	300	300
Vesting period	4 Years Graded Vesting	4 Years Graded Vesting
Method of Settlement	Equity-Settled	Equity-Settled
Method of Accounting	Fair Value	Fair Value
Vesting condition	Service Condition - Tenure Based	Performance condition - EBITDA based
Method of valuation	Black-Scholes Model	Black-Scholes Model

B. Movement in the options granted to employees

Particulars	Number of options		Weighted Average Exercise Price	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Outstanding at the beginning of the year	-	-	-	-
Options granted during the year	9,39,000	-	300	-
Options exercised during the year	-	-	-	-
Options forfeited during the year	-	-	-	-
Options expired during the year	-	-	-	-
Outstanding at the end of the year	**9,39,000**	**-**	**300**	**-**
Exercisable at the end of the year	-	-	-	-

C. Fair value of options granted

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

Particulars	As at 31 March 2023	As at 31 March 2022
Exercise price (INR) per share	300	
Expected volatility	41.50%	
Expected dividend yield (%)	0%	
Risk free interest rates	7.43%	
Expected life of the option:		
- As on grant Date:16-12-2022	2 - 3.5 Years	NA
- As on grant Date:04-03-2023	1.79 - 3.33 Years	
Weighted average share price per share	308.80	
Fair Value of the Option as on Grant date		
- 16-12-2022	₹ 82.59 - ₹ 113.83	
- 04-03-2023	₹ 83.32 - ₹ 116.61	

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

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

A2. Details of ESOP 2022 – Second

Name of the scheme – ESOP 2022	Tenure Based Tranche -T 0 (A)	Listing based Tranche -IPO (A)
Date of grant	04-Mar-23	04-Mar-23
Number granted	50,000	50,000
Exercise price (in INR) per share	300	300
Weighted average share price per share	308.8	308.8
Vesting period	1 Year	1- 2 Years
Method of Settlement	Equity-Settled	Equity-Settled
Method of Accounting	Fair Value	Fair Value
Vesting condition	Service Condition - Tenure Based	Performance condition - IPO Linked
Method of valuation	Black-Scholes Model	Black-Scholes Model

B2. Movement in the options granted to employees

Particulars	Number of options		Weighted Average Exercise Price	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Outstanding at the beginning of the year	-	-	-	-
Options granted during the year	1,00,000	-	300	-
Options exercised during the year	-	-	-	-
Options forfeited during the year	-	-	-	-
Options expired during the year	-	-	-	-
Outstanding at the end of the year	**1,00,000**	**-**	**300**	**-**
Exercisable at the end of the year	-	-	-	-

C2. Fair value of options granted

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

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

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

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

40 Details of dues to Micro Enterprises and Small Enterprises

Information as required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended 31 March 2023 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company:

Particulars	As at 31 March 2023	As at 31 March 2022
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period		
Principal amount due to micro enterprises and small enterprises	22.21	17.31
Interest due on above	2.52	1.03
(b) Payment made to suppliers (other than interest) beyond the appointed day, during the period	183.92	115.83
(c) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(d) Interest due and payable to suppliers under MSMED Act, for payments already made	7.87	2.62
(e) Interest accrued and remaining unpaid at the end of the period to suppliers under MSMED Act	15.49	6.12

41 Capital Management

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
Non-Current Borrowings	179.25	-
Current Borrowings	1,586.23	575.76
Lease Liabilities	41.49	4.64
Less: Cash and Cash equivalents	(240.64)	(21.64)
Less: Bank balances other than cash and cash equivalents	(89.29)	(85.90)
Net Debt	**1,477.04**	**472.86**
Equity	**3,275.46**	**2,883.88**
Capital and Net Debt	**4,752.50**	**3,356.74**
Gearing Ratio	**31.08%**	**14.09%**

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

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42 Commitments and Contingencies

Particulars	As at 31 March 2023	As at 31 March 2022
a) Contingent Liabilities		
Income tax (Refer below note 1)	566.33	155.61
Professional Tax (Refer below note 2)	5.61	5.61
Others (Refer below note 3)	3.20	1.34
Corporate guarantee given on behalf of subsidiary (Refer below note 4)	75.00	-
Goods & Services Tax	1.13	-
b) Commitments		
- Estimated amount of contracts remaining to be executed on capital account and not provided for net of capital advances	16.30	69.34

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

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

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

(2) The Gujarat Panchayats and Municipal Corporations has made claim against the Company for amount ₹ 5.61 million in respect of Professional Tax. The Company has filed the appeal at Court of Professional Tax Officer and Taluka Development Officer at Sanand and deposited the said amount under Protest and presented same as Balance with Government Authority in the Standalone Financial Statements. Management is confident of a favourable outcome on this matter and hence no provision is considered necessary as on date.

(3) Include claim made against the Company in Labour court by ex-employees of the Company amounting to J 3.2 million in respect of reinstatement of employment with back wages. Management is confident of a favourable outcome on this matter and hence no provision is considered necessary as on date.

(4) Guarantee issued to banks on behalf of subsidiaries towards working capital facilities availed by respective subsidiaries

(5) The Company has received an assessment order for the Financial year 2021-22 with a demand of ₹ 1.13 million u/s 73 of The CGST Act, 2017 towards excess utilisation of ITC, delay in filing the GST returns and interest on delayed payment of tax. The Company has filed an appeal to Joint Commissioner Appeals Chennai denying the demand. Management is confident of a favourable outcome on this matter and hence no provision is considered necessary as on date.

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43 Segment information

The Company is engaged in one business namely providing facility management services & associated services and the operation primarily caters to the domestic market. The Managing director of the Company has been identified as being the chief operating decision maker (CODM), he evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit.

Geographic information

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

Particulars	As at 31 March 2023	As at 31 March 2022
India	13,069.89	10,690.72
Outside India	15.53	16.00
Total Revenue as per Profit and Loss Statement	**13,085.42**	**10,706.72**

Non-current operating assets:

Particulars	As at 31 March 2023	As at 31 March 2022
India	362.73	229.74
Outside India	-	-
	362.73	**229.74**

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets and intangible assets.

Information about major customers

Revenue from one customer amounting to INR 1,648.18 million (31 March 2022: 1,481.17 million), constitutes more than 10% of the total revenue of the Company in the current period.

44 Related party disclosures

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

Description of Relationship	Name of the related parties
Subsidiary company	Wynwy Technologies Private Limited
	Stanworth Management Private Limited
	Global Flight Handling Services Private Limited
	Tangy Supplies and Solutions Private Limited
	Integrated Technical Staffing and Solutions Private Limited
	Fusion Foods & Catering Services Private Limited
	Avon Solutions & Logistics Private Limited
	Matrix Business Services India Private Limited
	Washroom Hygiene Concept Private Limited
	Updater Services (UDS) Foundation
	Denave India Private Limited (from 27 October 2021)
	Athena BPO Services Private Limited (from 23 December 2022)
Step Subsidiary company	Denave Europe Limited, UK (from 27 October 2021)
	Denave (M) SDN BHD, Malaysia (from 27 October 2021)
	Denave Poland Sp. Z.o.o (from 27 October 2021)
	Global Flight Handling Services (Pune) Private Limited
	Global Flight Handling Services (Patna) Private Limited
	Global Flight Handling Services (Raipur) Private Limited
	Global Flight Handling Services (Vizag) Private Limited
	Global Flight Handling Services (Surat) Private Limited
	Athena Call Center Private Limited (from 23 December 2022)
Entities under Common Control	Best Security Services Private Limited
	Tangy Facility Solutions Private Limited
	Tangirala Infrastructure Development Private Limited
	Denave Pte Limited, Singapore
	Updater services Private Limited - Employees group gratuity scheme
Key Management Personnel (KMP)	Mr Raghunandana Tangirala, Managing Director
	Ms Shanthi Tangirala, Non-Executive Director (till 23 June 2022)
	Mr Jayaram L B, Company Secretary (till 4 March 2023)
	Mr Ravishankar B, Company Secretary (from 6 March 2023)
	Mr Balaji Swaminathan, Chief Financial Officer
	Mr Sunil Rewachand Chandiramani, Independent Director
	Mr Amit Choudhary, Independent Director
	Mr Shankar Gopalakrishnan, Nominee Director (from 25 April 2020 until 21 March 2023)
	Mr Vijay Dhanuka,Nominee Director (from 13 February 2017 until 21 March 2023)
	Mr Amitabh Jaipuria, Chief Executive Officer (from 1 March 2022 till 4 March 2023) Executive Director (from 4 March 2023 till 30 April 2023) Non-Executive Director (from 1 May 2023)
	Mr Pondicherry Chidambaram Balasubramanian, Wholetime Director (from 13 September 2022)
	Ms Sangeeta Sumesh, Independent Director (from 13 September 2022)

(B) Transactions entered during the year:

Particulars	As at 31 March 2023	As at 31 March 2022
Materials purchased		
Tangy Supplies & Solutions Private Limited	230.18	198.73
Washroom Hygiene Concept Private Limited	0.35	-
Purchase of Capital Goods		
Tangy Supplies & Solutions Private Limited	32.46	16.78
Rent Expense		
Mr Raghunandana Tangirala	11.44	11.44
Ms Shanthi Tangirala	11.44	11.44

Particulars	As at 31 March 2023	As at 31 March 2022
Interest Income		
Stanworth Management Private Limited	0.24	0.27
Wynwy Technologies Private Limited	10.86	8.27
Global Flight Handling Services Private Limited	8.76	2.83
Services Received		
Best Security Services Private Limited	25.29	17.42
Stanworth Management Private Limited	-	13.95
Matrix Business Services India Private Limited	0.15	0.04
Washroom Hygiene Concept Private Limited	0.85	1.23
Avon Solutions and Logistics Private Limited	0.01	0.00

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Particulars	As at 31 March 2023	As at 31 March 2022
Integrated Technical Staffing and Solutions Private Limited	2.07	2.00
Denave India Private Limited	-	2.56
Fusion Foods and Catering Private Limited	0.76	-
Services Provided		
Wynwy Technologies Private Limited	0.06	0.04
Updater Services (UDS) Foundation	-	0.24
Tangy Supplies & Solutions Private Limited	0.75	0.10
Avon Solutions and Logistics Private Limited	4.26	3.57
Matrix Business Services India Private Limited	0.96	0.03
Global Flight Handling Services Private Limited	54.08	14.66
Fusion Foods and Catering Private Limited	0.47	-
Impairment on Loans to Related Parties		
Wynwy Technologies Private Limited	45.09	37.04
Reimbursement of Expenses		
Stanworth Management Private Limited	0.48	0.19
Reimbursement of Expenses (Audit Fees)		
Tangy Supplies & Solutions Private Limited	0.45	-
Global Flight Handling Services Private Limited	0.53	-
Integrated Technical Staffing and Solutions Private Limited	0.23	-
Matrix Business Services India Private Limited	5.89	-
Fusion Foods and Catering Private Limited	0.50	-
Wynwy Technologies Private Limited	0.45	-
Stanworth Management Private Limited	0.40	-
Profit on Sale of Investment		
Avon Solutions and Logistics Private Limited	-	22.50
Dividend Income		
Avon Solutions and Logistics Private Limited	30.21	-
Managerial Remuneration		
Mr Raghunandana Tangirala	13.69	19.20
Mr Jayaram L B	1.17	0.90
Mr Amitabh Jaipuria	21.39	1.37
Mr Balaji Swaminathan	6.50	6.31
Mr Pondicherry Chidambaram Balasubramanian	5.61	-
Mr Ravishankar B	0.19	-
Commission to Independent Directors		
Mr Sunil Rewachand Chandiramani	1.83	-
Employee Stock Option Expenses		
Mr Amitabh Jaipuria	0.61	-
Mr Balaji Swaminathan	0.13	0.18
Mr Pondicherry Chidambaram Balasubramanian	0.27	-
Liability paid to erstwhile Promoter of acquired Subsidiary		
Mr Pondicherry Chidambaram Balasubramanian		
- Issue of shares for consideration other than cash	17.85	-
- Consideration paid for acquisition of additional stake in subsidiary	17.83	-
Director Sitting Fees		
Mr Sunil Rewachand Chandiramani	2.00	1.10
Mr Amit Choudhary	1.70	1.00
Ms Sangeetha Sumesh	0.90	-

Notes to Standalone Financial Statements

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Particulars	As at 31 March 2023	As at 31 March 2022
Reimbursement of Expenses		
Mr Sunil Rewachand Chandiramani	0.03	
Investment in Equity		
Denave India Private Limited	644.30	753.16
Athena BPO Private Limited	1,437.74	-
Global Flight Handling Services Private Limited	29.81	-
Issue of Financial guarantee to Related Parties		
Stanworth Management Private Limited	0.25	-
Global Flight Handling Services Private Limited	0.20	
Fusion Foods India Private Limited	0.30	-
Amortisation of Commission Income on guarantee issued to Related Parties		
Stanworth Management Private Limited	0.11	-
Global Flight Handling Services Private Limited	0.20	-
Fusion Foods India Private Limited	0.07	-
Reimbursement of ESOP cost from Subsidiaries		
Fusion Foods India Private Limited	0.21	-
Global Flight Handling Services Private Limited	0.36	-
Matrix Business Services India Private Limited	2.99	-
Denave India Private Limited	3.16	-
Avon Solutions and Logistics Private Limited	0.87	-
Tangy Supplies & Solutions Private Limited	1.03	-
Loan given to		
Wynwy Technologies Private Limited	37.48	28.87
Stanworth Management Private Limited	-	2.50
Global Flight Handling Services Private Limited	53.86	53.24
Loan Repayment from		
Wynwy Technologies Private Limited	3.47	-
Stanworth Management Private Limited	0.24	5.15
Global Flight Handling Services Private Limited	19.14	-
Contribution to Gratuity		
Updater Services Private Limited - Employees Company Gratuity Scheme	41.43	17.23

(C) Balance outstanding at the end of the year

Particulars	As at 31 March 2023	As at 31 March 2022
Investment in Equity		
Tangy Supplies & Solutions Private Limited	1.00	1.00
Avon Solutions and Logistics Private Limited	68.64	68.64
Integrated Technical Staffing and Solutions Private Limited	0.10	0.10
Stanworth Management Private Limited	26.57	26.32
Wynwy Technologies Private Limited	1.00	1.00
Fusion Foods and Catering Private Limited	142.50	142.20
Global Flight Handling Services Private Limited	31.20	1.19
Updater Services (UDS) Foundation	0.10	0.10
Denave India Private Limited	1,397.45	753.16
Matrix Business Services India Private Limited	488.02	488.02
Washroom Hygiene Concept Private Limited	188.06	188.06
Athena BPO Private Limited	1,437.74	-

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Particulars	As at 31 March 2023	As at 31 March 2022
Security Deposits given to		
Mr Raghunandana Tangirala	11.44	11.44
Ms Shanthi Tangirala	11.44	11.44
Loan and accrued Interest receivable from		
Stanworth Management Private Limited	2.50	2.52
Wynwy Technologies Private Limited (excluding Impairments on loan)	158.45	113.58
Global Flight Handling Services Private Limited	109.24	65.77
Trade Payable		
Tangy Supplies & Solutions Private Limited	61.40	63.29
Best Security Services Private Limited	3.57	2.97
Mr Raghunandana Tangirala	-	0.54
Ms Shanthi Tangirala	0.68	0.59
Stanworth Management Private Limited	0.43	2.51
Integrated Technical Staffing and Solutions Private Limited	1.86	2.00
Denave India Private Limited	-	0.28
Matrix Business Services India Private Limited	0.31	0.04
Washroom Hygiene Concept Private Limited	0.57	0.30
Other Payable		
Tangy Supplies & Solutions Private Limited	0.45	-
Global Flight Handling Services Private Limited	0.53	-
Integrated Technical Staffing and Solutions Private Limited	0.23	-
Matrix Business Services India Private Limited	6.12	-
Fusion Foods and Catering Private Limited	0.50	-
Stanworth Management Private Limited	0.40	-
Director Sitting Fee payable		
Mr Amit Choudhary	0.27	0.27
Mr Sunil Rewachand Chandiramani	0.27	0.27
Ms Sangeetha Sumesh	0.18	-
Managerial Remuneration Payable		
Mr Amitabh Jaipuria	5.00	-
Commission Payable		
Mr Sunil Rewachand Chandiramani	1.83	-
Capital Creditors		
Tangy Supplies & Solutions Private Limited	6.70	6.26
Trade Receivable		
Tangy Supplies & Solutions Private Limited	0.66	0.01
Updater Services (UDS) Foundation	-	0.27
Global Flight Handling Services Private Limited	69.81	14.66
Wynwy Technologies Private Limited	-	0.01
Avon Solutions And Logistics Private Limited	-	0.53
Fusion Foods and Catering Private Limited	0.54	-
Other Receivable - ESOP		
Fusion Foods India Private Limited	0.21	-
Global Flight Handling Services Private Limited	0.36	-
Matrix Business Services India Private Limited	2.99	-
Denave India Private Limited	3.16	-
Avon Solutions and Logistics Private Limited	0.87	-
Tangy Supplies & Solutions Private Limited	1.03	-

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for the year ended 31 March 2023

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(D) Compensation to key managerial personnel is follows:

Consideration to key managerial personnel	As at 31 March 2023	As at 31 March 2022
Salaries and other employee benefits*	49.56	27.95

*The employee stock compensation expenses relating to Key Managerial personnel for the year ended 31 March 2023 INR 1.01 million and 31 March 2022 is INR 0.18 million towards key managerial personal respectively.

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

Terms and conditions of transactions with related parties

The sales to and purchases from related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2023, the Company has recorded ₹ 45.08 million towards impairment of loans and receivables relating to amounts owed by related parties (For the year ended 31 March 2022: ₹ 37.04 million). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

45 Significant Accounting Judgements, Estimates and Assumptions

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

Judgements

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

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

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

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

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

Refer to Note 38 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its

Notes to Standalone Financial Statements
for the year ended 31 March 2023

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

assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Defined benefit plans (gratuity and leave encashment benefits)

The cost of the defined benefit gratuity plan and other post-employment leave encashment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about defined benefit obligations are given in Note 37.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rate of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on publicly available mortality table in India. The mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

b) Estimate related to expected price concession

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

c) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimation requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility, estimation of achievement of performance conditions, and dividend yield and making assumptions about them. The Black-Scholes valuation model has been used by the Management for share-based payment transactions. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 39.

d) Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

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

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination."

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f) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the forecast period and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

g) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities (including derivative option) recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model/Black-Scholes model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 46 and 47 for further disclosures.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor. (Refer Note 46 for details)

The Company has remeasured the financial liabilities in current year as well as in previous year. Refer Note 23.

46 Fair Values

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

Particulars - Non-Current and Current	Carrying value		Fair value	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Financial Liability				
Liability payable to promoters of acquired subsidiary	1,344.11	87.73	1,344.11	87.73
Call/Put Option Liability	-	123.20	-	123.20
	1,344.11	**210.93**	**1,344.11**	**210.93**
Financial Asset				
Call/Put Option Asset	43.30	-	43.30	-
	43.30	**-**	**43.30**	**-**

The carrying value of above financial liabilities and financial assets are same as fair value of financial items.

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

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

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47 Fair Value Hierarchy

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

	Carrying value		Fair value	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Financial liabilities				
Liability payable to promoters of acquired subsidiary (Level 3)*	1,344.11	87.73	1,344.11	87.73
Put Option Liability (Level 3)**	-	123.20	-	123.20
	1,344.11	**210.93**	**1,344.11**	**210.93**
Financial Assets				
Put Option Asset (Level 3)	43.30	-	43.30	-
	43.30	**-**	**43.30**	**-**

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

Notes:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

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

**The Company has used projected EBITDA of subsidiary company , EBITDA multiples, scenerio analysis, risk free rate,market return,time to expiration,volatility as inputs and monte caro simulation method for valuation of put option liability.

48 Financial Risk Management Objectives and Policies

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and compliance with the same. The following disclosures summarises the Company's exposure to financial risks:

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, and equity investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2023 and 31 March 2022.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2023.

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The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2023 and 31 March 2022.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and loans receivables.

Trade and Other Receivables

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

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

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

As at 31 March 2023

Particulars	Less than 120 days	More than 120 days	Total
ECL & EPC rate	1.2%	23.8%	
Estimated total gross carrying amount at default	2,832.68	126.18	2,958.86
ECL – simplified approach	34.46	30.04	64.50
Net carrying amount	**2,798.22**	**96.14**	**2,894.36**

As at 31 March 2022

Particulars	Less than 120 days	More than 120 days	Total
ECL & EPC rate	1.3%	26.2%	
Estimated total gross carrying amount at default	2,212.21	136.93	2,349.14
ECL – simplified approach	28.66	35.84	64.50
Net carrying amount	**2,183.55**	**101.09**	**2,284.64**

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Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 2,166.75 million and ₹ 2,284.64 million as of 31 March 2023 and 31 March 2022 respectively, being the total of the carrying amount of balances with trade receivables.

Foreign Currency Risk

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

Foreign Currency Sensitivity

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

Foreign Currency Risk Management:

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

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Amount in FC	Amount in ₹	Amount in FC	Amount in ₹
Trade Receivables - USD	0.07	5.96	0.07	5.12

The following table details the Company's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies.5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates a increase in profit or equity where the INR weakens 5% against the relevant currency. For a 5% strengthing 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	Effect on Profit before tax		Effect on pre-tax Equity	
	Increased by 5%	Decreased by 5%	Increased by 5%	Decreased by 5%
31 March 2023	0.30	(0.30)	0.30	(0.30)
31 March 2022	0.26	(0.26)	0.26	(0.26)

Note:

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

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rate. The Company's exposure to the risk of changes in market interest rates relates primarily to its long-term & short-term debt obligations with floating interest rates.

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

Effect on profit before tax	Year ended 31 March 2023	Year ended 31 March 2022
Increase in rate by 2%	(25.31)	(17.07)
Decrease in rate by 2%	25.31	17.07

Liquidity Risk

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

All financial liabilities are due within 1 year from the balance sheet date. The existing surplus funds along with the cash generated by the Company are sufficient to meet its current obligations.

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

As at 31 March 2023

Particulars	Within 1 year	1-3 years	3-5 years	Total
Borrowings	1,586.23	153.64	25.61	1,765.48
Trade Payables	288.67	-	-	288.67
Other financial liabilities	1,577.83	831.86	273.00	2,682.69
Lease Liabilities	18.41	24.44	4.16	47.01
	3,471.14	**1,009.94**	**302.77**	**4,783.85**

As at 31 March 2022

Particulars	Within 1 year	1-3 years	3-5 years	Total
Borrowings	575.76	-	-	575.76
Trade Payables	219.60	-	-	219.60
Other financial liabilities	1,203.93	123.20	-	1,327.13
Lease Liabilities	3.85	0.79	-	4.64
	2,003.14	**123.99**	**-**	**2,127.13**

49 Code on wages, 2019 and Code on Social Security, 2020

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

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50 Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (prohibition) Act, 1988 and the rules made thereunder.

(ii) The Company has balance/transactions with the below-mentioned companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956:

Name of struck off Company	Nature of transactions with struck-off Company	Balances outstanding		Relationship with the Struck off company, if any, to be disclosed
		As at 31 March 2023	As at 31 March 2022	
Cross Limits Services and Solutions Private Limited	Trade Payables	0.06	0.06	None
Pancyber Infotech Private Limited	Trade Payables	0.03	0.03	None
Wilway Engineering and Construction Private Limited	Trade Payables	NA	0.00	None
Bajaj Electronics Private Limited	Services received	0.01	NA	None
Air Mech Engineers Private Limited	Trade Payables	0.03	0.03	None

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the year under audit.

(v) (a) During the year, the Company advanced loans of ₹ 53.86 million to its subsidiary, Global Flight Handling Services Private Limited ('GFHSPL' CIN U74900TN2014PTC097283) on various dates towards its working capital requirements. Subsequently, GFHSPL has further advanced loans aggregating ₹ 12.00 million, ₹ 18.20 million, ₹ 2.26 million, ₹ 9.73 million and ₹ 0.57 million to its subsidiaries namely, Global Flight Handling Services (Pune) Private limited (CIN: U93090PN2021PTC198665), Global Flight Handling Services (Patna) Private limited (CIN: U62200BR2021PTC052021), Global Flight Handling Services (Raipur) Private limited (CIN: U63040CT2021PTC012256), Global Flight Handling Services (Vizag) Private limited (CIN: U62100AP2021PTC118299) and Global Flight Handling Services (Surat) Private limited (CIN: U63030GJ2021PTC126393) respectively on various dates for the purpose of providing funding to these step-down subsidiaries in connection with their pursuit of flight handling services business at the respective airports operated by these entities during the year.

Complete details of the intermediary and Ultimate Beneficiary:

Name of the Entity	Registered Address	Government Identification Number (CIN)	Realtionship with the Company
Global Flight Handling Services Private Limited	Rayala Towers", Tower II, First Floor, New Number 158 Old Number 781, Shop Number 24A, Anna Salai, Chennai TN 600 002 India	U74900TN2014PTC097283	Subsidiary
Global Flight Handling Services (Patna) Private Limited (Ultimate Beneficiaiy)	Door No 401, 4th Floor, Op Complex P N Mall Road (Patliputra - Kurji Road) Na Patna Patna Bihar 800 010 India	U62200BR2021PTC052021	Step subsidiary
Global Flight Handling Services (Pune) Private Limited (Ultimate Beneficiary)	No 101,Amrut Siddhi Apartment, Lakshmi Park, Behind Bhide Hospital, Navi Peth Na Pune Pune MH 411 030 India	U93090PN2021PTC198665	Step subsidiary

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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

Name of the Entity	Registered Address	Government Identification Number (CIN)	Realtionship with the Company
Global Flight Handling Services (Surat) Private Limited (Ultimate Beneficiary)	Cabin No 2, First Floor, Inside Terminal Building Arrival Hall, Atc Building, Dumas Road, Na Surat Surat GJ 395 007 India	U63030GJ2021PTC126393	Step subsidiary
Global Flight Handling Services (Raipur) Private Limited (Ultimate Beneficiary)	OTB Ground Floor, Swami Vivekananda Airport, Mana Na Raipur Raipur CT 492 015 India	U63040CT2021PTC012256	Step subsidiary
Global Flight Handling Services (Vizag) Private Limited (Ultimate Beneficiary)	First Floor, D. No 1-168, Susarla Colony Gopalapatnam Na Visakhapatnam Vishakhapatnam AP 530 027 India	U62100AP2021PTC118299	Step subsidiary

The Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act, 2013 for the above transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

(b) No funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lender invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Company has not entered into any such transaction which is not recorded in the books of account 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).

(vii) The Company has not defaulted on loans payable and has not been declared as wilful defaulter.

(viii) Title deeds of all immovable property are in the name of the Company.

(ix) The Company has not revalued it's Property, Plant and Equipment, Intangible Assets and Right of use Assets during the year.

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

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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

52 Ratio Analysis and its elements

Ratio	As on 31 March 2023	As on 31 March 2022	% variance	Reason for Variance
a) Current ratio (Times)	0.83	1.11	-25%	The Company has availed additional working capital loan facilities during the year ended 31 March 2023 which has led to reduction in current ratio.
b) Return on equity ratio (%)	16.32%	15.22%	7%	
c) Trade receivables turnover ratio (Times)	4.17	4.13	1%	
d) Trade payables turnover ratio (Times)	4.37	3.83	14%	
e) Net capital turnover ratio (Times)	-16.97	36.19	-147%	The Company has availed additional working capital loan facilities during the year ended 31 March 2023 which has led to reduction in net capital turnover ratio.
f) Net profit ratio (%)	2.57%	3.29%	-22%	
g) Return on capital employed (%)	9.97%	11.91%	-16%	
h) Debt-equity ratio (Times)	0.55	0.20	174%	The Company has availed additional loan facilities during the year ended 31 March 2023 including term loan which has led to increase in debt equity ratio.
i) Debt Service Coverage ratio (Times)	3.33	8.83	-62%	The Company has availed additional loan facilities during the year ended 31 March 2023 including term loan which has led to reduction in coverage ratio.
j) Return on investment (%)	Not Applicable	Not Applicable		

Note:

(a) There is no Inventory in the Company. Hence, Inventory turnover ratio is not furnished

53 Standards issued but not effective

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

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

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

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

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

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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

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

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

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

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

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

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

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

54 Previous Year Figures

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

55 Events after reporting period

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

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

Per Aravind K
Partner
Membership Number: 221268

Place: Chennai
Date: 6 July 2023

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

Raghunandana Tangirala
Managing Director
(DIN: 00628914)

Place: Mumbai
Date: 6 July 2023

Pondicherry Chidambaram Balasubramanian
Director
(DIN: 00584548)

Place: Chennai
Date: 6 July 2023

Balaji Swaminathan
Chief Financial Officer

Place: Chennai
Date: 6 July 2023

Ravishankar B
Company Secretary
Membership Number: 08688
Place: Chennai
Date: 6 July 2023

Independent Auditor's Report

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

Report on the Audit of the Consolidated Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, their consolidated profit and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

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

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2021 specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

Updater Services Limited | Annual Report 2022-23

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

Other Matter

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraphs 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors, except that with respect to certain subsidiaries as disclosed in Note 59 to the Consolidated Financial Statements, the backup of the books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India on a daily basis.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

   (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Companies (Accounting Standards) Rules, 2021 specified under Section 133 of the Act;

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies none of the directors of the Group's companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary companies incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended 31 March 2023 has been paid/provided by the Holding Company, its subsidiaries incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other Matter' paragraph:

      i. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group in its Consolidated Financial Statements – Refer Note 44 to the Consolidated Financial Statements;

      ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 19 to the consolidated financial statements in respect of such items as it relates to the Group;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended 31 March 2023.

      iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, other than as disclosed in the note 58 to the Consolidated Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, other than as disclosed in the note 58 to the Consolidated Financial Statements, no funds have been received by the respective Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

      c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. No dividend has been declared or paid during the year by the Holding Company, its subsidiaries companies, incorporated in India other than in one subsidiary company in which the interim dividend declared and paid during the year and until the date of the respective audit report of such subsidiary company is in accordance with Section 123 of the Act.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only wef 1 April 2023, for the Holding Company, its subsidiaries companies incorporated in India, hence reporting under this clause is not applicable.

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

per Aravind K
Partner
Membership Number: 221268
UDIN: 23221268BGXPPN6461

Place of Signature: Chennai
Date: 6 July 2023

Annexure 1

referred to in Paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Updater Services Limited ("the Holding Company")

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

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

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

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Annexure 2

to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Updater Services Limited

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

Other Matters

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

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

per Aravind K
Partner
Membership Number: 221268
UDIN: 23221268BGXPPN6461

Place of Signature: Chennai
Date: 6 July 2023

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Consolidated Balance sheet

as at 31 March 2023

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

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	607.94	332.02
Goodwill	3A	1,947.90	1,280.28
Other Intangible Assets	3A	636.06	311.25
Capital Work-in-Progress (CWIP)	3B	-	41.24
Intangibles asset under development	3C	2.27	-
Right-of-use assets	41	402.09	120.35
Contract Assets	10	221.55	184.77
Financial assets			
(i) Investments	4	0.10	0.10
(ii) Loans	5	1.26	1.58
(iii) Other financial assets	6	273.88	307.27
Deferred tax asset (net)	13	488.07	473.84
Non-Current tax assets (net)	9	547.19	519.42
Other non-current assets	7	23.65	120.78
Total Non-current assets		**5,151.96**	**3,692.90**
Current assets			
Inventories	8	69.86	63.26
Contract Assets	10	668.18	560.92
Financial assets			
(i) Investments	4	38.00	-
(ii) Trade receivables	11	4,277.28	3,474.85
(iii) Cash and cash equivalents	12A	1,146.67	572.86
(iv) Bank balances other than (iii) above	12B	504.27	137.31
(v) Loans	5	7.36	6.27
(vi) Other financial assets	6	66.80	89.35
Other current assets	7	239.09	147.94
Total Current assets		**7,017.51**	**5,052.76**
Total Assets		**12,169.47**	**8,745.66**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	529.52	528.18
Other equity			
Retained Earnings	15	2,554.32	2,227.14
Capital Redemption Reserve	15	21.09	20.75
General Reserve	15	26.60	26.60
Foreign Currency Translation Reserve	15	21.56	-
Securities premium	15	601.95	559.43
Employee Stock Option Reserve	15	53.89	42.17
Equity attributable to equity holders of the parent		**3,808.93**	**3,404.27**
Non-controlling interest	16	69.18	53.09
Total Equity		**3,878.11**	**3,457.36**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	179.25	-
(ii) Lease Liabilities	41	284.23	78.68
(iii) Other Financial liabilities	19	1,138.71	804.14
Net Employee defined benefit liabilities	20	539.49	488.00
Deferred Tax Liabilities (net)	21	157.50	108.48
Total Non-current liabilities		**2,299.18**	**1,479.30**
Current Liabilities			
Financial liabilities			
(i) Borrowings	17	1,586.13	586.79
(ii) Lease Liabilities	41	149.02	47.69
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	18	174.35	57.75
Total outstanding dues of creditors other than micro enterprises and small enterprises	18	618.96	399.04
(iv) Other current financial liabilities	19	2,321.90	1,780.58
Short-Term Provisions	22	107.52	99.92
Net Employee defined benefit liabilities	20	222.57	192.45
Current tax liabilities (net)	23	57.30	37.13
Other current liabilities	24	754.43	607.65
Total Current Liabilities		**5,992.18**	**3,809.00**
Total Liabilities		**8,291.36**	**5,288.30**
TOTAL EQUITY AND LIABILITIES		**12,169.47**	**8,745.66**

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

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

Per Aravind K
Partner
Membership Number: 221268
Place: Chennai
Date: 6 July 2023

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

Raghunandana Tangirala
Managing Director
(DIN: 00628914)
Place: Mumbai
Date: 6 July 2023

Pondicherry Chidambaram Balasubramanian
Director
(DIN: 00584548)
Place: Chennai
Date: 6 July 2023

Balaji Swaminathan
Chief Financial Officer
Place: Chennai
Date: 6 July 2023

Ravishankar B
Company Secretary
Membership Number: 08688
Place: Chennai
Date: 6 July 2023

Consolidated Statement of Profit and Loss

for the year ended 31 March 2023

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

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from contracts with customers	25	20,988.87	14,835.52
Other income	26	71.79	83.34
Finance income	27	60.24	60.07
Total Income		**21,120.90**	**14,978.93**
Expenses			
Cost of materials consumed	28	768.04	387.20
Purchases of traded goods	29	23.72	19.71
Cost of Services	30	2,667.09	954.10
Changes in inventories of Finished goods and traded goods	31	10.41	(13.44)
Employee benefits expenses	32	13,840.58	10,681.77
Finance costs	33	145.67	50.68
Depreciation and amortisation expense	34	370.40	165.34
Impairment losses on financial instrument and contract assets	35	36.34	60.01
Fair value change in liability payable/paid to promoters of acquired subsidiary	36	413.63	213.48
Other expenses	37	2,303.14	1,750.67
Total Expense		**20,579.02**	**14,269.52**
Profit before tax		**541.88**	**709.41**
Tax Expense:			
Current tax	38	227.55	209.48
Adjustment of tax relating to earlier periods	38	9.55	(12.98)
Deferred Tax:			
Deferred tax Charge/(Credit)	38	(41.27)	(60.78)
Income tax expense/(Credit)		**195.83**	**135.72**
Profit for the year		**346.05**	**573.69**
Other Comprehensive Income:			
Items that will not to be reclassified to profit or loss in subsequent year:			
Re-measurement gains/(losses) on defined benefit obligations (net)		12.86	(32.68)
Income tax effect	38	(3.12)	5.51
Other comprehensive income for the year, net of tax		**9.74**	**(27.17)**
Total comprehensive Income for the year, net of tax attributable to:		**355.79**	**546.52**
Profit for the year			
Attributable to:			
Equity holders of the parent		357.86	552.91
Non-controlling interests		(11.81)	20.78
Other Comprehensive income for the year			
Attributable to:			
Equity holders of the parent		9.65	(27.16)
Non-controlling interests		0.09	(0.01)
Total comprehensive income for the year			
Attributable to:			
Equity holders of the parent		367.51	525.75
Non-controlling interests		(11.72)	20.77
Earnings per equity share			
Basic (Amount in ₹)	39	6.77	10.47
Diluted (Amount in ₹)	39	6.70	10.40

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

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Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Per Aravind K
Partner
Membership Number: 221268
Place: Chennai
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Chief Financial Officer
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Ravishankar B
Company Secretary
Membership Number: 08688
Place: Chennai
Date: 6 July 2023

Updater Services Limited | Annual Report 2022-23

Consolidated Statement of Cash Flows

for the year ended 31 March 2023

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

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax		541.88	709.41
Adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortisation expense		370.40	165.34
Finance cost		145.67	50.68
Finance Income		(60.24)	(60.07)
Bad Debts recovered		-	(9.44)
Fair value change in Liability payable/paid to promoters of acquired subsidiary		413.63	213.48
Expected credit loss on reimbursement right of gratuity		11.64	43.79
Impairment for doubtful trade receivables		14.21	11.66
Impairment on doubtful advances		10.49	4.56
Bad debts written off		1.55	-
Advances written off		-	11.40
Fair value gain on Financial Assets at FVTPL		(0.79)	(10.17)
Provision no longer required written back		(61.81)	(55.84)
Loss on sale of Property, plant and equipment		5.51	12.23
Profit on Sale of Property, plant and equipment		(4.99)	(0.40)
Employee stock option expenses		38.89	8.12
Unrealised exchange differences (net)		23.87	-
Operating cash flow before working capital changes		**1,449.91**	**1,094.75**
Movements in working capital:			
(Increase)/decrease in trade receivables and contracts assets		(673.68)	(721.16)
(Increase)/decrease in other financial assets		(60.22)	(217.84)
(Increase)/decrease in non-financial assets		324.37	164.49
(Increase)/decrease in loans		(0.77)	7.26
(Increase)/decrease in inventory		(1.70)	(13.12)
Increase/(decrease) in provision		85.99	108.39
Increase/(decrease) in trade payables		213.09	127.06
Increase/(decrease) in financial liabilities		(92.58)	(105.75)
Increase/(decrease) in other liabilities		107.27	80.29
Cash generated from operations		**1,351.68**	**524.37**
Income taxes paid (net of refunds)		(203.86)	(213.68)
Net cash flow from operating activities	**A**	**1,147.82**	**310.69**
Cash flow from investing activities			
Purchase of property, plant and equipment including capital work-in-progress, capital creditors and advances paid		(515.56)	(135.04)
(Purchase)/Sale proceeds of Investments		(38.00)	40.34
Investments in fixed deposits (having original maturity of more than three months)		(3,355.97)	(1,575.82)
Redemption/Maturity of fixed deposits		3,095.47	1,635.21
Proceeds from sale of property, plant and equipment		9.24	-
Finance Income		36.77	58.99
Acquisition of Subsidiary (net of cash)		(761.77)	(495.23)
Net cash flow used in investing activities	**B**	**(1,529.82)**	**(471.55)**

Consolidated Statement of Cash Flows

for the year ended 31 March 2023

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

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
Cash flow from financing activities			
Proceeds of long-term borrowings		304.00	-
Repayment of long-term borrowings		(47.92)	-
Proceeds from short-term-borrowings		10,493.69	8,789.58
Repayment of short-term-borrowings		(9,569.83)	(8,361.32)
Payment of principal portion towards lease liabilities		(68.92)	(71.11)
Payment of interest towards lease liabilities		(20.97)	(5.16)
Investment by NCI		-	1.69
Buy-back of equity shares relating to non-controlling interest portion (including tax)		-	(13.13)
Tax on buy-back of equity shares relating to parent		-	(7.75)
Dividends paid to non-controlling interests		(9.54)	-
Finance cost		(124.70)	(44.91)
Net cash flow from financing activities	**C**	**955.81**	**287.89**
Net increase/(decrease) in cash and cash equivalents	**A+B+C**	**573.81**	**127.03**
Cash and cash equivalents at the beginning of the year		572.86	445.83
Cash and cash equivalents at the end of the year		1,146.67	572.86
Non-Cash investing and financing activities			
Acquisition of Right of use assets		163.92	119.51
Share issued to erstwhile promoters of acquired subsidiary [Refer note 14 (b)]		43.87	-

Summary of significant accounting policies 1 - 2

The accompanying notes form an integral part of the Consolidated Financial Statements. 3 - 62

As per our report of even date

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

Per Aravind K
Partner
Membership Number: 221268
Place: Chennai
Date: 6 July 2023

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

Raghunandana Tangirala
Managing Director
(DIN: 00628914)
Place: Mumbai
Date: 6 July 2023

Pondicherry Chidambaram Balasubramanian
Director
(DIN: 00584548)
Place: Chennai
Date: 6 July 2023

Balaji Swaminathan
Chief Financial Officer
Place: Chennai
Date: 6 July 2023

Ravishankar B
Company Secretary
Membership Number: 08688
Place: Chennai
Date: 6 July 2023

Consolidated Statement of Changes in Equity

for the year ended 31 March 2023

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

(a) Equity share capital

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

(b) Other equity

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

(c) Other equity

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

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

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

The accompanying notes form an integral part of the Consolidated Financial Statements. 3-62

As per our report of even date

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

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

Per Aravind K
Partner
Membership Number: 221268
Place: Chennai
Date: 6 July 2023

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Chief Financial Officer
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Ravishankar B
Company Secretary
Membership Number: 08688
Place: Chennai
Date: 6 July 2023

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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

1. Corporate information

The consolidated financial statements comprise financial statements of Updater Services Limited ('UDS'/ 'Holding Company', "Parent", and "Parent Company") and its subsidiaries (collectively, the Group) for the year ended March 31, 2023. The group is engaged in providing facility management services like integrated facility management services to various industries such as information technology enabled services, manufacturing, hospitality and other industries and catering services, which includes industrial catering, and services at food courts.

Facility management services includes housekeeping, janitorial, garden management, pest control, waste management, vendor management, cleaning and mail room services, mechanical and electrical services, water management, hygiene management, plumbing, energy/safety audit, design erection, installation, testing and commissioning and catering solutions. Business Support services include Mailroom management Services, Employee background verification Services, Retail/Channel/ Trade Audits & Assurance Services, Sales Enablement Services and Airports Ground Handling Services. Information on the Group's structure is provided in Note 52 Group information. Information on other related party relationships of the Group is provided in Note 46 Related party transactions.

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

2. Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

i. Compliance with Ind-AS

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

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

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

a) Certain financial assets and liabilities measured at fair value as explained in the accounting policies; and

b) Defined benefit plan assets measured at fair value.

ii. Basis of consolidation

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

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

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries as at March 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

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

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

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31, 2023. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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

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

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained

Updater Services Limited | Annual Report 2022-23

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

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

- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.2 Summary of Significant accounting policies

a. Business combinations and goodwill

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

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

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

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

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

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

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the

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

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

procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

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

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

b. Current versus non-current classification

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

- Expected to be realised or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The group classifies all other liabilities as non-current.

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

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

c. Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent

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company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation.

Transactions and Balances

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

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

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

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

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

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

Group companies

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

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

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (1 April 2017), are treated as assets and liabilities of the entity rather than as

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assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

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

d. Property, plant and equipment

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

The cost of property, plant and equipment not ready for intended use before such date is disclosed under capital work-in-progress. Items that are not yet ready to use and have an economic benefit of more than one yar have been disclosed under capital work-in-progress.

For depreciation purposes, the group identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the life of the principal asset and depreciates them separately based on their specific useful lives. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred when recognition criteria are not met.

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

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

Depreciation

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

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

Asset Classification	Estimated Useful Life (Years)	Schedule II Life (years)
Plant and machinery	5 to 15	15
Furniture and fittings	10	10
Office equipment	5	5
Vehicles	8	8
Computer and accessories	3	5
Building	60	30
Leasehold improvements#	1-5 years	NA

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

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

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

e. Intangible assets

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

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

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

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

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

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

Asset Classification	Useful Life (Years)	Amortisation method	Internally generated or acquired
Software	3 to 10 years	Amortised on a straight-line basis over the life	Acquired
Goodwill	Indefinite	Assessed for impairment at the end of every year	Acquired
Customer Relationship	5 – 8.5 years	Amortised on a straight-line basis over the life	Acquired
Non-compete	8 – 10 years	Amortised on a straight-line basis over the life	Acquired
Vendor Contract	5 years	Amortised on a straight-line basis over the life	Acquired
Brand	Indefinite	Assessed for impairment at the end of every year	Acquired

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

f. Impairment of non-financial assets

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

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of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

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

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

g. Revenue from contracts with customers

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

Revenue from contracts with customers is recognised when control of the goods or services ("performance obligations") are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the Transaction price of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

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

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

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

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

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

Income from facility management services

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

Income from Mailroom services / Courier services

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

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

Sales Enablement and other staffing services

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

Audit & Assurance and Employee Background Verification Services

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

Business Process Outsourcing (BPO) services

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

Dividend income

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

Interest income

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

Contract balances

Contract assets

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

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period and acceptance by the customer (generally by confirming the attendance records), the amount recognised as contract assets is reclassified to trade receivables.

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

Trade receivables

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

Refund Liabilities

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

Contract liabilities

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

h. Inventories

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

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on first in, first out basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

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

i. Financial Instruments

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

Financial assets

Initial recognition and measurement

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

Effective interest method

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

Subsequent measurement

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

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

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- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 11 (Trade Receivables).

Debt instrument at FVTOCI

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

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

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

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

Equity investments

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

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

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Derecognition

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

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

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

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

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

Impairment of financial assets

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

The group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Provision for ECL is recognised for financial assets measured at amortised cost and fair value through other comprehensive income. It is the Group's policy to measure ECLs on financial assets on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expenses in the statement of profit and loss (P&L). This amount is reflected under the head 'Impairment losses on financial instrument and contract assets' in the P&L.

Reclassification of financial assets

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

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities

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at amortized cost, net of directly attributable transaction costs.

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

Subsequent measurement

All financial liabilities except derivatives are subsequently measured at amortised cost using the effective interest rate method or at Fair Value through profit and loss.

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

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

Derecognition

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

Liability towards unacquired shares of subsidiary:

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

Offsetting of financial instruments

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

Derivative Financial Instruments

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

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

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

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forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

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

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

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

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

- There is an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.

The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

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

(i) Fair value hedges

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

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

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

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

Cash flow hedges

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

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its

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exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

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

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

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

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

Hedges of a net investment

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

j. Leases

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

Group as a lessee

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

i. Right-of-use assets

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

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

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

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

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ii. Lease liabilities

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

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. (Refer Note 41)

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

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

Group as a lessor

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

k. Retirement and other employee benefits

a. Compensated absences

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

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

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

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b. **Post-employment obligations**

The group operates the following post-employment schemes:

i. **Gratuity obligations**

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

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

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

Past service cost is recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs and
- Net interest expense or income.

ii. **Retirement benefits**

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

I. **Taxes**

Current income tax

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

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

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

Deferred tax

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

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

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and written off to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities

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relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

m. Government grants

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

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

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

n. Financial guarantee contracts

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

o. Fair value measurement

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. The principle or the most advantageous market must be accessible by the group

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

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

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

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

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

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

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above (Refer Note 49 Fair value hierarchy).

p. Segment reporting

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

q. Earnings per share

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

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

r. Dividend

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

s. Provisions

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

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

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in the statement of profit and loss net of any reimbursement.

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

Onerous Contract

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

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

t. Contingent liabilities & Contingent Assets

Contingent liability is disclosed for,

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

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

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

u. Cash and cash equivalents

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

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

v. Borrowing cost

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

w. Share-based payments

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

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in Note 42.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions

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at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

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

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

x. Changes in accounting policies and disclosures

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

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

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

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

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

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

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and

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Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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

3 Property, Plant and Equipment

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

Note:

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

3A Other Intangible Assets & Goodwill on Consolidation

Other Intangible Assets

Particulars	Intangibles Assets (Refer note below)					
	Computer Software	Customer Relationship	Non-Compete	Vendor Contract	Brand	Total
Gross carrying value at Cost/Deemed cost						
At 1 April 2021	**39.08**	**36.50**	**21.50**	**61.70**	**15.50**	**174.28**
Additions	8.47	-	-	-	-	8.47
Acquisition of a subsidiary (Note 54B)	-	148.00	25.70	-	53.70	227.40
Disposals	-	-	-	-	-	-
At 31 March 2022	**47.55**	**184.50**	**47.20**	**61.70**	**69.20**	**410.15**
Additions	38.61	-	-	-	-	38.61
Acquisition of a subsidiary (Note 54A)	10.16	309.70	5.10	-	31.80	356.76
Disposals	-	-	-	-	-	-
At 31 March 2023	**96.32**	**494.20**	**52.30**	**61.70**	**101.00**	**805.52**

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Particulars	Intangibles Assets (Refer note below)					
	Computer Software	Customer Relation-ship	Non-Compete	Vendor Contract	Brand	Total
Accumulated Amortisation						
At 1 April 2021	**18.76**	**12.03**	**3.89**	**19.44**	**-**	**54.12**
Charge for the year	10.56	17.75	4.19	12.32	-	44.82
Disposals	-	-	-	(0.04)	-	(0.04)
Other Adjustments	-	-	-	-	-	-
At 31 March 2022	**29.32**	**29.78**	**8.08**	**31.72**	**-**	**98.90**
Charge for the year	8.51	42.73	6.98	12.34	-	70.56
Disposals	-	-	-	-	-	-
At 31 March 2023	**37.83**	**72.51**	**15.06**	**44.06**	**-**	**169.46**
Net Block						
At 31 March 2022	**18.23**	**154.72**	**39.12**	**29.98**	**69.20**	**311.25**
At 31 March 2023	**58.49**	**421.69**	**37.24**	**17.64**	**101.00**	**636.06**

Goodwill on Consolidation

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

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

Impairment Testing of Goodwill and Intangible Assets with Indefinite Lives

The Group performed its annual impairment test for the years ended 31 March 2023 and 31 March 2022. The Group considers cash flow projections, profitability, the external factors such as discount rate and growth rate etc, when reviewing for indicators of impairment. The recoverable amount of the Investments has been determined based on Value in Use calculation using cash flow projections from financial budgets approved by the respective Board/ Senior management covering a four to five year period. The pre-tax discount rate applied to cash flow projections for Impairment testing during the current year is 20% and cash flow beyond the four/five years are extrapolated using a growth rate of 1% to 2% that is the same as the long-term average growth rate for the industry in which the Group operates. It was concluded that the fair value less costs of disposal did not exceed the value in use and the recoverable amounts exceeded their carrying amount.

Key Assumptions used for Value in use Calculations

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

b) Discount rates

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

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

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b) Discount Rates

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

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

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

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

Intangible Assets out of acquisition during the year ended 31 March 2023

Customer Relationship

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

The income approach has been considered for arriving at the value of the intangible asset as defined in "Ind AS 113 Fair Value Measurement". The intangible asset is considered having a useful life of 8.5 years from the date of acquisition.

Non-Compete

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

As per the investment agreements for Athena, the promoters have agreed to non-competence for a period of 5 years from the expiry of Contract of service or the promoters ceasing to hold any securities of Athena (ie after 31 October 2026). Thus effectively 8 years from the date of acquisition.

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

Brand

Brand includes intangible assets acquired through business combinations. Athena uses the brand "Athena" for its traditional as well as new businesses. The Group will continue to use the similar strategy in future for all its new generation businesses. The brand serves to create associations and expectations among products made by Athena. This meets the legal criterion and the separability criterion for recognition of an Intangible Asset under 'Ind AS 38 Intangible Assets'

The income approach has been considered for arriving at the value of the intangible asset as defined in "Ind AS 113 Fair Value Measurement". The intangible asset is considered having an useful life of 10 years."

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

Customer Relationship

Customer contracts and related Customer relationships include intangible assets acquired through business combinations. It represents the relationship established by Denave with customers that are tied to them through a contract, as well as the potential extension of such contracts/additional relationships that would arise as a result of these contracts, and therefore, meet both the contractual/legal criteria and the separability criterion for recognition of an Intangible Asset under 'Ind AS 38 Intangible Assets'.

The income approach has been considered for arriving at the value of these intangible asset as defined in "Ind AS 113 Fair Value Measurement". The Company has ascertained ascertained the useful life as 6 years for the current year acquisition.

Non-Compete

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

As per the investment agreements for Denave, the promoters have agreed to non-competence for a period of 3 years from the expiry of Contract of service or the promoters ceasing to hold any securities of Denave (ie after 30 June 2027). Thus effectively 5.5 years from the date of acquisition.

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

Brand

Brand includes intangible assets acquired through business combinations. Denave uses the brand "Denave" for its traditional as well as new businesses. The Group will continue to use the similar strategy in future for all its new generation businesses. The brand serves to create associations and expectations among products made by Denave. This meets the legal criterion and the separability criterion for recognition of an Intangible Asset under 'Ind AS 38 Intangible Assets'.

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

3B Capital Work-in-Progress (CWIP)

Particulars	Goodwill on Consolidation
At 1 April 2021	**3.20**
Addition	41.24
Less: Capitalised during the year	(3.20)
At 31 March 2022	**41.24**
Addition	-
Less: Capitalised during the year	(41.24)
At 31 March 2023	**-**

Capital Work-in-Progress (CWIP) Ageing Schedule

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

There are no overdue or temporarily suspended Capital Work-in-Progress

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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3C Intangibles Asset Under Development

Particulars	Amount
At 1 April 2021	**-**
Addition	-
Less: Capitalised during the period	-
At 31 March 2022	-
Addition	2.27
Less: Capitalised during the period	-
At 31 March 2023	**2.27**

Intangible Asset under development Ageing Schedule

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

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

4 Investments

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

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

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

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

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for the year ended 31 March 2023

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

5 Loans (At Amortised Cost)

(Unsecured and Considered good, unless otherwise stated)	Non-Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Loans to Employee				
- considered good	1.26	1.58	7.36	6.27
- credit impaired	-	-	3.41	3.41
	1.26	**1.58**	**10.77**	**9.68**
Less: Impairment for doubtful loans	-	-	(3.41)	(3.41)
	1.26	**1.58**	**7.36**	**6.27**
Total Loans (at amortised cost)	**1.26**	**1.58**	**7.36**	**6.27**

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

6 Other Financial Assets

(Unsecured and Considered good, unless otherwise stated)	Non-Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Retention Deposits				
- considered good	0.30	12.45	-	-
- credit impaired	0.60	0.59	-	-
	0.90	**13.04**	**-**	**-**
Less: Impairment for doubtful deposits	(0.60)	(0.59)	-	-
	0.30	**12.45**	**-**	**-**
Rental Deposit				
- considered good	76.06	22.46	8.15	38.88
- credit impaired	3.08	2.70	-	-
	79.14	**25.16**	**8.15**	**38.88**
Less: Impairment for doubtful deposits	(3.08)	(2.70)	-	-
	76.06	**22.46**	**8.15**	**38.88**
Security Deposits				
- considered good	69.17	37.55	49.04	43.79
- credit impaired	1.56	-	15.49	7.11
	70.73	**37.55**	**64.53**	**50.90**
Less: Impairment for doubtful deposits	(1.56)	-	(15.49)	(7.11)
	69.17	**37.55**	**49.04**	**43.79**
Advances recoverable in cash				
- considered good	-	-	0.94	-
- credit impaired	-	-	0.41	0.20
	-	**-**	**1.35**	**0.20**
Less: Impairment for doubtful advances	-	-	(0.41)	(0.20)
	-	**-**	**0.94**	**-**
Interest accrued and not due on bank deposits	-	-	8.67	6.68
Bank balances other than cash and cash equivalents				
- Margin Money deposits with Banks*	30.12	30.21	-	-
- in long-term deposits with maturity more than 12 months	98.23	204.60	-	-
Other Financial Assets (at Amortised Cost)	**273.88**	**307.27**	**66.80**	**89.35**

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

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7 Other Assets

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

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

8 Inventories

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

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9 Non-Current Tax Assets (net)

	As at 31 March 2023	As at 31 March 2022
Advance income tax	1,470.76	1,262.29
Less: Provision for income taxes	(923.57)	(742.87)
	547.19	**519.42**

10 Contract Assets

	Non-Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Reimbursement Right of Gratuity (Refer Note 40)*	221.55	195.32	179.74	131.78
Less: Provision for Expected Credit Loss	-	(10.55)	(22.96)	-
	221.55	**184.77**	**156.78**	**131.78**
Unbilled Revenue*	-	-	513.84	432.14
Less: Provision for Estimated Price Concession	-	-	(2.44)	(3.00)
	-	**-**	**511.40**	**429.14**
Total Contract Assets	**221.55**	**184.77**	**668.18**	**560.92**

*Classified as contract assets as there is no unconditional right to consideration and it is dependent on completion of contractual obligations. The Holding Company has recognised gratuity liability and reimbursement right in respect of employees where there is contractual right to receive reimbursement from customers, pursuant to paragraph 116 of Ind AS - 19. Refer Note 40.

Movement of Contract Assets	As at 31 March 2023	As at 31 March 2022
As at 1 April	745.69	440.03
Add: Addition during the year	588.03	753.98
Less: Billed during the year	(418.59)	(434.77)
Less: Provision for Expected Credit loss and Estimated Price Concession	(25.40)	(13.55)
As at 31 March	**889.73**	**745.69**

11 Trade Receivables

A. Trade Receivables

	As at 31 March 2023	As at 31 March 2022
Trade receivables	3,359.88	2,688.39
Trade receivable from related parties (Refer Note 46)	-	0.13
	3,359.88	**2,688.52**
Security Details		
Considered good, Unsecured	3,359.88	2,688.52
Trade Receivables - credit impaired	126.91	165.85
	3,486.79	**2,854.37**
Impairment Allowance		
Considered good, Unsecured	(2.16)	(1.78)
Trade Receivables - credit impaired	(124.75)	(164.07)
	(126.91)	**(165.85)**
Sub-Total (A)	**3,359.88**	**2,688.52**

B. Unbilled Receivables

	As at 31 March 2023	As at 31 March 2022
Unbilled Receivables#		
- considered good	917.40	786.33
- credit impaired	8.81	6.00
	926.21	**792.33**
Less: Provision for Estimated Price Concession	(8.81)	(6.00)
Sub-Total (B)	**917.40**	**786.33**
Total Trade Receivables (A + B)	**4,277.28**	**3,474.85**

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

Movement of Expected Credit Loss	As at 31 March 2023	As at 31 March 2022
As at 1 April	1.78	2.48
Provision for expected credit loss	0.38	(0.70)
As at 31 March	**2.16**	**1.78**

Movement of Unbilled Receivables	As at 31 March 2023	As at 31 March 2022
As at 1 April	786.33	668.28
Add: Addition during the year	926.21	792.33
Less: Billed during the year	(786.33)	(668.28)
Less: Provision for Estimated Price Concession	(8.81)	(6.00)
As at 31 March	**917.40**	**786.33**

No trade or other receivables are due from Directors or other officers of the Group either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days based on the type of the customer. For balances, terms and conditions relating to related parties, refer Note 46.

Trade Receivable Ageing as on 31 March 2023

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

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

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

Trade Receivable Ageing as on 31 March 2022

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

12A Cash and Cash Equivalents

	As at 31 March 2023	As at 31 March 2022
Balances with banks		
- On current accounts	864.06	401.69
- deposits with original maturity of less than three months	282.03	170.82
Cash in hand	0.58	0.35
	1,146.67	**572.86**
For the purpose of statement of cash flows, cash and cash equivalents comprise the following:		
Balances with banks		
- On current accounts	864.06	401.69
- deposits with original maturity of less than three months	282.03	170.82
Cash in hand	0.58	0.35
Total Cash and Cash Equivalents	**1,146.67**	**572.86**

12B Bank Balances other than Cash and Cash Equivalents as above (Current)

	As at 31 March 2023	As at 31 March 2022
Long-term deposits with maturity more than 3 months but less than 12 months	414.98	73.81
Margin money deposit and Earmarked balances with Bank*	89.29	63.50
Total Bank Balances other than cash and cash equivalents	**504.27**	**137.31**

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

12C Changes in Liabilities arising from Financing Activities

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

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

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

13 Deferred Tax Asset (Net)

	As at 31 March 2023	As at 31 March 2022
Property, plant & equipment and Intangible assets	71.88	32.53
Lease Liabilities	18.73	0.70
Losses available for offsetting against future taxable income*	36.14	12.69
Provision for impairment of doubtful trade receivables	46.47	119.65
Provision for doubtful advances	12.86	73.49
Provision for gratuity	134.20	102.48
Provision for compensated absences	20.58	18.10
Expenses allowable on payment basis	126.98	102.35
Others	20.23	11.85
Deferred tax asset (Net)	**488.07**	**473.84**
Reconciliation of Deferred tax asset/liabilities		
Opening balance (Deferred tax asset)	**473.84**	**381.12**
Opening balance (Deferred tax liabilities)	**(108.48)**	**(25.56)**
Tax Expense during the year recognised in Statement of Profit and Loss	41.27	60.78
Deferred tax on Acquisition (Refer Note 54)	(72.94)	(55.27)
Movement in MAT credit balance (adjusted in tax provisions)	-	(1.22)
Tax (Income)/Expense during the year recognised in OCI	(3.12)	5.51
Closing balance (Net)	**330.57**	**365.36**
Closing balance (Deferred tax asset)	**488.07**	**473.84**
Closing balance (Deferred tax liabilities)	**(157.50)**	**(108.48)**

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

14 Equity Share Capital

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised		
7,50,00,000 (31 March 2022: 5,30,00,000) equity shares of ₹ 10 each	**750.00**	**530.00**
Issued, subscribed and paid up		
5,29,52,467 (31 March 2022: 5,28,17,479) equity shares of ₹ 10 each fully paid up	**529.52**	**528.18**

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

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

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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

(b) Terms/rights attached to equity shares:

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

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

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

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

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

As at 31 March 2023

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

As at 31 March 2022

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

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Shares	% of holding	Number of Shares	% of holding
Equity shares of ₹10 each fully paid				
Mr Raghunandana Tangirala	1,55,87,702	29.44%	1,63,77,702	31.01%
Ms Shanthi Tangirala	1,62,37,705	30.66%	1,62,37,705	30.74%
Tangi Facility Solutions Private Limited	1,11,73,440	21.10%	1,11,73,440	21.15%
India Business Excellence Fund – II	28,89,161	5.46%	28,89,161	5.47%
India Business Excellence Fund – IIA	61,39,468	11.59%	61,39,468	11.62%
Total	**5,20,27,476**	**98.25%**	**5,28,17,476**	**100.00%**

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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

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

(e) Shares reserved for issue under options:

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

(f) Promoter's Shareholding details:

Particulars	Number of shares at the beginning of the year	Change during the year	Number of shares at the end of the year	% of Total Shares	% change during the year
As at 31 March 2023					
Mr Raghunandana Tangirala	1,63,77,702	(7,90,000)	1,55,87,702	29.44%	(1.57%)
Ms Shanthi Tangirala	1,62,37,705	-	1,62,37,705	30.66%	(0.08%)
Tangi Facility Solutions Private Limited	1,11,73,440	-	1,11,73,440	21.10%	(0.05%)
As at 31 March 2022					
Mr Raghunandana Tangirala	1,63,77,705	(3)	1,63,77,702	31.01%	0.00%
Ms Shanthi Tangirala	1,62,37,705	-	1,62,37,705	30.74%	0.00%
Tangi Facility Solutions Private Limited	1,11,73,440	-	1,11,73,440	21.15%	0.00%

15 Other Equity

Particulars	As at 31 March 2023	As at 31 March 2022
Retained Earnings	2,554.32	2,227.14
Capital Redemption Reserve	21.09	20.75
General Reserve	26.60	26.60
Foreign Currency Translation Reserve	21.56	-
Securities premium	601.95	559.43
Employee Stock Option Reserve (Refer Note 42)	53.89	42.17
Total Other Equity	**3,279.41**	**2,876.09**

Retained Earnings

Particulars	Amount
As at 1 April 2021	1,683.62
Add: Profit for the year	552.91
Less: Other Comprehensive Gain/(Loss)	(27.16)
Add: Adjustments relating to acquisition of NCI	25.52
Less: Income tax on buyback of equity shares	(7.75)
As at 31 March 2022	**2,227.14**
Add: Profit for the period	357.86
Less: Transfer to Capital Redemption Reserve	(0.34)
Less: Other Comprehensive Gain/(Loss)	9.65
Less: Adjustments relating to acquisition of NCI	(39.99)
As at 31 March 2023	**2,554.32**

Capital Redemption Reserve

Particulars	Amount
As at 1 April 2021	20.75
Changes during the year	-
As at 31 March 2022	20.75
Changes during the year	0.34
As at 31 March 2023	**21.09**

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General Reserve

Particulars	Amount
As at 1 April 2021	26.60
Changes during the year	-
As at 31 March 2022	**26.60**
Changes during the year	-
As at 31 March 2023	**26.60**

Foreign Currency Translation Reserve

Particulars	Amount
As at 1 April 2021	-
Changes during the year	-
As at 31 March 2022	**-**
Changes during the year	21.56
As at 31 March 2023	**21.56**

Securities Premium

Particulars	Amount
As at 1 April 2021	559.43
Changes during the year	-
As at 31 March 2022	**559.43**
Changes during the year	42.52
As at 31 March 2023	**601.95**

Employee Stock Option Reserve

Particulars	Amount
As at 1 April 2021	34.05
Add: Employee stock options provided	8.12
As at 31 March 2022	**42.17**
Add: Employee stock options provided	38.89
Less: NCI in share options	(27.17)
As at 31 March 2023	**53.89**

Nature and purpose of reserves

(i) Retained Earnings

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

(ii) Capital Redemption Reserve

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

(iii) General Reserve

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

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(iv) Foreign Currency Translation Reserve

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

(v) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(vi) Employee Stock Option Reserve

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

16 Non-Controlling Interest (NCI)

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

Movement of NCI

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

17 Borrowings (at Amortised Cost)

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

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

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

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

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

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

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

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

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

As at 31 March 2023

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

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

Quarterly Statement Period	Bank Name	Amount as per books of account	Amount as reported in the quarterly statement	Difference (Refer below Note)
31 December 2022	HDFC, SCB, DBS, Citi, Kotak	1,934.01	1,853.60	80.41
31 December 2022	ICICI	1,934.01	1,350.00	584.01
31 March 2023	Citi, Kotak	1,765.48	2,018.60	(253.12)
31 March 2023	HDFC,DBS, SCB	1,765.48	1,768.60	(3.12)
31 March 2023	ICICI	1,765.48	1,755.58	9.90

Notes:

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

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

As at 31 March 2023

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

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

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

As at 31 March 2022

Quarterly Statement Period	Bank Name	Amount as per books of account	Amount as reported in the quarterly statement	Difference (Refer below) Note
Debtors				
30 June 2021	All banks	1,737.85	2,414.39	(676.54)
30 September 2021	All banks	2,790.08	2,782.76	7.32
31 December 2021	All banks	2,206.23	2,990.16	(783.93)
31 March 2022	All banks	1,744.49	2,849.44	(1,104.95)

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

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

Notes:

1. The Holding Company has submitted quarterly returns to the banks in respect of borrowings taken against the security of current assets. These quarterly returns are submitted to HDFC Bank, ICICI Bank, SCB Bank, Citi Bank, DBS Bank and Kotak Mahindra Bank.

2. The discrepancy in respect of borrowings outstanding reported for the quarter ending 30 September 2021, 30 December 2021 and 31 March 2022, was attributable to clerical errors while the discrepancies in respect of debtors, creditors, sales for the period, purchases for the period for all the quarters and borrowings for quarter ending 30 June 2021 were attributable to the Holding Company's financial closure process being not fully completed at the time of filing quarterly statements. The Holding Company has subsequent to year end, re-submitted the above statements to the respective banks during December 2021.

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

As at 31 March 2022

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

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

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

18 Trade Payables (at Amortised Cost)

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

Trade Payables Ageing as on 31 March 2023

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

Trade Payables Ageing as on 31 March 2022

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

Trade payables are non-interest bearing and are normally settled on 30 to 60 day term. For terms and conditions relating to related parties, refer Note 46.

19 Other Financial Liabilities

	Non-Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
(At Amortised Cost)				
Capital creditors	-	-	15.03	36.20
Employee benefits payable	-	-	1,162.53	1,080.85
Security Deposit	-	-	-	0.93
Bonus payable	-	-	399.39	402.91
Director Fee Payable	-	-	0.72	-
Other payables	-	-	8.29	1.73
(At Fair Value through Profit or Loss)				
Liability payable to promoters of acquired subsidiary#	1,138.71	804.14	735.94	257.96
Total Other Financial Liabilities	**1,138.71**	**804.14**	**2,321.90**	**1,780.58**

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

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

20 Net Employee Defined Benefit Liabilities

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

21 Deferred Tax Liabilities (Net)

	As at 31 March 2023	As at 31 March 2022
Intangible assets arising on acquisition	157.50	108.48
Total Deferred Tax Liabilities (Net)	**157.50**	**108.48**

22 Short-Term Provisions

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Provision for leave benefits	104.18	97.11
Other provisions		
Provision for tax litigations*	3.34	2.81
Total Short-Term Provisions	**107.52**	**99.92**
***The table gives the information about movement of the provision:**		
Provision for litigations (Refer Note 44)		
At the beginning of the year	2.81	2.81
Created during the year	0.53	-
Utilised during the year	-	-
At the end of the year	**3.34**	**2.81**

23 Current Tax Liabilities (Net)

	As at 31 March 2023	As at 31 March 2022
Provision for income taxes (net of advance income taxes)	57.30	37.13
Total Current Tax Liabilities (net)	**57.30**	**37.13**

24 Other Current Liabilities

	As at 31 March 2023	As at 31 March 2022
Advance from customers	16.24	48.48
Statutory dues and related liabilities*	673.85	500.52
Provision against PF order#	4.22	3.88
Deferred Income	10.05	18.63
Other Payables	50.07	36.14
Total other current liabilities	**754.43**	**607.65**

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

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

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25 Revenue from Contracts with Customers

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Sale of services	20,901.07	14,796.35
Sale of products	87.80	39.17
Total Revenue from contracts with customers	**20,988.87**	**14,835.52**

Revenue by Geography

	Year ended 31 March 2023	Year ended 31 March 2022
India	19,368.40	14,736.14
Outside India	1,620.47	99.38
Total Revenue from contracts with customers	**20,988.87**	**14,835.52**

Timing of Revenue Recognition

	Year ended 31 March 2023	Year ended 31 March 2022
Goods transferred at a point in time	87.80	39.17
Service transferred at a point in time	381.80	587.51
Service transferred over a period of time	20,519.27	14,208.84
Total	**20,988.87**	**14,835.52**

Reconciliation of Sale of Products/Services with the Contracted Price

	Year ended 31 March 2023	Year ended 31 March 2022
Revenue as per contracted price	21,160.19	15,107.13
Adjustments - Estimated price concessions*	(171.32)	(271.61)
Total	**20,988.87**	**14,835.52**

*The table gives the information about movement of the Estimated Price Concessions:

	Year ended 31 March 2023	Year ended 31 March 2022
At the beginning of the year	324.56	215.32
Created during the year	171.32	271.61
Utilised during the year	(412.36)	(162.37)
At the end of the year	**83.52**	**324.56**

Contract Balances

	Year ended 31 March 2023	Year ended 31 March 2022
Trade Receivables (Refer Note 11)	4,277.28	3,474.85
Contract Assets (Refer Note 10)	889.73	745.69
Contract Liabilities		
Advance from customers (Refer Note 24)	16.24	48.48
Deferred Income (Refer Note 24)	10.05	18.63

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26 Other Income

	Year ended 31 March 2023	Year ended 31 March 2022
Profit on sale of property, plant & equipment (net)	4.99	0.40
Provision no longer required written back*	61.81	55.84
Other non-operating income	4.20	1.44
Bad debts recovered	-	9.44
Fair value gain on Financial Assets at FVTPL	0.79	10.17
Exchange Differences (net)	-	6.05
Total Other income	**71.79**	**83.34**

* Includes reversal of impairment allowance amounting to ₹ 47.18 million relating to certain receivables in respect of which management had estimated the recovery to be the doubtful in the previous year. In the current period, post issuance of credit notes as per the relevant provisions of the Central Goods and Services Act, 2017 and other rules thereunder, such impairment allowance is no longer considered necessary and has accordingly been reversed in the current period.

27 Finance Income

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income - Bank deposits	25.53	23.53
Interest income on income tax refund	23.47	32.08
Interest income - Others	11.24	4.46
Total Finance income	**60.24**	**60.07**

28 Cost of Materials Consumed

	Year ended 31 March 2023	Year ended 31 March 2022
Inventory at the beginning of the year	3.53	2.63
Add: Purchase	782.19	388.10
Less: Inventory at the end of the year	(17.68)	(3.53)
Cost of materials consumed	**768.04**	**387.20**

29 Purchase of Traded Goods

	Year ended 31 March 2023	Year ended 31 March 2022
Purchase of traded goods	23.72	19.71
Total Purchase of traded goods	**23.72**	**19.71**

30 Cost of Services

	Year ended 31 March 2023	Year ended 31 March 2022
Cost of Services	2,667.09	954.10
Total Cost of Services	**2,667.09**	**954.10**

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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

31 Changes in Inventories of Finished Goods and Traded Goods

	Year ended 31 March 2023	Year ended 31 March 2022
Finished Goods		
Closing stock	15.13	13.27
Opening stock	13.27	8.16
Stock-in-trade		
Closing stock	32.38	44.65
Opening stock	44.65	36.32
Total Changes in Inventories	**10.41**	**(13.44)**

32 Employee Benefit Expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	12,291.44	9,496.00
Contribution to provident and other fund (Refer Note 40)	1,328.95	1,071.78
Less: Income from government grants#	(1.70)	(9.85)
Gratuity expense (Refer Note 40)	91.00	76.67
Staff welfare expenses	92.00	39.05
Employee stock option expenses (Refer Note 42)	38.89	8.12
Total Employee benefit expenses	**13,840.58**	**10,681.77**

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

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

33 Finance Costs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest on borrowings	123.07	44.91
Interest on lease liabilities	20.97	5.16
Interest on Income Tax	0.76	0.61
Other borrowing costs	0.87	-
Total Finance costs	**145.67**	**50.68**

34 Depreciation and Amortisation Expense

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of Property, Plant and Equipment (Refer Note 3)	209.82	84.35
Depreciation of Right of Use Assets (Refer Note 41)	90.02	36.17
Amortisation of intangible assets (Refer Note 3A)	70.56	44.82
Total Depreciation and amortisation expense	**370.40**	**165.34**

35 Impairment Losses on Financial Instrument and Contract Assets

	Year ended 31 March 2023	Year ended 31 March 2022
Expected credit loss on reimbursement right of gratuity	11.64	43.79
Impairment for doubtful trade receivables	14.21	11.66
Impairment on doubtful advances	10.49	4.56
Total Impairment Losses on financial instrument and contract assets	**36.34**	**60.01**

Notes to Consolidated Financial Statements

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

36 Fair Value Change in Liability Payable/Paid to Promoters of acquired Subsidiary

	Year ended 31 March 2023	Year ended 31 March 2022
Fair value loss on changes due to re-measurement of Liability payable/paid to promoters of acquired subsidiary (Refer Note 19)	413.63	213.48
Total	**413.63**	**213.48**

37 Other Expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Payment to Associates	172.82	108.35
Verification expenses	129.30	131.93
Consumption of stores and spares	11.33	7.33
Communication expenses	53.51	23.96
Canteen materials	48.20	21.21
Cleaning materials and consumables	306.04	220.09
Advances written off	-	2.50
Bad debts written off	1.55	8.89
Freight and forwarding charges	13.48	1.31
Insurance	29.39	33.72
Legal and professional fees	104.39	80.07
Power and fuel	47.67	19.96
Computer hire charges	28.56	23.66
Discount Allowed	-	5.53
Postage and Courier Charges	170.37	259.65
Printing and stationery	23.03	26.74
Provision for Diminution of value of inventories	0.73	1.03
Non-Executive Director's remuneration	6.81	2.10
Payment to auditor	14.46	15.28
Rates and taxes	26.76	54.06
Rent	77.08	53.53
Repairs and maintenance - Buildings	-	17.97
Repairs and maintenance - Others	126.92	61.12
CSR expenditure	14.03	9.44
Site maintenance expenses	548.47	370.21
Travelling and conveyance	129.54	78.36
Loss on sale of Property, plant and equipment	5.51	12.23
Training Expense	73.11	36.88
License Fee	67.98	10.63
Miscellaneous expenses	72.10	52.93
Total Other Expenses	**2,303.14**	**1,750.67**

Notes to Consolidated Financial Statements

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38 Income Tax Expense

	Year ended 31 March 2023	Year ended 31 March 2022
The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:		
Current income tax:		
Current income tax charge	227.55	209.48
Tax related to earlier periods	9.55	(12.98)
Deferred tax:		
Relating to origination and reversal of temporary differences	(41.27)	(60.78)
Total Income tax expense reported in the statement of profit or loss	**195.83**	**135.72**
Other Comprehensive income (OCI) Section		
Income Tax Effect on Re-measurement gains and (losses) on defined benefit obligations (net)	(3.12)	5.51

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for years ended 31 March 2023 and 31 March 2022:

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

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

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

39 Earnings per Equity Share

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

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

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

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

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

(i) Defined Contribution Plan:

The Group provident fund is a defined contribution plan. An amount of ₹ 1328.95 million being contribution made to recognised provident fund is recognised as expense for the year ended 31 March 2023 (31 March 2022: ₹ 1071.78 million) and included under Employee benefit expense (Note 32) in the Statement of Profit and loss.

(ii) Defined Benefit Plans:

A. Gratuity (Regular)

The Group has defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed 5 years of service are eligible for gratuity on departure at 15 days salary (last drawn) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement.

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of Defined Benefit Obligation	466.99	422.53
Fair value of plan assets	(48.06)	(33.86)
Net Liability or asset	**418.93**	**388.67**
Current	99.37	98.03
Non-Current	319.56	290.64

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

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

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

(c) Remeasurement recognised in Other Comprehensive Income

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

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

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

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

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

(f) 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	388.67	264.48
Defined benefit obligation for acquisition during the year	13.89	41.24
Defined Benefit cost included in the Profit/Loss	91.00	75.82
Defined Benefit cost included in Other Comprehensive Income	(12.86)	32.68
Benefit Paid	(61.77)	(25.55)
Net Liability/(Asset) at the end of the year	**418.93**	**388.67**

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(g) Principal Actuarial Assumptions at the Balance Sheet date:

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

(h) Quantitative Sensitivity Analysis for Significant Assumption:

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

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

(i) Expected Cash Flows based on past Service Liability

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

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

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

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

B. Gratuity (Reimbursement from Customers)

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

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(a) Net Defined Benefit Liability:

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of Defined Benefit Obligation	343.13	291.78
Fair value of plan assets	-	-
Net Liability or asset	**343.13**	**291.78**
Current	123.20	94.42
Non-Current	219.93	197.36

(b) Net Benefit Cost:

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

Note:

The employee benefits expenses towards gratuity and related reimbursement right for associate employees for the year ended 31 March 2023 ₹ 75.68 million [31 March 2022 ₹ 130.77 million] have been netted off in the Statement of Profit and Loss.

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

Particulars	As at 31 March 2023	As at 31 March 2022
Opening defined benefit obligation	291.78	248.92
Current service cost	61.83	39.01
Interest cost	14.40	8.28
Actuarial losses/(gains)		
Due to change in financial assumptions	(23.92)	(2.88)
Due to change in demographic assumption	2.24	13.90
Due to experience adjustments	21.13	72.46
Benefit Paid	(24.33)	(87.91)
Closing balance of the present value of defined benefit obligation	**343.13**	**291.78**

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

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

(e) Principal Actuarial Assumptions at the Balance Sheet date:

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

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(f) Quantitative sensitivity analysis for significant assumption:

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

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

(g) Expected Cash Flows based on past Service Liability:

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

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

41 Leases

The Group has lease contracts for building used in its operations. Leases of building generally have lease terms between 2-6 years, vehicles have lease terms of 1-3 years and furniture and fittings between 1-2 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases of building, machinery, furniture and fittings with lease term less than 12 months where it applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Particulars	Buildings	Vehicles	Total
As on 1 April 2021	36.68	0.01	36.69
Additions	119.83	-	119.83
Depreciation Expense	(36.17)	-	(36.17)
As on 31 March 2022	**120.34**	**0.01**	**120.35**
Additions	163.92	-	163.92
Acquisition of subsidiary	229.57	-	229.57
Deletions	(22.47)	-	(22.47)
Depreciation Expense	(90.02)	-	(90.02)
Other Ind AS Adjustments	0.74	-	0.74
As on 31 March 2023	**402.08**	**0.01**	**402.09**

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

Particulars	As at 31 March 2023	As at 31 March 2022
As on 1 April	126.37	44.94
Additions	160.32	119.51
Acquisition of subsidiary	241.23	-
Deletions	(25.75)	(1.74)
Accretion of Interest	20.97	5.16
Payments	(88.02)	(41.50)
Other Ind AS Adjustments	(1.87)	-
As on 31 March	**433.25**	**126.37**
Current	149.02	47.69
Non-Current	284.23	78.68

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

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

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

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

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

The following are the amounts recognised in profit or loss:

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

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

42 Share-based payments

a) Employee Share-Option Plan – 2019

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

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The expense recognised (net of reversal) for share options during the year ended 31 March 2023 is ₹ Nil [31 March 2022): ₹ 2.31 million]. There are no cancellations or modifications to the awards for the year ended 31 March 2023.

Tranche I (A)

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

Tranche I (B), II and III

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

A. Details of ESOP 2019

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

B. Movement in the Options Granted to Employees

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

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

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

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

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C. Fair Value of Options Granted

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

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

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

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

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

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

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

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

A. Details of ESOP 2022

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

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B. Movement in the Options Granted to Employees

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

C. Fair Value of Options Granted

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

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

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

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

Date of Grant	Option Details	Number of shares	Fair Value per Share	Value of the Options	Weighted Average value	Weighted Average price
16-12-2023	Tranche -T I	3,90,508	293.45	11,45,94,573	0.22	64.28
04-03-2023	Tranche -T II	4,76,000	308.8	14,69,88,800	0.28	86.76
16-12-2023	Tranche -E I	3,90,492	293.45	11,45,89,877	0.22	64.28
04-03-2023	Tranche -E II	4,76,000	308.8	14,69,88,800	0.28	86.76
		17,33,000		**52,31,62,050**	**1.00**	**302.08**

A2. Details of ESOP 2022 - Second

Name of the scheme - ESOP 2022	Tenure Based Tranche -T 0 (A)	Listing based Tranche -IPO (A)
Date of grant	4 March 2023	4 March 2023
Number granted	50,000	50,000
Exercise price (in ₹) per share	300	300
Vesting period	1 Year	1-2 Years
Method of Settlement	Equity-Settled	Equity-Settled
Method of Accounting	Fair Value	Fair Value
Vesting condition*	Service Condition - Tenure Based	Performance condition - IPO linked
Method of valuation	Black-Scholes Model	Black-Scholes Model

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B2. Movement in the Options Granted to Employees

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

C. Fair Value of Options Granted

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

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

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

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

c) One of the subsidiary Denave India Private Limited ("Denave") has granted Employee stock option plan-2018. "ESOP-2018" came into effect from 1 March 2018. It was approved by the Board of Directors ('the Board of Denave') of in the meeting held on 1 March 2018, and by the members of the Denave in the Extra Ordinary General Meeting held on 1 March 2018 and further modified vide Board resolution dated 4 April 2018; 30 January 2020 and 31 December 2020.

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

Pursuant to a resolution of the Board of Directors dated 4 April 2018 and a resolution of the Shareholders dated 30 April 2018, the size of the ESOP pool was amended. Further, amendments were made to vesting period for 2017-18-Block-I and 2017-18-Block-II and 2020-21 Block and to a few other clauses.

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

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

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

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

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A. Details of ESOP 2018

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

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

Note 1

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

Note 2

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

a) 50% of the options will vest to the employees after one year from the date of acceptance of the offer, 25% after two years from the date of acceptance of the offer and 25% after three years from the date of acceptance of the offer

b) One year from the date of acceptance of the offer by the Compensation committee for one employee considering that the said change is not detrimental to the interest of the participating employees.

Note 3

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

Note 4

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

Note 5

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

B. Movement in the Options Granted to Employees

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

C. Fair Value of Options Granted

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

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

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

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

Under the Scheme options were granted to the certain employees at an exercise price of ₹ 10 in multiple

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tranches. The options issued under the plan has a term of 1-4 years as provided in the stock options grant letter and vest based on the tenure served by such employees.

The Company has also granted certain options during the year to such employees which vest based on non-market linked performance conditions related to the Company over a 4 year period, which is stipulated in the respective grant letters issued to the employees. The performance condition for FY 2022-23 (Tranche 1) has been communicated to respective employees, while for Tranches 2-4, these will be communicated in future. Further, the Plan also provides ability for the employee to catch up any unvested options for a particular Trache 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 ₹10/- each fully paid up.

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

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

A. Details of ESOP 2022

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

B2. Movement in the Options Granted to Employees

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

C. Fair Value of Options Granted

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

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

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

43 Capital Management

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

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

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

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

44 Commitments and Contingencies

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

Note:

1. Income Tax

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

During the year ended 31 March 2022, the assessment u/s 143(3) of the Income Act was completed for the said AY disallowing the said claim of the Holding Company on the grounds that the return of income was filed

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

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

b) **In respect of the subsidiaries:**

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

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

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

Matrix Business Services Private Limited - During the year ended 31 March 2023, the Subsidiary has received an order dated 28 December 2022 from the income tax department in relation to the Assessment year 2021-22 disallowing the incentive paid to the erstwhile promoters of the subsidiary amounting to ₹ 66 million and demanded an amount of ₹ 16.9 million as additional tax payable. The subsidiary believes that the aforesaid disallowances are untenable and accordingly, filed an appeal with the Commissioner of Income Tax (Appeals) on 23 January 2023. - ₹ 16.90 million.

Wynwy Technologies Private Limited - The Income tax Assessments have been completed up to 31 March 2022. In respect of the Financial year 2018-19, the taxation authorities have restricted the carry forward of loss of ₹ 45.17 million to 1.66 million and the subsidiary has made petition to taxation authorities in this regard which is pending disposal.

2. The Gujarat Panchayats and Municipal Corporations has made claim against the Holding Company for amount ₹ 5.61 million in respect of Professional Tax. The Holding Company has filed the appeal at Court of Professional Tax Officer and Taluka Development Officer at Sanand and deposited the said amount under Protest and presented same as Balance with Government Authority in the Consolidated Financial Statements.

   In respect of one of the subsidiaries, Denave India Private Limited, Professional tax demands made amounts to ₹ 0.60 million (against which the subsidiary has paid ₹1.52 lakh under protest).

3. The holding company has received an assessment order for the Financial year 2021-22 with a demand of ₹ 1.13 million u/s 73 of The CGST Act, 2017 towards excess utilisation of ITC, delay in filing the GST returns and interest on delayed payment of tax. The Holding Company has filed an appeal to Joint Commissioner Appeals Chennai denying the demand. - ₹ 1.13 million

4. Includes claim made against the Holding Company in Labour court by ex-employees of the Company amounting to ₹ 3.2 million in respect of reinstatement of employment with back wages.

   In respect of one of the subsidiaries, Matrix Business Services Private Limited, Provision for Bonus for FY 2014-15 pursuant to retrospective amendment to "Payment of Bonus Act" for which an interim stay has been granted by the High Court of Madras. - ₹ 2.78 million.

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45 Segment Information

The Managing Director of the holding company has been identified as being the chief operating decision maker (CODM), he evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Group basis these reportable segments. The Group has re-presented the information relating to all comparative periods in line with this revised segmental classification.

The integrated facility management services primarily comprises of supply of Soft services, Production support services, Engineering Services, Washroom and Feminine Hygiene Care Solutions, Warehouse management, General staffing, Institutional Catering and other related services to various industries. Business Support services primarily comprises of Sales Enablement services, Employee Background Verification Check Services, Audits and Assurance Services, Airport Ground Handling Services, Mailroom Management and Niche Logistics Solutions, Business Process Outsourcing services.

Year ended 31 March 2023

Particulars	Integrated Facility Management Services	Business Support Services	Total segments	Adjustments & eliminations	Total
Revenue					
External Sales	15,219.10	6,086.08	21,305.18	(316.31)	20,988.87
Other Income	68.41	2.99	71.40	0.39	71.79
Finance Income	79.86	31.79	111.65	(51.41)	60.24
Total Income	**15,367.37**	**6,120.86**	**21,488.23**	**(367.33)**	**21,120.90**
Cost of materials consumed	(777.42)	-	(777.42)	9.38	(768.04)
Purchases of traded goods	(223.80)	-	(223.80)	200.08	(23.72)
Cost of Services	-	(2,723.43)	(2,723.43)	56.34	(2,667.09)
Changes in inventories of Finished goods and traded goods	0.23	-	0.23	(10.64)	(10.41)
Employee benefits expense	(12,259.76)	(1,581.53)	(13,841.29)	0.71	(13,840.58)
Finance costs	(139.74)	(27.12)	(166.86)	21.19	(145.67)
Depreciation and amortisation expense	(198.81)	(112.57)	(311.38)	(59.02)	(370.40)
Impairment losses on financial instrument and contract assets	(77.72)	(3.71)	(81.43)	45.09	(36.34)
Fair value changes in Liability payable/paid to promoters of acquired subsidiary	-	-	-	(413.63)	(413.63)
Other expenses	(1,351.52)	(1,012.64)	(2,364.16)	61.02	(2,303.14)
Segment Profit	**338.83**	**659.86**	**998.69**	**(456.81)**	**541.88**
As at 31 March 2023					
Total Assets	10,019.11	3,824.37	13,843.48	(1,674.01)	12,169.47
Total Liabilities	6,432.40	1,635.40	8,067.80	223.56	8,291.36
Other Information					
Capital Expenditure	-	-	-	-	-
Depreciation & Amortisation expense	198.81	112.57	311.38	59.02	370.40

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Year ended 31 March 2022

Particulars	Integrated Facility Management Services	Business Support Services	Total segments	Adjustments & eliminations	Total
Revenue					
External Sales	12,028.26	3,076.57	15,104.83	(269.31)	14,835.52
Other Income	88.64	30.34	118.98	(35.64)	83.34
Finance Income	65.72	5.71	71.43	(11.36)	60.07
Total Income	**12,182.62**	**3,112.62**	**15,295.24**	**(316.31)**	**14,978.93**
Cost of materials consumed	(608.08)	-	(608.08)	196.26	(411.82)
Cost of Services	-	(954.09)	(954.09)	(0.01)	(954.10)
Changes in inventories of Finished goods and traded goods	18.34	-	18.34	-	18.34
Employee benefits expense	(9,881.29)	(800.48)	(10,681.77)	-	(10,681.77)
Finance costs	(73.56)	(16.67)	(90.23)	39.55	(50.68)
Depreciation and amortisation expense	(80.83)	(50.55)	(131.38)	(33.96)	(165.34)
Impairment losses on financial instrument and contract assets	(81.24)	(0.30)	(81.54)	21.53	(60.01)
Fair value changes in Liability payable/paid to promoters of acquired subsidiary	-	-	-	(213.48)	(213.48)
Other expenses	(1,039.56)	(797.34)	(1,836.90)	86.24	(1,750.66)
Segment Profit	**436.40**	**493.19**	**929.59**	**(220.18)**	**709.41**
As at 31 March 2022					
Total Assets	6,700.94	2,331.29	9,032.22	(286.56)	8,745.66
Total Liabilities	3,482.76	1,105.21	4,587.97	700.34	5,288.30
Other Information					
Capital Expenditure	18.47	17.86	36.33	-	36.33
Depreciation & Amortisation expense	(80.83)	(50.55)	(131.38)	(33.96)	(165.34)

Information about major customers

Revenue from one customer amounting to ₹ 1,698.30 million (31 March 2022: ₹ 1,481.70 million), constitute more than 10% of the total revenue of the Holding Company in the respective years.

46 Related Party Disclosures

(A) Names of related parties and nature of relationship:

Relationship	Name of the related parties
Subsidiary	Updater Services Foundation (Section 8 Company)*
Entities under Common Control	Best Security Services Private Limited
	Tangy Facility Solutions Private Limited
	Tangirala Infrastructure Development Private Limited
	Updater services Private Limited - Employees group gratuity scheme
Key Management Personnel (KMP)	Mr Raghunandana Tangirala, Managing Director
	Ms Shanthi Tangirala, Non-Executive Director (until 23 June 2022)
	Mr Jayaram L B, Company Secretary (until 4 March 2023)
	Mr Ravishankar B, Company Secretary (wef 6 March 2023)
	Mr Balaji Swaminathan, Chief Financial Officer
	Mr Sunil Rewachand Chandiramani, Independent Director
	Mr Amitabh Jaipuria Chief Executive Officer (from 1 March 2022 till 4 March 2023) Executive Director (from 4 March 2023 till 30 April 2023) Non-Executive Director from wef 1 May 2023
	Mr Shankar Gopalakrishnan, Nominee Director (from 25 April 2020 until 21 March 2023)
Key Management Personnel (KMP)	Mr Vijay Dhanuka, Nominee Director (from 13 February 2017 until 21 March 2023)
	Mr Amit Choudhary, Independent Director
	Mr Pondicherry Chidambaram Balasubramanian, Wholetime Director (from 13 September 2022)
	Ms.Sangeetha Sumesh, Independent Director (wef 13 September 2022)

* The shareholding of this entity is held by the Holding Company and therefore this entity would constitute a subsidiary under the Companies Act, 2013. However, the Group has determined that the Holding Company does not control the entity since there's neither any exposure nor any right over any kind of returns from investee. Hence, basis the requirements of IND AS 110, the same is not considered a subsidiary for the purpose of this consolidated financial statement.

(B) Transactions entered during the year

	Year ended 31 March 2023	Year ended 31 March 2022
Rent Expense		
Mr Raghunandana Tangirala	11.50	11.50
Ms Shanthi Tangirala	11.44	11.44
Services Received		
Best Security Services Private Limited	25.35	18.71
Sales/Material Supplied		
Best Security Services Private Limited	3.16	2.88
Services Provided		
Tangirala Infrastructure Development Private Limited	-	0.00*
Updater Services (UDS) Foundation	-	0.24
Managerial Remuneration		
Mr Raghunandana Tangirala	13.69	19.20
Mr Amitabh Jaipuria	21.39	1.37
Mr Pondicherry Chidambaram Balasubramanian	8.97	-
Mr Balaji Swaminathan	6.50	6.31
Mr Jayaram L B	1.17	0.90
Mr Ravishankar B	0.19	-
Commission to Non-Executive Directors		
Mr Sunil Rewachand Chandiramani	1.83	-
Employee Stock Option Expenses		
Mr Amitabh Jaipuria	0.61	-
Mr Pondicherry Chidambaram Balasubramanian	0.27	-
Mr Balaji Swaminathan	0.13	0.18
Liability paid to erstwhile Promoter of acquired Subsidiary		
Mr Pondicherry Chidambaram Balasubramanian		
- Issue of shares for consideration other than cash	17.85	-
- Consideration paid for acquisition of additional stake in subsidiary	17.83	-
Director Sitting Fees		
Mr Sunil Rewachand Chandiramani	2.20	1.10
Mr Amit Choudhary	1.70	1.00
Ms Sangeetha Sumesh	1.10	-
Reimbursement of Expenses		
Mr Sunil Rewachand Chandiramani	0.03	-
Contribution to Gratuity		
Updater Services Private Limited - Employees Company Gratuity Scheme	41.43	17.23

*Amounts are less than ₹ 5,000.

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(C) Balance outstanding at the end of the year

	As at 31 March 2023	As at 31 March 2022
Investment in Equity		
Updater Services (UDS) Foundation	0.10	0.10
Security Deposits (Asset)		
Mr Raghunandana Tangirala	11.44	11.44
Ms Shanthi Tangirala	11.44	11.44
Rental Payable		
Mr Raghunandana Tangirala	0.01	0.01
Trade Payable		
Best Security Services Private Limited	3.64	2.97
Mr Raghunandana Tangirala	-	0.54
Ms. Shanthi Tangirala	0.68	0.59
Director Fee payable		
Mr Amit Choudhary	0.27	0.27
Mr Sunil Rewachand Chandiramani	0.27	0.27
Ms Sangeetha Sumesh	0.18	-
Managerial Remuneration Payable		
Mr Amitabh Jaipuria	5.00	-
Mr Pondicherry Chidambaram Balasubramanian	-	-
Commission Payable		
Mr Sunil Rewachand Chandiramani	1.83	-
Trade Receivable		
Updater Services (UDS) Foundation	-	0.27
Tangirala Infrastructure Development Private Limited	-	0.00*
Best Security Services Private Limited	0.12	-

*Amounts are less than ₹ 5,000.

(D) Consideration to key managerial personnel during the year

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and other employee benefits*	49.56	27.95
Buy Back of Equity Shares	38.38	-

*The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as these are determined on an actuarial basis for the Company as a whole. The employee stock compensation expenses for the year ended 31 March 2023 includes charge of ₹ 1.01 million (31 March 2022: ₹ 0.18 million) towards key managerial personal respectively.

Terms and conditions of transactions with related parties:

The sales to and purchases from related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period ended are unsecured and interest free and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

47 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidation financial statements:

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a) Determining the lease term of contracts with renewal and termination options – Company as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts and rental contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group included the renewal period as part of the lease term for leases of Building with shorter non-cancellable period (ie three to five years). The renewal periods for leases of building with longer non-cancellable periods (ie 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Refer Note 41 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Defined Benefit Plans (Gratuity Benefits)

The cost of the defined benefit gratuity plan and other post-employment leave encashment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about defined benefit obligations are given in Note 40.

(b) Estimate Related to Expected Price Concession

Expected price concessions from customers are based on assumptions relating to risk of credit notes issued. The Group uses judgement in making these assumptions and selecting the inputs to the calculation, based on Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

(c) Impairment of Goodwill and Intangible Assets with Indefinite Useful Life

Impairment exists when the carrying value of goodwill or the cash generating unit exceeds its recoverable amount, which is its value in use. The value in use calculation is based on a DCF model. The cash flows are derived from the budgets and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

(d) Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 48 for further disclosures.

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Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor. (see 48 for details)

(e) Share-Based Payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimation requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility, estimation of achievement of performance conditions, dividend yield and making assumptions about them. The Black-Scholes valuation model has been used by the Management for share-based payment transactions. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 42.

(f) Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the forecast period and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 3A.

(g) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

These losses relate to subsidiaries that have a history of losses, expire in 8 years and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

48 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those the carrying amounts that are reasonable approximations of fair values:

Particulars - Non-Current & Current	Carrying Value		Fair Value	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Investments				
HSBC Ultra Short Duration Fund - Direct Growth	4.00	-	4.00	-
Baroda BNP Paribas Ultra Short Duration Fund - Direct Plan Growth	4.00	-	4.00	-
Aubotz Labs Limited Cumulative Convertible Debentures	30.00	-	30.00	-
Financial liabilities				
Liability payable to promoters of acquired subsidiary	1,874.65	1,062.10	1,874.65	1,062.10
Total	**1,912.65**	**1,062.10**	**1,912.65**	**1,062.10**

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The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts, other financial assets and Other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

49 Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of group's asset and liabilities:

Particulars	Fair Value Hierarchy	Carrying Value		Fair Value	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
Investments					
HSBC Ultra Short Duration Fund - Direct Growth	Level 1	4.00	-	4.00	-
Baroda BNP Paribas Ultra Short Duration Fund - Direct Plan Growth	Level 1	4.00	-	4.00	-
Aubotz Labs Limited Cumulative Convertible Debentures*	Level 3	30.00	-	30.00	-
Financial liabilities					
Liability payable to promoters of acquired subsidiary**	Level 3	1,874.65	1,062.10	1,874.65	1,062.10
Total		**1,912.65**	**1,062.10**	**1,912.65**	**1,062.10**

There have been no transfers between the levels during the period.

The management assessed that cash and cash equivalents, trade receivables, loans, other current financial assets, short-term borrowings, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Notes:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

*One of the subsidiaries, ITSS uses the following input for valution of CCD, Time of maturity, discount rate, interest rate, conversion terms, volatility and other market conditions."

**The Company has used Projected EBITDA of subsidiaries, EBITDA multiples, scenerio analysis, Risk free rate, market return as inputs and Monte carlo simulation method for valuation of liability payable to erstwhile promoters of acquired subsidiaries.

50 Financial Risk Management Objectives and Policies

The Group's principal financial liabilities is borrowings, trade payables and employee benefit payable. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as loan, trade and other receivables, cash and short-term deposits, which arise directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of

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deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and loans receivables.

Trade and Other Receivables

In cases of customers where credit is allowed, the average credit period on such sale of goods ranges from 1 day to 90 days. The customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits are defined in accordance with this assessment and outstanding customer receivables are regularly monitored.

Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109. The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a age wise provision matrix which is prepared considering the historical data for collection of receivables.

The following tables shows the carrying amount of receivables, EPC and ECL of the holding company:

As at 31 March 2023

Particulars	Less than 120 days	More than 120 days	Total
ECL & EPC rate	1.22%	23.80%	
Estimated total gross carrying amount at default	2,832.68	126.18	2,958.86
ECL – simplified approach	(34.46)	(30.04)	(64.50)
Net carrying amount	**2,798.22**	**96.14**	**2,894.36**

As at 31 March 2022

Particulars	Less than 120 days	More than 120 days	Total
ECL & EPC rate	1.30%	26.17%	
Estimated total gross carrying amount at default	2,212.21	136.93	2,349.14
ECL – simplified approach	(28.66)	(35.84)	(64.50)
Net carrying amount	**2,183.55**	**101.09**	**2,284.64**

Exposure to credit Risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 4,277.28 million (₹ 3,474.85 million as of 31 March 2022, being the total of the carrying amount of balances with trade receivables.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Effect on profit before tax	31 March 2023	31 March 2022
Increase in rate by 2%	(28.55)	(17.07)
Decrease in rate by 2%	28.55	17.07

Liquidity Risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available to

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meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The group monitors its risk of a shortage of funds on a regular basis. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

The table below provides details regarding the contractual maturities of financial liabilities based on contractual undiscounted payments:

As at 31 March 2023

Particulars	Within 1 year	1-3 years	3-5 years	Total
Borrowings	1,586.13	153.64	25.61	1,765.38
Trade Payables	793.31	-	-	793.31
Other financial liabilities	2,321.90	1,138.71	-	3,460.61
Lease Liabilities	183.31	199.49	88.09	470.89
Total	**4,884.65**	**1,491.84**	**113.70**	**6,490.19**

As at 31 March 2022

Particulars	Within 1 year	1-3 years	3-5 years	Total
Borrowings	586.79	-	-	586.79
Trade Payables	456.78	-	-	456.78
Other financial liabilities	1,780.58	804.14	-	2,584.72
Lease Liabilities	52.49	91.48	-	143.97
Total	**2,876.64**	**895.62**	**-**	**3,772.26**

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Company operating activities (when revenue or expense is denominated in a foreign currency). However the net investment in subsidiaries are in Indian rupees, as a result there is no exposure to the risk of changes in foreign exchange rates. Consequently, the group does not uses derivative financial instruments, such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of is forecasted cash flows and trade receivables.

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives.

Foreign Currency Risk Management:

The carrying amounts of the Group's foreign currency (FC) denominated monetary assets and monetary liabilities at the end of each reporting period are as follows:

Particulars	Currency	As at 31 March 2023		As at 31 March 2022	
		Amount in FC (million)	Amount in ₹ (million)	Amount in FC (million)	Amount in ₹ (million)
Not hedged by derivative					
Trade Receivables	USD	1.47	120.07	2.75	207.03
Trade Receivables	SGD	-	-	1.12	61.44
Trade Receivables	GBP	-	-	0.05	5.06
Trade Receivables	RM	-	-	0.63	11.14
Trade Payables	AED	0.01	0.17	-	-
Trade Payables	KD	0.00	0.10	-	-
Trade Payables	USD	0.11	9.10	0.01	0.60

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Foreign Currency Sensitivity Analysis:

The following table details the Group's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies. 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates a increase in profit or equity where the INR Strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity and balance below would be negative.

USD/SGD/GBP/RM TO INR	Profit & Loss before Tax		Effect on pre-tax Equity	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
31 March 2023	3.91	(3.91)	3.91	(3.91)
31 March 2022	11.28	(11.28)	11.28	(11.28)

Note:

This is mainly attributable to the exposure of receivable and payable outstanding in the above-mentioned currencies to the Group at the end of the reporting period.

51 Material Partly-Owned Subsidiaries

Set out below is summarised financial information for each subsidiary that has non-controlling interest that are material to the group. The amount disclosed for each subsidiary are before inter company eliminations.

A. Avon Solutions & Logistics Private Limited

Summarised Balance Sheet

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents	5.50	1.22
Current assets excluding cash and cash equivalents	294.64	242.38
Non-current assets	173.09	219.76
Trade payables	19.02	34.37
Provisions	15.21	14.21
Net employee defined benefit liabilities	24.94	24.31
Current liabilities excluding trade payables and provisions	104.52	113.58
Borrowings	-	10.88
Lease liabilities	5.47	-
Equity	304.07	276.88
Share of NCI	24.00%	24.00%
Attributable to NCI	72.98	66.45

Summarised Cash Flow Statement

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Total Revenue	616.21	780.36
Employee benefits expense	268.77	234.56
Finance costs	0.42	0.40
Depreciation and amortisation expense	2.14	3.30
Other expenses	244.71	335.00
Profit before tax	100.17	207.09
Income tax expense	33.64	55.55
Profit for the period	66.53	151.54
Other comprehensive income/(loss)	0.39	(0.05)
Total comprehensive income for the period	66.92	151.49
Attributable to NCI	16.06	36.36

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Summarised cash flow statement

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Operating activities	127.90	166.94
Investing activities	(72.03)	(126.07)
Financing activities	(51.59)	(45.81)
Net increase/(decrease) in cash and cash equivalents	4.28	(4.95)

B. Global Flight Handling Services Private Limited

Summarised Balance Sheet

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents	25.23	6.18
Current assets excluding cash and cash equivalents	101.14	36.99
Non-current assets	58.26	25.67
Trade payables	90.54	24.73
Provisions	0.09	0.18
Current liabilities excluding trade payables and provisions	34.69	11.00
Borrowings	150.44	65.77
Equity	(91.13)	(32.84)
Share of NCI	16.75%	30.00%
Attributable to NCI	(30.97)	(8.24)

Summarised Statement of Profit and Loss

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Total Revenue	191.05	24.69
Employee benefits expense	121.52	21.94
Finance costs	10.08	2.83
Depreciation and amortisation expense	0.54	0.10
Other expenses	149.05	46.30
Profit before tax	(90.13)	(46.47)
Income tax expense	(23.44)	(10.40)
Profit for the period	(66.68)	(36.07)
Total comprehensive income for the period	(66.68)	(36.07)
Attributable to NCI	(27.77)	(10.82)

Summarised Cash Flow Statement

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Operating activities	(54.58)	(45.55)
Investing activities	(1.29)	(0.61)
Financing activities	74.59	51.91
Net increase/(decrease) in cash and cash equivalents	18.72	5.75

Information regarding Non-Controlling Interest

Accumulated balances of material non-controlling interest	As at 31 March 2023	As at 31 March 2022
Avon Solutions & Logistics Private Limited	72.97	66.45
Global Flight Handling Services Private Limited	(30.97)	(8.24)

Information regarding Non-Controlling Interest

Total Comprehensive Income/(loss) for the year allocated to material non-controlling interest	Year ended 31 March 2023	Year ended 31 March 2022
Avon Solutions & Logistics Private Limited	16.06	36.36
Global Flight Handling Services Private Limited	(27.77)	(10.82)

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52 Group information

A. Subsidiaries

Name	Principal activities	Country of incorporation	% equity interest	
			As at 31 March 2023	As at 31 March 2022
Avon Solutions & Logistics Private Limited	Mailroom logistics management	India	76.00%	76.00%
Integrated Technical Staffing and Solutions Private Limited	Technical staffing management	India	99.99%	99.99%
Stanworth Management Private Limited	Integrated facility management	India	99.99%	99.99%
Tangy Supplies & Solutions Private Limited	Supply of house keeping products	India	99.99%	99.99%
Fusion Foods and Catering Private Limited	Corporate and Industrial catering management	India	99.99%	99.99%
Wynwy Technologies Private Limited (formerly known as Zappy Home Solutions Private Limited	Home maintenance and household services	India	99.99%	99.99%
Global Flight Handling Services Private Limited	Ground service support for airlines	India	83.25%	70.00%
Matrix Business Services India Private Limited* (wef 25 April 2019)	People, Product, and Process assurance services	India	99.99%	99.99%
Washroom Hygiene Concepts Private Limited (wef 5 September 2019)	Famile Hygiene Solutions	India	99.99%	99.99%
Denave India Private Limted (wef 27 October 2021)*	Sales Enablement and other staffing services	India	99.99%	99.99%
Athen BPO Private Limited (wef 23 December 2022)*	Business Process Outsourcing	India	99.99%	0.00%
Updater Services (UDS) Foundation **	Licensed under Section 8 of Companies Act, 2013	India	99.99%	99.99%

*As more fully discussed in Note 2.1(i) to the consolidated financial statements, the Group has elected not to recognise non-controlling interest in subsidiaries Denave India Private Limited, Matrix Business Services India Private Limited and Athena BPO Private Limited and consequently the liability in respect of such shares towards the erstwhile promoters of such subsidiaries are recognised as financial liabilities in the consolidated financial statements (Also Refer Note 19).

** The shareholding of this entity is held by the Holding Company and therefore this entity would constitute a subsidiary under the Companies Act, 2013. However, as the Company does not control the entity in accordance with the requirements of IND AS 110, the same is not considered a subsidiary for the purpose of this financial statement.

B. Holding/Promoter Company

Updater Services Limited (Formerly known as Updater Services Private Limited).

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53 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 as at and for the year ended 31 March 2023 and year ended 31 March 2022

Year ended 31 March 2023

Entity Name	Net Assets		Share in Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated Total Comprehensive Income	Amount
I. Parent								
Updater Services Limited	69.44%	2,693.11	-69.61%	(240.91)	120.29%	11.72	-64.42%	(229.19)
II. Subsidiaries								
Avon Solutions & Logistics Private Limited	5.25%	203.74	14.60%	50.51	4.00%	0.39	14.31%	50.90
Integrated Technical Staffing and Solutions Private Limited	1.85%	71.93	1.29%	4.46	8.72%	0.85	1.49%	5.31
Stanworth Management Private Limited	1.13%	43.96	3.82%	13.23	14.99%	1.46	4.13%	14.69
Tangy Supplies & Solutions Private Limited	2.38%	92.21	2.67%	9.24	-0.31%	(0.03)	2.59%	9.21
Fusion Foods and Catering Private Limited	2.31%	89.68	10.74%	37.16	16.22%	1.58	10.89%	38.74
Wynwy Technologies Private Limited (Formerly known as Zappy Home Solutions Private Limited	-3.15%	(122.12)	-7.96%	(27.53)	-1.13%	(0.11)	-7.77%	(27.64)
Global Flight Handling Services Private Limited	-1.55%	(60.24)	-11.25%	(38.93)	0.00%	-	-10.94%	(38.93)
Matrix Business Services India Private Limited	7.43%	288.27	60.84%	210.54	6.26%	0.61	59.35%	211.15
Washroom Hygiene Concepts Private Limited	2.08%	80.85	5.72%	19.80	-3.80%	(0.37)	5.46%	19.43
Denave India Private Limited (wef 28 October 2021)	9.79%	379.69	78.58%	271.94	-61.17%	(5.96)	74.76%	265.98
Athena BPO Private Limited (wef 23 December 2022)	1.23%	47.85	13.97%	48.35	-5.04%	(0.49)	13.45%	47.86
Non-Controlling interest in all subsidiaries	1.78%	69.18	-3.41%	(11.81)	0.96%	0.09	-3.30%	(11.72)
Total	**100.00%**	**3,878.11**	**100.00%**	**346.05**	**100.00%**	**9.74**	**100.00%**	**355.79**

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Year ended 31 March 2022

Entity Name	Net Assets		Share in Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated Total Comprehensive Income	Amount
I. Parent								
Updater Services Limited	78.83%	2,725.55	30.65%	175.85	63.59%	(17.28)	29.00%	158.57
II. Subsidiaries								
Avon Solutions & Logistics Private Limited	6.03%	208.54	20.08%	115.17	0.15%	(0.04)	21.00%	115.13
Integrated Technical Staffing and Solutions Private Limited	1.92%	66.31	2.00%	11.49	1.59%	(0.43)	2.00%	11.06
Stanworth Management Private Limited	0.46%	15.83	1.76%	10.11	-2.31%	0.63	2.00%	10.74
Tangy Supplies & Solutions Private Limited	2.52%	87.25	1.75%	10.04	0.32%	(0.09)	2.00%	9.95
Fusion Foods and Catering Private Limited	2.40%	83.02	1.69%	9.70	0.84%	(0.23)	2.00%	9.47
Zappy Home Solutions Private Limited	-2.73%	(94.41)	-3.39%	(19.47)	0.35%	(0.09)	-4.00%	(19.56)
Global Flight Handling Services Private Limited	-0.56%	(19.53)	-3.58%	(20.55)	0.00%	-	-4.00%	(20.55)
Matrix Business Services India Private Limited	5.83%	201.70	35.37%	202.90	39.57%	(10.75)	35.00%	192.15
Washroom Hygiene Concepts Private Limited	1.76%	61.01	1.55%	8.91	-2.29%	0.62	2.00%	9.53
Denave India Private Limited (wef 28 October 2021)	2.00%	69.00	12.11%	69.48	-1.85%	0.50	13.00%	69.98
Non-Controlling interest in all subsidiaries	1.54%	53.09	0.01%	0.06	0.04%	(0.01)	0.00%	0.05
Total	**100.00%**	**3,457.36**	**100.00%**	**573.69**	**100.00%**	**(27.17)**	**100.00%**	**546.52**

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54 Business Combinations and Acquisition of Non-Controlling Interest

A. Acquisitions during the year ended 31 March 2023

On 23 December 2022, the Group acquired 57% equity ownership in Athena BPO Private Limited ("Athena") for a consideration of ₹ 819.40 million. Athena is in the business of providing business process outsourcing (BPO), which mainly offers services to Banks, NBFC, Insurance Companies, and Telecoms. This acquisition enhances the group competencies in the business service space especially in the sales enablement services and drives synergies between other portfolio companies of the group. The total value of purchase consideration of ₹ 1,437.74 million includes ₹ 586.74 million on account of obligation to purchase the remaining equity shares (43%) in the future, pursuant to Shareholder's Agreement between the Group and the promoters of Athena.

Consequent to the future purchases, the Group will hold 100% of the equity shares of Athena.

Therefore, the Group has elected not to recognise a non-controlling interest in Athena as the unacquired shares from the promoters of Athena are recognised as financial liabilities in the consolidated financial statements and accordingly Athena is considered to be 100% owned by the Group for the purpose of consolidation.

Assets acquired and liabilities assumed	Fair Value on acquisition
Particulars	**Total**
Property, Plant and Equipment	147.59
Intangible Assets	10.16
Trade Receivables	245.30
Cash and Bank Balances	91.42
Non-current tax assets (Net)	17.38
Other Assets – current and non-current	413.65
Deferred Tax Assets	14.28
Total Assets taken over (A)	**939.78**
Trade Payables	128.04
Other Liabilities – current	39.51
Provisions – current and non-current	16.08
Other liabilities	245.40
Total liabilities assumed (B)	**429.03**
Identifiable Intangible Assets on acquisition	
Customer Relationship (Note i)	309.70
Non-Compete (Note ii)	5.10
Brand (Note iii)	31.80
Total identifiable intangible assets on acquisition (C)	**346.60**
Deferred Tax Liability on account of identified intangible assets and fair value of promoter's liability on acquisition	
Deferred Tax liability on Acquisition (D)	87.23
Non-controlling interests measured at fair value	-
Goodwill arising on acquisition (Note iv) (E)	667.62
Total purchase consideration (A-B+C-D+E)	**1,437.74**

Notes:

(i) Customer contracts and related Customer relationships include the relationships that Athena has established with customers that are tied to them through a contract, as well as the potential extension of such contracts/additional relationships that would arise as a result of these contracts, and therefore, meet both the contractual/legal criteria and the separability criterion for recognition of an Intangible Asset under 'Ind AS 38 Intangible Assets'.

The income approach has been considered for arriving at the value of the intangible asset as defined in "Ind AS 113 Fair Value Measurement". The intangible asset is considered having a useful life of 8.5 years from the date of acquisition.

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(ii) Non-compete is based on a contractual agreement which protects the value of the purchased assets from Athena (both tangible and intangible) by restricting the respective promoters' competitive conduct post the respective investment dates and accordingly, meet both the contractual/legal criteria and separability criterion for recognition of an Intangible Asset under 'Ind AS 38 Intangible Assets'.

As per the investment agreements for Athena, the promoters have agreed to non-competence for a period of 5 years from the expiry of Contract of service or the promoters ceasing to hold any securities of Athena (ie after 31 October 2026). Thus effectively 8 years from the date of acquisition.

The income approach has been considered for arriving at the value of the intangible asset as defined in "Ind AS 113 Fair Value Measurement".

(iii) Athena uses the trademark 'Athena' for its traditional as well as new businesses. The Group will continue to use the similar strategy in future for all its new generation businesses. The brand serves to create associations and expectations among products made by Athena. This meets the legal criterion and the separability criterion for recognition of an Intangible Asset under 'Ind AS 38 Intangible Assets'.

The income approach has been considered for arriving at the value of the intangible asset as defined in "Ind AS 113 Fair Value Measurement". The intangible asset is considered having a useful life of 10 years.

(iv) The goodwill of ₹ 667.62 million comprises the value of expected synergies arising from the acquisition which is not separately recognised. None of the goodwill recognised is expected to be deductible for income tax purposes. The goodwill is considered having an indefinite useful life and will be assessed for impairment every year.

From the date of acquisition, Athena has contributed ₹ 406.79 million of revenue and ₹ 62.57 million to the profit before tax of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been higher by ₹ 1,010.70 million and the profit before tax for the Group would have been higher by ₹ 99.85 million.

(v) The fair value and gross amount of the trade receivables of Athena amounts to ₹ 245.30 million, which is expected to be fully collected.

Information relating to purchase consideration:

Purchase Consideration	Amount
Total amount payable for purchase of current equity shareholding (A)	851.00
Amount already paid for purchase of current equity shareholding	780.86
Amount remaining payable for current equity shareholding	70.14
Present value of Redemption liability as on date of acquisition (B)	586.74
Total (A) + (B)	**1,437.74**

During the FY 2022-23, the Group acquired 57% stake in Athena at an agreed price of ₹ 1,437.74 million from the promoters of Athena. As per the Shareholder's Agreement between the Group and Athena and its erstwhile promoters, the Group has an obligation to purchase the remaining shares held by the promoters of such companies based on agreed methodology per the purchase agreement. Accordingly, the Company has recognised a redemption liability for the present value of such future obligation based on a best estimate available with the management.

Significant increase/(decrease) in the EBITDA of Athena would result in higher/(lower) fair value of the redemption liability. Changes to the fair value of the redemption liability will be recognised in the consolidated statement of profit and loss.

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The purchase consideration has been computed as follows:

Particulars	No of shares	Price per share	Purchase consideration	Stake
Tranche I	32,824	24,963.50	851.00	57.00%
Tranche II (on or before 31 October 2024)	9,501	21,050.42	200.00	16.50%
Tranche III (on or before 31 October 2025)	9,501	24,944.74	237.00	16.50%
Tranche IV (on or before 31 October 2027)	5,758	26,005.56	149.74	10.00%
Total shares	**57,584**	**24,967.70**	**1,437.74**	**100%**

B. Acquisitions during the year ended 31 March 2022

On 27 October 2021, the Group acquired 52% equity ownership in Denave India Private Limited ("Denave") for a consideration of ₹ 629.96 million. Denave is primarily engaged in the business of providing sales enablement and other support and staffing services. The total value of purchase consideration of ₹ 1,412.10 million includes ₹ 782.15 million on account of obligation to purchase the remaining equity shares (48%) in the future, pursuant to Shareholder's Agreement between the Group and the promoters of Denave.

Consequent to the future purchases, the Group will hold 100% of the equity shares of Denave.

Therefore, the Group has elected not to recognise a non-controlling interest in Denave as the unacquired shares from the promoters of Denave are recognised as financial liabilities in the consolidated financial statements and accordingly Denave is considered to be 100% owned by the Group for the purpose of consolidation.

Assets acquired and liabilities assumed	Fair Value on acquisition
Particulars	**Total**
Property, Plant and Equipment	24.83
Trade Receivables	417.79
Cash and Bank Balances	105.66
Loans and Advances	2.90
Non-current tax assets (Net)	56.06
Other Assets-current and non-current	208.99
Deferred Tax Assets	32.89
Total Assets taken over (A)	**849.12**
Trade Payables	67.05
Other Liabilities – current	74.95
Provisions – current and non-current	53.66
Other liabilities	203.86
Total liabilities assumed (B)	**399.52**
Identifiable Intangible Assets on acquisition	
Customer Relationship (Note i)	148.00
Non-Compete (Note ii)	25.70
Brand (Note iii)	53.70
Total identifiable intangible assets on acquisition (C)	**227.40**

Particulars	Total
Deferred Tax Liability on account of identified intangible assets and fair value of promoter's liability on acquisition	
Deferred Tax liability on Acquisition (D)	88.15
Non-controlling interests measured at fair value	-
Goodwill arising on acquisition (Note iv) (E)	823.25
Total purchase consideration (A-B+C-D+E)	**1,412.10**

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Notes:

(i) Customer contracts and related Customer relationships include the relationships that Denave has established with customers that are tied to them through a contract, as well as the potential extension of such contracts/additional relationships that would arise as a result of these contracts, and therefore, meet both the contractual/legal criteria and the separability criterion for recognition of an Intangible Asset under 'Ind AS 38 Intangible Assets'.

The income approach has been considered for arriving at the value of the intangible asset as defined in "Ind AS 113 Fair Value Measurement". The intangible asset is considered having a useful life of eight years from the date of acquisition.

(ii) Non-compete is based on a contractual agreement which protects the value of the purchased assets from Denave (both tangible and intangible) by restricting the respective promoters' competitive conduct post the respective investment dates and accordingly, meet both the contractual/legal criteria and separability criterion for recognition of an Intangible Asset under 'Ind AS 38 Intangible Assets'.

As per the investment agreements for Denave, the promoters have agreed to non-competence for a period of 3 years from the expiry of Contract of service or the promoters ceasing to hold any securities of Denave (ie after 30 June 2027). Thus effectively 5.5 years from the date of acquisition.

The income approach has been considered for arriving at the value of the intangible asset as defined in "Ind AS 113 Fair Value Measurement".

(iii) Denave uses the trademark 'Denave' for its traditional as well as new businesses. The Group will continue to use the similar strategy in future for all its new generation businesses. The brand serves to create associations and expectations among products made by Denave. This meets the legal criterion and the separability criterion for recognition of an Intangible Asset under 'Ind AS 38 Intangible Assets'.

The income approach has been considered for arriving at the value of the intangible asset as defined in "Ind AS 113 Fair Value Measurement". The intangible asset is considered having an indefinite useful life and will be assessed for impairment every year.

(iv) The goodwill of ₹ 823.25 million comprises the value of expected synergies arising from the acquisition which is not separately recognised. None of the goodwill recognised is expected to be deductible for income tax purposes. The goodwill is considered having an indefinite useful life and will be assessed for impairment every year.

From the date of acquisition, Denave has contributed ₹ 1,243.86 million of revenue and ₹ 87.10 million to the profit before tax of the Group respectively. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been ₹ 16,240.26 million and the profit before tax for the Group would have been ₹ 788.71 million.

(v) The fair value and gross amount of the trade receivables of Denave amounts to ₹ 417.79 million, which is expected to be fully collected.

Information relating to purchase consideration:

Purchase Consideration	Amount
Cash paid for purchase of current equity shareholding	629.96
Present value of Redemption liability as on date of acquisition (27 October 2022)	782.15
Total	**1,412.11**

During the FY 2021-22, the Company has acquired 52% stake in Denave India Private Limited at an agreed price of ₹ 629.96 million from the promoters of Denave. As per the Shareholder's Agreement between Company, Denave and its erstwhile promoters, the Company has an obligation to purchase the remaining shares held by the promoters of such companies based on agreed methodology per the purchase agreeement. Consequently, on the date of acqusition, the Company has recognised a redemption liability for the present value of such future obligation based on a best estimate available with the mangement amounting to ₹ 782.15 million.

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for the year ended 31 March 2023

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Significant increase/(decrease) in the EBITDA of Denave would result in higher/(lower) fair value of the redemption liability. Changes to the fair value of the redemption liability will be recognised in the statement of profit and loss.

The purchase consideration has been computed as follows:

Particulars	Number of shares	Price per share	Purchase consideration	Stake
Tranche I	96,66,329.00	65.17	629.96	52%
Tranche II (on or before 30 June 2023)	44,61,383.00	80.04	357.10	24%
Tranche III (on or before 30 June 2024)	44,61,383.00	95.27	425.05	24%
Total shares	**1,85,89,095.00**	**75.96**	**1,412.11**	**100%**

55 The Holding Company had availed of GST credits cumulatively aggregating to ₹48.73 million as at 31 March 2023 and ₹ 36.15 million as at 31 March 2022 arising from the credit notes issued to certain customers, which have also been since utilised against discharge of output GST obligations of the Holding Company, based on management's assessment and as supported by legal advice taken. However, having regard to the facts of the case as well as possible interpretative issues in this regard, and pending final assessment, the Holding Company out of abundant caution has recognised a provision of ₹48.73 million at 31 March 2023 (₹36.15 million as at 31 March 2022) in the financial statements (including interest), without prejudice to its rights under the applicable law.

56 Code on Wages, 2019 and Code on Social Security, 2020

Parliament has approved the Code on Wages, 2019 and the Code on Social Security, 2020 which govern, and are likely to impact, the contributions by the Group towards certain employee benefits. The government has released draft rules for these Codes and has invited suggestions from stakeholders which are under active consideration by the concerned Ministry. The effective date of these Codes have not yet been notified and the Group will assess the impact of these codes as and when they become effective and will provide for the appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

57 Irregularities noted in a Subsidiary Company

During the year ended 31 March 2022, management had identified certain instances of irregularities in disbursement/payment of salary to fictitious and left employees. Based on initial inquiries performed by the Management the possible impact of such irregularities was quantified to be ₹ 1.00 million and have recovered such amounts from the employees responsible for such irregularities. Management had also appointed external independent expert and initiated an investigation on this matter.

The investigation carried out by the external expert was concluded during the current period. The investigation identified certain additional instances of irregularities in disbursement/payment of salary to fictitious and left employees. The total impact assessed in relation to these irregularities amounts to ₹ 1.35 million. Management has considered the report of the expert, and concluded that as the impact of the irregularities identified by the expert have already been accounted for in the earlier years, no further adjustment is required to be made to the financial statements for the year ended 31 March 2023.

58 Other Statutory Information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

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for the year ended 31 March 2023

(All amounts are in million of Indian Rupees unless otherwise stated)

(ii) The Group has balance/transactions with the below-mentioned companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956:

Name of struck-off Company	Nature of Transaction	Balances Outstanding As at 31 March 2023	Balances Outstanding As at 31 March 2022	Relationship with the Struck off company
Cross Limits Services and Solutions	Trade Payables	0.06	0.06	None
Pancyber Infotech Private Limited	Trade Payables	0.03	0.03	None
Wilway Engineering and Construction	Trade Payables	-	0.04	None
Bajaj Electronics	Services received	0.01	-	None
Air Mech Engineers Private Limited	Trade Payables	0.03	-	None
Knorr-Bremse Systems For Commercial Vehicles India Private Limited	Trade receivable	0.05	0.07	None
Delhi Public School Private Limited	Trade receivable	0.06	-	None
Knorr-Bremse Systems For Commercial Vehicles India Private Limited	Service provided/Material supplied	0.05	0.07	None
Delhi Public School Private Limited	Service provided/Material supplied	0.06	-	None

(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond.

(iv) The Group has not defaulted in on loans payable and have not been declared as wilful defaulter.

(v) The Group has not traded or invested in Crypto currency or Virtual Currency during the year.

(vi) Title deeds of all immovable properties are in the name of the Group.

(vii) (a) During the year, the Holding Company advanced loans of ₹ 53.86 million to its subsidiary, Global Flight Handling Services Private Limited ('GFHSPL' CIN: U74900TN2014PTC097283) on various dates towards its working capital requirements. Subsequently, GFHSPL has further advanced loans aggregating ₹ 12.00 million, ₹ 18.20 million, ₹ 2.26 million, ₹ 9.73 million and ₹ 0.57 million to its subsidiaries namely, Global Flight Handling Services (Pune) Private limited (CIN: U93090PN2021PTC198665), Global Flight Handling Services (Patna) Private limited (CIN: U62200BR2021PTC052021), Global Flight Handling Services (Raipur) Private limited (CIN: U63040CT2021PTC012256), Global Flight Handling Services (Vizag) Private limited (CIN: U62100AP2021PTC118299) and Global Flight Handling Services (Surat) Private limited (CIN: U63030GJ2021PTC126393) respectively on various dates for the purpose of providing funding to these step-down subsidiaries in connection with their pursuit of flight handling services business at the respective airports operated by these entities during the year.

During the year, one of the subsidiaries, Avon Solutions & Logistics Private Limited ("Avon"), advanced loans of ₹ 40 million to another subsidiary, Global Flight Handling Services Private Limited ('GFHSPL' CIN: U74900TN2014PTC097283) on various dates towards working capital purposes. Subsequently, GFHSPL has further advanced loans aggregating ₹ 2.92 million, ₹ 9.83 million, ₹ 2.11 million, ₹ 14.93 million and ₹ 2.54 million to its subsidiaries namely, Global Flight Handling Services (Pune) Private limited (CIN: U93090PN2021PTC198665), Global Flight Handling Services (Patna) Private limited (CIN: U62200BR2021PTC052021), Global Flight Handling Services (Raipur) Private limited (CIN: U63040CT2021PTC012256), Global Flight Handling Services (Vizag) Private limited (CIN: U62100AP2021PTC118299) and Global Flight Handling Services (Surat) Private limited (CIN: U63030GJ2021PTC126393) respectively on various dates for the purpose of providing funding to these step-down subsidiaries in connection with their pursuit of flight handling services business at the respective airports operated by these entities during the year.

The Group has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act for the above transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003)

(b) During the year, one of the subsidiaries, Global Flight Handling Services Private Limited ('GFHSPL' CIN: U74900TN2014PTC097283), received fund from Holding Company amounting to ₹ 53.86 million and from Avon amounting to ₹ 40 million on various dates towards its working capital requirements. Subsequently, GFHSPL has further advanced loans aggregating ₹ 14.92 million, ₹ 28.03 million, ₹ 4.37 million, ₹ 24.66 million and ₹ 3.11 million to its subsidiaries namely, Global Flight Handling Services (Pune) Private limited (CIN: U93090PN2021PTC198665), Global Flight Handling Services (Patna) Private limited (CIN: U62200BR2021PTC052021), Global Flight Handling Services (Raipur) Private limited (CIN: U63040CT2021PTC012256), Global Flight Handling Services (Vizag) Private limited (CIN: U62100AP2021PTC118299) and Global Flight Handling Services (Surat) Private limited (CIN: U63030GJ2021PTC126393) respectively on various dates for the purpose of providing funding to these subsidiaries in connection with their pursuit of flight handling services business at the respective airports operated by these entities during the year.

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(All amounts are in million of Indian Rupees unless otherwise stated)

The Group has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act for the above transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

Complete details of the intermediary and ultimate beneficiary is provided below:

Name of the Entity	Registered Address	CIN	Relationship with Holding Company	Relationship with Avon
Global Flight Handling Services Private Limited	Rayala Towers", Tower II, First Floor, New No 158 Old No 781, Shop No 24A, Anna Salai, Chennai, Chennai TN 600002 INDIA	U74900TN2014PTC097283	Subsidiary	Fellow Subsidiary
Global Flight Handling Services (Patna) Private Limited (Ultimate Beneficiary)	Door No 401, 4th Floor, OP Complex P N Mall Road (Patliputra-Kurji Road) NA Patna, Patna BR 800 010 INDIA	U62200BR2021PTC052021	Step-Subsidiary	Subsidiary of Fellow Subsidiary
Global Flight Handling Services (Pune) Private Limited (Ultimate Beneficiary)	No 101, Amrut Siddhi Apartment, Lakshmi Park, Behind Bhide Hopspital, Navi Pune MH 411 030 India	U93090PN2021PTC198665	Step-Subsidiary	Subsidiary of Fellow Subsidiary
Global Flight Handling Services (Surat) Private Limited(Ultimate Beneficiary)	Cabin No 2, First Floor, Inside Terminal Building Arrival Hall, ATC Building, Dumas Road, Surat Surat GJ 395 007 India	U63030GJ2021PTC126393	Step-Subsidiary	Subsidiary of Fellow Subsidiary
Global Flight Handling Services (Raipur) Private Limited(Ultimate Beneficiary)	OTB Ground Floor, Swami Vivekananda Airport, Mana Raipur CT 492 015 India	U63040CT2021PTC012256	Step-Subsidiary	Subsidiary of Fellow Subsidiary
Global Flight Handling Services (Vizag) Private Limited (Ultimate Beneficiary)	First Floor, D No 1-168, Susarla Colony, Gopalapatnam, Visakhapatnam, AP 530 027 INDIA	U62100AP2021PTC118299	Step-Subsidiary	Subsidiary of Fellow Subsidiary

(viii) The Group have not revalued its Property, Plant & Equipments, Intangible Assets and Right to Use Assets during the period.

(ix) The Group has not entered into any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

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59 Maintenance of Daily Back-Up

The Ministry of Corporate Affairs have amended Companies (Accounts) Rules, 2014 - Rule 3 (Manner of Books of account to be kept in electronic mode) on 5 August 2022, whereby the books of account and other relevant books and papers maintained in electronic mode shall remain accessible in India at all times and the Company shall take back-up of books of account and other books and papers of the Company maintained in electronic mode, in servers physically located in India on a daily basis.

One of the subsidiaries, Washroom Hygiene Concepts Private Limited (WHC), maintains its books of account on a dedicated desktop which is manged by an external service provider and not in a server physically located in India. The service provider has confirmed that they ensure that a daily backup is taken of such data as required under law. The subsidiary is currently in discussions with the service provider to store such backup in a server physically located in India and such activity is expected to be completed in the upcoming year.

One of the subsidiaries, Avon Solutions & Logistics Private Limited (Avon), maintains its books of account on the cloud which is managed by an external service provider. The service provider has confirmed that a daily backup is taken of such data as required under law, which is stored in a separate server in the cloud located outside of India. The subsidiary is currently in discussions with the service provider to store such backup in a server in India and such activity is expected to be completed in the upcoming year.

60 Standards issued but not effective

There are standards which are notified and effective for annual reporting period beginning on or after 1 April, 2023 and amendments are not expected to have a material impact on Group's Financial Statement as on reporting date.

i) Definition of Accounting Estimates – Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Group's financial statements.

(ii) Disclosure of Accounting Policies – Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

Notes to Consolidated Financial Statements

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61 Events after reporting period

There were no significant adjusting events that occurred subsequent to the reporting period

62 Previous Year Figures

Previous period's/year's figures have been regrouped/reclassified wherever necessary to correspond with the current period's/year's classification/disclosure.

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Per Aravind K
Partner
Membership Number: 221268
Place: Chennai
Date: 6 July 2023

For and on behalf of Board of Directors
Updater Services Limited
(Formerly known as Updater Services Private Limited)

Raghunandana Tangirala
Managing Director
(DIN: 00628914)
Place: Mumbai
Date: 6 July 2023

Pondicherry Chidambaram Balasubramanian
Director
(DIN: 00584548)
Place: Chennai
Date: 6 July 2023

Balaji Swaminathan
Chief Financial Officer
Place: Chennai
Date: 6 July 2023

Ravishankar B
Company Secretary
Membership Number: 08688
Place: Chennai
Date: 6 July 2023

Note

Corporate Information

Board of Directors

Raghunandana Tangirala
Chairperson and Managing Director

Pondicherry Chidambaram Balasubramanian
Wholetime Director

Amitabh Jaipuria
Non-Executive Director

Sunil Rewachand Chandiramani
Independent Director

Sangeeta Sumesh
Independent Director

Amit Choudhary
Independent Director

Company Secretary

B. Ravishankar

Chief Financial Officer

Balaji Swaminath3an

Statutory Auditors

S. R. Batliboi & Associates LLP
Chartered Accountants
6th Floor – "A" Block
Tidel Park, No. 4,
Rajiv Gandhi Salai,
Taramani, Chennai – 600 113

Internal Auditors

Protiviti India Member Private Limited
Tidel Park, Module No. 1007,
10th Floor, "D" Block North Side
#4, Rajiv Gandhi Salai, Taramani,
Chennai – 600 113

Secretarial Auditor

SPNP & Associates
Practicing Company Secretaries
No. 10/28, II floor, 3rd Cross Street, R. K. Nagar,
Raja Annamalaipuram,
Chennai – 600 028.

Registered Office

No. 2/302-A, Uds Salai, Off Old Mahabalipuram Road,
Thoraipakkam Chennai, Kancheepuram – 600 097

Corporate Office

No. 42 Gandhi Mandapam Road, Kotturpuram,
Chennai – 600 085
E-mail: compliance.officer@uds.in
website: www.uds.in

Bankers

HDFC
SCB
ICICI
DBS
Citibank
Kotak Mahindra

Registrar & Share Transfer Agents

Link Intime India Private Limited
C-101, 247 Park
1st Floor, L.B.S. Marg
Vikhroli (West), Mumbai – 400 083
Maharashtra, India
Telephone: +91 810 811 4949
E-mail: uds.ipo@linkintime.co.in

Listing

BSE Limited and NSE Limited

Scrip Code	**543996**
ISIN	**INE851I01011**
CIN	**U74140TN2003PLC051955**

Updater Services Ltd.

2/302A, UDS Salai, Off Old Mahabalipuram Road, Thoraipakkam, Chennai - 600 097 (TN)

CIN-U74140TN2003PLC051955