

Independent Auditor's Report

To the Members of Updater Services Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Updater Services Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material 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 the other auditors on separate/consolidated financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 2024, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (b) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

See Note 20 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group is primarily engaged in the business of providing facility management services and business support services.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

Registered Office:

Independent Auditor's Report (Continued)

Updater Services Limited

<p>Revenues from facility management service and business support services contracts are recognised in accordance with the requirements of Ind-AS 115, "Revenue from Contracts with Customers" as and when the Group satisfies performance obligations by rendering the promised services to its customers.</p> <p>The performance obligations in the contracts are fulfilled based on customer acceptances for delivery of work/ attendance of resources, where applicable, or as per terms of arrangements entered with the customers.</p> <p>Inappropriate assessment could lead to risk of revenue being recognized before satisfaction of performance obligation by the Group.</p> <p>The Group and its external stakeholders focus on revenue as a key performance indicator of the Group. Timing of revenue recognition is a key audit matter as there could be incentives or external pressures to meet expectations resulting in revenue being overstated or recognized before the control has been transferred.</p>	<ul style="list-style-type: none"> • Obtained an understanding the process followed by the Group for measurement and recognition of revenue; • Assessed the appropriateness of the Group's revenue recognition accounting policies with reference to the relevant accounting standards; • Evaluating the design and implementation of key internal financial controls in relation to timing of revenue recognition and tested the operating effectiveness of such controls for selected samples; • Performed test of details by selecting samples of revenue transactions recorded during the year using statistical sampling. We assessed fulfilment of performance obligations by verifying the underlying documents which included contract with customers, invoices, customer acceptances for delivery of work/ attendance of resources etc., where applicable; • Inspected the credit notes/reversals of revenue, if any, in the subsequent period to assess if revenue is appropriately recognised in the period in which related service is rendered; • Scrutinised journal entries posted to revenue account on a sample basis, based upon specific risk based criteria to identify unusual or irregular items.
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Other Information

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

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Independent Auditor's Report (Continued)

Updater Services Limited

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and 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 the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

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

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

- 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 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

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Independent Auditor's Report (Continued)

Updater Services Limited

significant doubt on the appropriateness of this assumption. 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 statements of such entities or business activities within the Group 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. Our responsibilities in this regard are further described in paragraph (b) of the section titled "Other Matters" in this audit report.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a. The consolidated financial statements of the Group for the year ended March 31, 2023 were audited by the predecessor auditor who had expressed an unmodified opinion on July 6, 2023.
- b. We did not audit the financial statements of seven subsidiaries and eight step-down subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs.1,892.92 million as at March 31, 2024, total revenues (before consolidation adjustments) of Rs.4,476.84 million and net cash flows (before consolidation adjustments) amounting to Rs.35.65 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and 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 the other auditors.

Our opinion 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.

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Independent Auditor's Report (Continued)

Updater Services Limited

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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate/consolidated financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the following:
 - o in respect of one subsidiary, back-up of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis for certain number of days during the period 13 April 2023 to 30 October 2023.
 - o in respect of one subsidiary, back-up of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis;
 - o for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant 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 Ind AS 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 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to 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 B".
- B. 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, 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 reports of the other auditors on separate/consolidated financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:
 - a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group. Refer Note 38 to the consolidated financial statements.

Independent Auditor's Report (Continued)

Updater Services Limited

- b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 17 to the consolidated financial statements in respect of such items as it relates to the Group.
- c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2024.
- d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, other than as disclosed in the Note 49 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 subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, other than as disclosed in the Note 49 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) 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 subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or the other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The interim dividend declared and paid by the subsidiary company incorporated in India during the year and until the date of this audit report is in accordance with Section 123 of the Act.
- f. Based on our examination which included test checks, and that performed by respective auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiary have used an accounting software for maintaining its books of account which has a feature of audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:
 - i. In respect of the Holding Company, the feature of audit trail (edit log) was not enabled (a) at the database layer of the accounting software for the entire audit period; (b) at the application layer for certain fields of tables for payroll, procurement, revenue, property, plant and equipment and financial reporting processes;
 - ii. In respect of one subsidiary company, the feature of audit trail (edit log) was not enabled for the period April 01, 2023 to January 10, 2024.

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Independent Auditor's Report (Continued)

Updater Services Limited

- iii. In respect of two subsidiary companies, the feature of audit trail (edit log) was not enabled in respect of an ancillary accounting software for maintenance of employee records and revenue recognition.
- iv. In the case of three subsidiary companies, an ancillary payroll accounting software operated by a third party software service provider wherein the reporting on compliance with the audit trail on Systems and Organization Controls (SOC) Type 2 report or SOC Type 2 report is not available. Accordingly, we are unable to comment whether audit trail feature of the said software was enabled and operated for the aforesaid period;

Further, for the periods where the audit trail (edit log) facility was enabled for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248WW-100022



K Sudhakar

Partner

Place: Chennai

Date: 20 May 2024

Membership No.: 214150

ICAI UDIN:24214150BKETAT8582

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Updater Services Limited for the year ended 31 March 2024

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

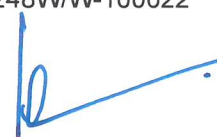
(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Updater Services Limited	U74140TN2003PLC051955	Holding Company	(ii)(b), iii(c), (iii)(d), (iii)(f), (vii)(a), (x)(a)
2	Avon Solutions & Logistics Private Limited	U72200TN2002PTC049961	Subsidiary	(iii)(f), (vii)(a), (vii)(b)
3	Fusion Foods and Catering Private Limited	U55100TN2008PTC068154	Subsidiary	(vii)(a)
4	Wynwy Technologies Private Limited	U74999TN2017PTC119356	Subsidiary	(xvii), (xix), (vii)(a)
5	Denave India Private Limited	U85110DL1999PTC190362	Subsidiary	(vii) (a), (vii) (b)
6	Matrix Business Services India Private Limited	U74140TN2003PTC051482	Subsidiary	(vii) (a), (vii) (b)

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248WW-100022



K Sudhakar

Partner

Place: Chennai

Date: 20 May 2024

Membership No.: 214150

ICAI UDIN:24214150BKETAT8582

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Updater Services Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

Opinion

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 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 of the relevant subsidiary companies 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 financial statements.

**Annexure B to the Independent Auditor's Report on the consolidated financial statements of Updater Services Limited for the year ended 31 March 2024
(Continued)**

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to seven subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022



K Sudhakar

Partner

Place: Chennai

Date: 20 May 2024

Membership No.: 214150

ICAI UDIN:24214150BKETAT8582

Updater Services Limited (formerly known as Updater Services Private Limited)
Consolidated Balance sheet as at March 31, 2024
(All amounts are in Millions of Indian Rupees, except share data and as stated)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	602.74	607.94
Capital work-in-progress	3A	103.59	-
Goodwill	3B	1,947.90	1,947.90
Other Intangible Assets	3C	555.36	636.06
Intangible assets under development	3E	5.18	2.27
Right-of-use assets	35	460.29	402.09
Contract assets	9	226.88	221.55
Financial assets			
(i) Investments	4	48.10	0.10
(ii) Loans	5	0.57	1.26
(iii) Other financial assets	6	232.69	273.88
Deferred tax assets (net)	32E	474.46	488.07
Non-current tax assets (net)	32A	773.28	547.19
Other non-current assets	7	54.67	23.65
Total non-current assets		5,485.71	5,151.96
Current assets			
Inventories	8	69.91	69.86
Contract assets	9	490.10	668.18
Financial assets			
(i) Investments	4	16.32	38.00
(ii) Trade receivables	10	5,039.00	4,277.28
(iii) Cash and cash equivalents	11A	836.16	1,146.67
(iv) Bank balances other than cash and cash equivalents	11B	671.24	504.27
(v) Loans	5	6.80	7.36
(vi) Other financial assets	6	2,476.49	66.80
Other current assets	7	256.27	239.09
Total Current assets		9,862.29	7,017.51
Total ASSETS		15,348.00	12,169.47
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	669.48	529.52
Other equity	13	7,731.87	3,279.41
Equity attributable to equity holders of the parent		8,401.35	3,808.93
Non-controlling interests	14	59.46	69.18
Total Equity		8,460.81	3,878.11
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	0.34	179.25
(ii) Lease liabilities	35	325.23	284.23
(iii) Other Financial liabilities	17	311.63	1,138.71
Provisions	18	496.85	539.49
Deferred tax liabilities (net)	32E	117.03	157.50
Total Non-current liabilities		1,251.08	2,299.18



Updater Services Limited (formerly known as Updater Services Private Limited)
 Consolidated Balance sheet as at March 31, 2024
 (All amounts are in Millions of Indian Rupees, except share data and as stated)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Current Liabilities			
Financial liabilities			
(i) Borrowings	15	528.67	1,586.13
(ii) Lease Liabilities	35	192.70	149.02
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	16	137.23	174.35
Total outstanding dues of creditors other than micro enterprises and small enterprises	16	655.38	618.96
(iv) Other current financial liabilities	17	2,827.95	2,321.90
Other current liabilities	19	813.10	754.43
Provisions	18	401.31	330.09
Current tax liabilities (net)	32A	79.77	57.30
Total Current Liabilities		5,636.11	5,992.18
Total Liabilities		6,887.19	8,291.36
TOTAL EQUITY AND LIABILITIES			
		15,348.00	12,169.47

Significant accounting policies

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

As per our report of even date


for **BSR & Co. LLP**
 Chartered Accountants
 Firm's Registration No: 101248W/W-100022


K. Sudhakar
 Partner
 Membership No: 214150
 Place: Chennai
 Date : May 20, 2024

For and on behalf of Board of Directors
Updater Services Limited
 (Formerly known as Updater Services Private Limited)
 CIN: U74140TN2003PLC051955


Raghunadana Tangirala
 Managing Director
 DIN : 00628914
 Place: Chennai
 Date : May 20, 2024


Amitabh Jaipuria
 Director
 DIN : 01864871
 Place: Chennai
 Date : May 20, 2024


Radha Ramanujan
 Chief Financial Officer
 Place: Chennai
 Date : May 20, 2024


Sandhya Saravanan
 Company Secretary
 Membership No: 66942
 Place: Chennai
 Date : May 20, 2024

Consolidated Statement of Profit and Loss for the year ended March 31, 2024
(All amounts are in Millions of Indian Rupees, except share data and as stated)

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	20	24,443.63	20,988.87
Other income	21	236.10	132.03
Total Income		24,679.73	21,120.90
Expenses			
Cost of materials consumed	22	974.94	768.04
Purchase of traded goods	23	44.30	23.72
Cost of services	24	-	2,667.09
Changes in inventories of Finished goods and Stock-in-trade	25	0.38	10.41
Employee benefits expenses	26	18,156.51	13,840.58
Finance costs	27	192.83	145.67
Depreciation and amortization expense	28	539.60	370.40
Impairment losses	29	69.61	36.34
Fair value change in liabilities payable to promoters of acquired subsidiaries	30	105.92	413.63
Other expenses	31	3,749.81	2,303.14
Total Expenses		23,833.90	20,579.02
Profit before tax		845.83	541.88
Tax expense:			
Current tax	32B	213.50	237.10
Deferred tax		(30.31)	(41.27)
Total Tax expense		183.19	195.83
Profit for the year		662.64	346.05
Other Comprehensive income:			
Items that will not be reclassified to profit or loss			
Re-measurement gains on defined benefit obligations (net)		10.45	12.86
Income tax relating to items that will not be reclassified to profit or loss	32C	(3.72)	(3.12)
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations	13	(7.13)	-
Income tax relating to items that will be reclassified to profit or loss	32C	-	-
Other comprehensive income for the year, net of tax		(0.40)	9.74
Total comprehensive income for the year		662.24	355.79



(All amounts are in Millions of Indian Rupees, except share data and as stated)

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit/(loss) for the year attributable to:			
Equity holders of the parent		679.46	357.86
Non-controlling interests		(16.82)	(11.81)
Other comprehensive income/(loss) for the year attributable to:			
Equity holders of the parent		0.37	9.65
Non-controlling interests		(0.77)	0.09
Total comprehensive income/(loss) for the year attributable to:			
Equity holders of the parent		679.83	367.51
Non-controlling interests		(17.59)	(11.72)
Earnings per equity share (in INR)			
Basic	33	11.36	6.77
Diluted	33	11.30	6.70
Significant accounting policies	2		
The accompanying notes form an integral part of the Consolidated Financial Statements.			

As per our report of even date

for **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022



K. Sudhakar

Partner

Membership No: 214150

Place: Chennai

Date : May 20, 2024

For and on behalf of Board of Directors

Updater Services Limited

(Formerly known as Updater Services Private Limited)

CIN: U74140TN2003PLC051955



Raghunandana Tangirala

Managing Director

DIN : 00628914

Place: Chennai

Date : May 20, 2024



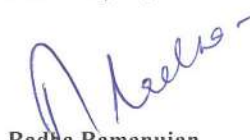
Amitabh Jaipuria

Director

DIN : 01864871

Place: Chennai

Date : May 20, 2024



Radha Ramanujan

Chief Financial Officer

Place: Chennai

Date : May 20, 2024



Sandhya Saravanan

Company Secretary

Membership No: 66942

Place: Chennai

Date : May 20, 2024

(All amounts are in Millions of Indian Rupees, except share data and as stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax	845.83	541.88
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	539.60	370.40
Finance cost	192.83	145.67
Interest income	(119.15)	(60.24)
Fair value change in liability payable to promoters of acquired subsidiary (net)	74.59	412.84
Impairment losses	69.61	36.34
Bad debts written off	12.34	1.55
Liabilities / Provisions no longer required written back	(52.91)	(61.81)
(Profit) Loss on sale of Property, Plant and Equipment (net)	(4.80)	0.52
Intangible asset under development written off	0.29	-
Employee stock option expenses	100.60	38.89
Unrealised exchange differences (net)	0.76	23.87
Operating cash flow before working capital changes	1,659.59	1,449.91
Movements in working capital :		
(Increase)/decrease in Trade receivables and contracts assets	(618.96)	(673.68)
(Increase)/decrease in loans, financial and other assets	(61.65)	263.38
(Increase)/decrease in Inventory	(0.05)	(1.70)
Increase/ (decrease) in provisions, trade payables, financial and other liabilities	462.47	313.77
Cash generated from operations	1,441.41	1,351.68
Income taxes paid, net	(415.02)	(203.86)
Net cash flow from operating activities	1,026.39	1,147.82
Cash flow from investing activities		
Purchase of property, plant and equipment including capital work in progress, capital creditors and capital advances	(385.50)	(515.56)
(Purchase) /Sale proceeds of Investments	(26.32)	(38.00)
Investments in fixed deposits	(2,696.03)	(3,355.97)
Investment in Bank balances other than cash and cash equivalents (net)	(167.75)	-
Redemption/Maturity of fixed deposits	360.06	3,095.47
Proceeds from sale of property, plant and equipment	20.96	9.24
Settlement to erstwhile promoters of acquired subsidiaries, (net)	(763.40)	(761.77)
Interest received	93.84	36.77
Net cash flow used in investing activities	(3,564.14)	(1,529.82)
Cash flow from financing activities		
Proceeds from issue of equity shares	6,400.00	-
Payment to selling shareholders	(2,400.00)	-
Payment towards IPO related expenses	(181.52)	-
Proceeds from exercise of employee shares options	32.46	-
Proceeds of long-term borrowings	-	304.00
Repayment of long-term borrowings	(256.08)	(47.92)
Proceeds from short-term-borrowings	10,239.62	10,493.69
Repayment of short-term-borrowings	(11,211.22)	(9,569.83)
Payment of principal portion towards lease liabilities	(162.13)	(68.92)
Payment of interest towards lease liabilities	(50.87)	(20.97)
Dividend paid to non-controlling interests	(32.80)	(9.54)
Repayment of finance cost	(150.22)	(124.70)
Net cash flow from financing activities	2,227.24	955.81



(All amounts are in Millions of Indian Rupees, except share data and as stated)

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
Net increase/(decrease) in cash and cash equivalents	A+B+C	(310.51)	573.81
Cash and cash equivalents at the beginning of the year		1,146.67	572.86
Cash and cash equivalents at the end of the year		836.16	1,146.67

Refer Note 15.9 for change in liabilities arising from financing activities

Significant accounting policies

2

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

As per our report of even date

for **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022


K Sudhakar
Partner

Membership No: 214150

Place: Chennai

Date : May 20, 2024


For and on behalf of Board of Directors


Updater Services Limited

(Formerly known as Updater Services Private Limited)

CIN: U74140TN2003PLC051955


Raghunandana Tangirala
Managing Director
DIN : 00628914
Place: Chennai
Date : May 20, 2024


Radha Ramanujan
Chief Financial Officer
Place: Chennai
Date : May 20, 2024


Amitabh Jaipuria
Director
DIN : 01864871
Place: Chennai
Date : May 20, 2024


Sandhya Saravanan
Company Secretary
Membership No: 66942
Place: Chennai
Date : May 20, 2024

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

(a) Equity share capital

Equity shares of INR 10 each issued, subscribed and fully paid	Number of shares	Amount
Balance as on April 1, 2023	5,29,52,467	529.52
Add: Changes in equity share capital during the year	1,39,95,899	139.96
Balance as at March 31, 2024	6,69,48,366	669.48
Balance as on April 1, 2022	5,28,17,479	528.18
Add: Changes in equity share capital during the year	1,34,988	1.34
Balance as at March 31, 2023	5,29,52,467	529.52

(b) Other equity

Particulars	Reserves and surplus				OCI		Total Equity attributable to equity shareholders of parent	Non-controlling Interests ('NCI')	Total
	Retained Earnings	Capital redemption reserve	General reserve	Securities premium	Employee Stock Options Reserve	Exchange differences on translation of foreign operations			
As at April 1, 2023	2,554.32	21.09	26.60	601.95	53.89	21.56	3,279.41	69.18	3,348.59
Profit for the year	679.46	-	-	-	-	-	679.46	(16.82)	662.64
Other comprehensive Income	7.50	-	-	-	-	(7.13)	0.37	(0.77)	(0.40)
Total comprehensive Income	686.96	-	-	-	-	(7.13)	679.83	(17.59)	662.24

Transactions with owners of the Company

Contributions and distributions

Employee stock options provided (refer Note 36)	-	-	-	-	100.60	-	100.60	-	100.60
Premium on issue of shares	-	-	-	3,866.67	-	-	3,866.67	-	3,866.67
Exercise of share options**	-	-	-	62.18	(75.31)	-	(13.13)	40.67	27.54
IPO expenses adjusted against securities premium (refer Note 48)	-	-	-	(181.52)	-	-	(181.52)	-	(181.52)
Dividend Payment to NCI	-	-	-	-	-	-	-	(32.80)	(32.80)
Buy-back of equity shares- (refer Note 50)	6.15	1.07	(7.22)	-	-	-	-	-	-
As at March 31, 2024	3,247.44	22.16	19.38	4,349.28	79.18	14.43	7,731.87	59.46	7,791.32

As at April 1, 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 for the year	9.65	-	-	-	-	-	9.65	0.09	9.74
Total comprehensive income for the year	367.51	-	-	-	-	-	367.51	(11.72)	355.79
Adjustments relating to acquisition of NCI	(39.99)	-	-	-	-	-	(39.99)	10.18	(29.81)
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 36)	-	-	-	-	38.89	-	38.89	-	38.89
Exercise of share options**	-	-	-	-	(27.17)	-	(27.17)	27.17	-
Dividend payment to NCI	-	-	-	-	-	-	-	(9.54)	(9.54)
Foreign currency translation reserve	-	-	-	-	-	21.56	21.56	-	21.56
As at March 31, 2023	2,554.32	21.09	26.60	601.95	53.89	21.56	3,279.41	69.18	3,348.59

** 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.

As per our report of even date

for BSR & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

K Sudhakar

Partner

Membership No: 214150

Place: Chennai

Date : May 20, 2024

For and on behalf of Board of Directors

Updater Services Limited

(Formerly known as Updater Services Private Limited)

CIN: U74140TN2003PLC051955

Raghunandana Tangirala

Managing Director

DIN : 00628914

Place: Chennai

Date : May 20, 2024

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Chief Financial Officer

Place: Chennai

Date : May 20, 2024

Amitabh Jaipuria

Director

DIN : 01864871

Place: Chennai

Date : May 20, 2024

Sandhya Saravanan

Company Secretary

Membership No: 66942

Place: Chennai

Date : May 20, 2024

1. Corporate information

The Consolidated Financial Statements comprise financial statements of Updater Services Limited (formerly known as Updater Services Private Limited) ('the Company', 'UDS', 'Holding Company', "Parent", and "Parent Company") and its subsidiaries (collectively, the 'Group') for the year ended March 31, 2024. The Company is domiciled and incorporated as a public limited company in India under the provisions of the Companies Act, 2013 with its equity shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The Company's registered office is at First floor, 42, Gandhi Mandapam Road, Kotturpuram, Chennai 600 085. 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 44 Group information. Information on other related party relationships of the Group is provided in Note 40 Related party transactions.

The Holding Company has converted itself from Private Limited to Public Limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on March 4, 2023 and consequently the name of the Company has changed to "Updater Services Limited" pursuant to a fresh certificate of incorporation by the Registrar of Companies on March 24, 2022.

The Consolidated Financial Statements were approved for issue in accordance with a resolution of the Board of directors on May 20, 2024.

Details of the Group's material accounting policies are included in Note 2.2 to the consolidated financial statements.

2.1 Basis of preparation

A. Statement of compliance

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under section 133 of the Companies Act 2013 ("Act") and other relevant provisions of the Act and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Consolidated Financial Statements.

B. Basis of measurement

The consolidated financial statements have been prepared on an accrual basis under the historical cost convention except for the following:

- a) Certain financial assets and liabilities measured at fair value as explained in the accounting policies;
- b) Net defined benefit (plan asset)/ liability measured at fair value of plan assets less the present value of the defined benefit obligation.



C. Functional and presentation currency

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

D. Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 35 – Determining the lease term of contracts with renewal and termination options – Group as Lessee
- Note 41 - Fair value measurement of financial instruments

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Notes 2.2(g) and 20: revenue recognition;
- Note 2.2(l) and Note 34: measurement of defined benefit obligations: key actuarial assumptions;
- Note 2.2(i) and Note 32: recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;
- Note 2.2(e): impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts
- Notes 18: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 41 – Impairment of financial assets
- Note 36 - determination of fair value of employee stock option

E. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer. 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. Also refer Note 41.

F. 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.

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.



2.2 Material accounting policies

a. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries as at March 31, 2024. Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

- the contractual arrangement with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Group's voting rights and potential voting rights
- the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the 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 March 31, 2024. 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 intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra-group 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 intra-group transactions.



Non-Controlling Interests ('NCI') are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity 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 NCI, even if this results in the non-controlling interests having a deficit balance.

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

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

b. 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 except if related to the issue of debt or equity securities. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

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.



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

Notes to Consolidated Financial Statements for the year ended March 31, 2024

All amounts are in millions of Indian Rupees unless otherwise stated

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

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

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

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

c. Foreign currencies

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.

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 except to the extent that the exchange differences are allocated to NCI. When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reallocated to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or 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 (April 1, 2017), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

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



d. Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment and depreciated separately based on their specific useful lives.

All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred when recognition criteria are not met.

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

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

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 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.

Depreciation on additions/(disposals) is provided on a pro-rata basis i.e. from/ (upto) the date on which asset is ready for use/ (disposed off).

The Holding Company has charged depreciation on property, plant & equipment (PPE) based on Written Down Value ("WDV") method upto December 31, 2023. With effect from January 1, 2024, the Holding Company has changed its method of depreciation from WDV to Straight Line Method ("SLM") based upon the technical assessment of expected pattern of consumption of the future economic benefits embodied in the assets.

e. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. 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.

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as 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.



Updater Services Limited (formerly known as Updater Services Private Limited)
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Asset Classification	Useful Life (Years)	Amortisation method	Internally generated or acquired
Software	3 to 10 years	Amortised on a straight-line basis over the life	Acquired
Goodwill	Indefinite	Assessed for impairment at the end of every year	Acquired
Customer Relationship	5 – 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

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

f. Impairment of non-financial assets

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

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

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

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

An assessment 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 ('IFM') and Business Support Services('BSS'). Revenues from contracts with customers 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 highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

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

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 recognised over a period of time in accordance with the requirements of Ind-AS 115, "Revenue from Contracts with Customers" as and when the Company satisfies performance obligations by rendering the promised services to its customers, 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 over time 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 at a point in time upon delivery of courier package 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 recognised over time and 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 over time 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.

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 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).

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. Recognition of dividend income and interest income

Dividend income on investments is recognised when the unconditional right to receive dividend is established.

Interest income is recognized using the effective interest rate method.

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.



i. 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.
- **Stock-in-trade:** 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. The comparison of cost and net realisable value is made on an item-by-Item basis.

j. 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

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) are recognised initially at fair value plus or minus, 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. A trade receivable without a significant financing component is initially measured at the transaction price.

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. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Subsequent measurement

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

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



Financial assets at amortised cost

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

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

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

Financial asset at FVTOCI

A 'financial asset' 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.

Financial 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 at FVTOCI.

Financial asset at FVTPL

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

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

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Contingent consideration classified as financial liability recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. 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 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.



Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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 measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix under simplified approach. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due.

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.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Reclassification of financial assets

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



Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

All financial liabilities except derivatives are subsequently measured at amortised cost using the effective interest rate method or at Fair Value through profit and loss.

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

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

Derecognition

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

Liability towards unacquired shares of subsidiary:

The Group has not recognised a non-controlling interest in subsidiaries where the Group has a right / obligation to purchase the shares held by NCI. The Group has formulated its accounting policy based on Ind AS 32, and 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. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met. Derivatives 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 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:

Fair value hedges

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

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

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

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

Cash flow hedges

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

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



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).

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.

k. 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.



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 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 – 7
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 (f) Impairment of non-financial assets.

ii. Lease liabilities

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

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. (Refer Note 41)

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

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

l. Retirement and other employee benefits

a. Short-term employment benefits

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.



b. Compensated absences

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.

c. Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted. The liabilities are presented as provision for employee benefits in the balance sheet.

d. 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.

m. Taxes

Current 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. The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

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.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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 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 and at the time of the transaction, it does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction, it does not give rise to equal taxable and deductible temporary differences. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets shall be recognised to the extent that, and only to the extent that, it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.



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

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 liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

n. 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 or is deducted in the related expense. 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.



o. 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'.

p. 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.

q. 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.

r. 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. Expected future operating losses are not provided for.

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

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.

s. 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 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 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 asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized. 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 on hand, balance with banks 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 under the head "Borrowings" in financial liabilities in the Valance 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 36.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.



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

Notes to Consolidated Financial Statements for the year ended March 31, 2024

All amounts are in millions of Indian Rupees unless otherwise stated

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. Share capital

Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

2.3 Standards issued but not yet effective

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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Updater Services Limited (formerly known as Updater Services Private Limited)
Notes to Consolidated financial statements for the year ended March 31, 2024
(All amounts are in millions of Indian Rupees unless otherwise stated)

3 Property, Plant and Equipment
(See accounting policy in Note 2.2 (d))

Particulars	Buildings	Plant and Equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Leasehold improvements	Total
Cost								
Balance as at April 1, 2022	20.09	277.92	30.33	174.39	30.19	96.96	15.81	645.69
Additions	-	141.08	6.08	132.76	8.14	58.77	1.08	347.91
Acquisitions through business combinations (Note 45)	1.21	23.54	15.04	18.35	-	48.66	40.79	147.59
Disposals	-	(55.04)	(5.58)	(2.05)	(6.78)	(14.18)	(0.16)	(83.79)
Balance at March 31, 2023	21.30	387.50	45.87	323.45	31.55	190.21	57.52	1,057.40
Additions	-	121.15	19.44	32.45	15.74	58.40	9.53	256.71
Disposals	(17.76)	(10.68)	(2.42)	(2.94)	(2.07)	(3.36)	-	(39.23)
Balance at March 31, 2024	3.54	497.97	62.89	352.96	45.22	245.25	67.05	1,274.88
Accumulated depreciation								
Balance as at April 1, 2022	8.80	199.87	12.10	25.15	17.90	44.07	5.78	313.67
Depreciation	1.11	72.80	4.88	75.68	6.81	41.63	6.91	209.82
Disposals	-	(49.68)	(3.33)	(1.80)	(5.71)	(13.35)	(0.16)	(74.03)
Balance at March 31, 2023	9.91	222.99	13.65	99.03	19.00	72.35	12.53	449.46
Depreciation	0.43	78.65	7.92	62.06	9.86	68.21	16.98	244.11
Disposals	(7.82)	(8.35)	(0.98)	(2.70)	(1.02)	(1.30)	-	(22.17)
Foreign exchange fluctuation/ adjustments	-	-	-	-	0.40	0.34	-	0.74
Balance at March 31, 2024	2.52	293.29	20.59	158.39	28.24	139.60	29.51	672.14
Carrying amounts								
As at March 31, 2023	11.39	164.51	32.22	224.42	12.55	117.86	44.99	607.94
As at March 31, 2024	1.02	204.68	42.30	194.57	16.98	105.65	37.54	602.74

Notes:

- (i) Cash Credit, Working Capital Demand Loan and Short term revolving loans are secured by a first pari-passu charge on certain moveable assets of the Company. Term loans are secured by a charge on certain movable Property, Plant and Equipment of the Holding Company and second charge on current assets of the Holding Company. (Refer Note 15)
- (ii) The depreciation on Property, plant and equipment was charged based on Written Down Value ("WDV") method upto December 31, 2023. Based upon the technical assessment of expected pattern of consumption of the future economic benefits embodied in the assets, with effect from January 1, 2024 the depreciation method is changed to Straight Line Method (SLM) hence the carrying value of the assets as on December 31, 2023 has been depreciated as per SLM method over the remaining useful lives of the assets. Due to this change in accounting estimate, the depreciation expense is lower and the profit before tax is higher by INR 21.13 million for the year ended March 31, 2024.

The impact, on account of this change in method of depreciation, on the future periods is given below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022	Later years
(Decrease)/ Increase in Depreciation expense	(21.13)	(60.53)	(5.61)	68.79



3A Capital work-in-progress (CWIP)

Particulars	March 31, 2024	March 31, 2023
Balance as at the beginning of the year	-	41.24
Additions	103.59	-
Less: capitalised during the year	-	(41.24)
Balance as at the end of the year	103.59	-

CWIP Ageing schedule as at March 31, 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	103.59	-	-	-	103.59
Projects temporarily suspended	-	-	-	-	-

Notes:

- There was no CWIP as at March 31, 2023.
- The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

3B Goodwill

(See accounting policy in Note 2.2(b))

Particulars	Goodwill
Balance as at April 1, 2022	1,280.28
Acquisitions through business combinations (Note 45)	667.62
Balance at March 31, 2023	1,947.90
Additions	-
Balance at March 31, 2024	1,947.90

The Goodwill and intangible assets (other than computer software) are 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'), Washroom Hygiene Concepts Private Limited ('WHC'), Denave India Private Limited ('Denave') and Athena BPO Private Limited ('Athena') by the Group.

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Updater Services Limited (formerly known as Updater Services Private Limited)
Notes to Consolidated financial statements for the year ended March 31, 2024
(All amounts are in millions of Indian Rupees unless otherwise stated)

3C Other Intangible assets
(See accounting policy in Note 2.2(e))

Particulars	Computer software	Customer relationship	Non-compete	Vendor contract	Brand	Total
Cost						
Balance as at April 1, 2022	47.55	184.50	47.20	61.70	69.20	410.15
Additions	38.61	-	-	-	-	38.61
Acquisitions through business combinations (Note 45)	10.16	309.70	5.10	-	31.80	356.76
Disposals	-	-	-	-	-	-
Balance at March 31, 2023	96.32	494.20	52.30	61.70	101.00	805.52
Additions	24.12	-	-	-	-	24.12
Disposals	-	-	-	-	-	-
Balance at March 31, 2024	120.44	494.20	52.30	61.70	101.00	829.64
Accumulated amortisation						
Balance as at April 1, 2022	29.32	29.78	8.08	31.72	-	98.90
Amortisation	8.51	42.73	6.98	12.34	-	70.56
Disposals	-	-	-	-	-	-
Balance at March 31, 2023	37.83	72.51	15.06	44.06	-	169.46
Amortisation	16.20	68.44	7.84	12.34	-	104.82
Disposals	-	-	-	-	-	-
Balance at March 31, 2024	54.03	140.95	22.90	56.40	-	274.28
Carrying amounts						
Balance at March 31, 2023	58.49	421.69	37.24	17.64	101.00	636.06
Balance at March 31, 2024	66.41	353.25	29.40	5.30	101.00	555.36

3D Impairment testing of goodwill and other intangible assets with indefinite lives

For impairment testing the carrying amount of goodwill and brand was allocated to cash generating units as follows:

Particulars	Goodwill					
	As at			Brand		
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Athena BPO Private Limited (refer Note 45)	667.62	667.62	31.80	31.80	31.80	31.80
Denave India Private Limited (refer Note 45)	823.25	823.25	53.70	53.70	53.70	53.70
Matrix Business Services India Private Limited	263.73	263.73	-	-	-	-
Fusion Foods India Private Limited	108.87	108.87	-	-	-	-
Washroom Hygiene Concepts Private Limited	35.70	35.70	15.50	15.50	15.50	15.50
Avon Solutions and Logistics Private Limited	26.45	26.45	-	-	-	-
Stanworth Management Private Limited	22.28	22.28	-	-	-	-
Total	1,947.90	1,947.90	101.00	101.00	101.00	101.00



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

3D Impairment testing of goodwill and other intangible assets with indefinite lives (continued)

The Group performed its annual impairment test for the years ended March 31, 2024 and March 31, 2023. The Group considers cash flow projections, profitability, external factors such as discount rate and growth rate etc. when reviewing for indicators of impairment. The recoverable amount of the respective CGUs has been determined based on value in use calculation using cash flow projections from financial budgets approved by the respective Board of Directors 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

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

b. Discount rates

Discount rate is estimated at pre-tax rate that reflect current market assessment of time value of money and risks specific to the asset not adjusted in cash flows. For this purposes, Group has arrived at appropriate debt/equity structure and computed cost of equity and cost of debt using Weighted average cost of capital (WACC) which 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.

c. Revenue and EBITDA growth rate in the forecast

The forecasted revenues and EBITDA included in impairment calculations are developed using inputs from business teams. Specific past trends are assessed and analyzed to compute the impact on the future projections after factoring into the existing and potential customer contracts etc.

On October 27, 2021, the Group acquired 52% equity ownership in Denave for a consideration of INR 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 INR 1,412.10 million includes INR 782.15 million on account of obligation to purchase the remaining equity shares (48%) in the future, pursuant to Shareholder's Agreement between the Group and the erstwhile promoters of Denave.

On December 23, 2022, the Group acquired 57% equity ownership in Athena for a consideration of INR 819.40 million. Athena is in the business of providing business process outsourcing (BPO) services. The total value of purchase consideration of INR 1,437.74 million includes INR 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 not recognised 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 are considered to be 100% owned by the Group for the purpose of consolidation.

There is no impairment noted in the above CGUs based on the assessment performed by the Management. Management has performed sensitivity analysis around the base assumption and have concluded that no reasonable possible change in key assumptions would cause the recoverable amount of the CGU lower than the carrying amount of CGU. No impairment on goodwill was recognized during the current year or earlier years.



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

Customer relationship

Customer contracts and related customer relationships include the relationships that Denave and 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 (Athena) and useful life of 6 years from the date of acquisition (Denave).

Non-compete

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

As per the investment agreements for Denave, the promoters have agreed to a non-compete for a period of 3 years from the expiry of Contract of service or the promoters ceasing to hold any securities of Denave (i.e. after June 30, 2027). Thus effectively 5.5 years from the date of acquisition of Denave.

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 and Athena use the brand "Denave" and "Athena" respectively 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 and 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 indefinite useful life and will be assessed for impairment every year.

3E Intangible assets under development

Particulars	Amount
As at April 1, 2022	-
Add: Additions during the year	2.27
Less: Capitalised during the year	-
As at March 31, 2023	2.27
Add: Additions during the year	24.15
Less: Capitalised during the year	(21.24)
As at March 31, 2024	5.18

Ageing schedule for Intangible assets under development as at March 31, 2024 is as follows:

Particulars	Amount in Intangible assets under development for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	2.91	2.27	-	5.18
Projects temporarily suspended	-	-	-	-

Ageing for Intangible assets under development as at March 31, 2023 is as follows:

Particulars	Amount in Intangible assets under development for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	2.27	-	-	2.27
Projects temporarily suspended	-	-	-	-

Note: There are no assets / projects forming part of Intangible assets under development where the completion is overdue or where the cost has exceeded compared to their original plans.



	As at March 31, 2024	As at March 31, 2023
4 Investments		
<i>(See accounting policy in Note 2.2(i))</i>		
A Non-current investments		
Investments in equity instruments measured at cost		
Unquoted		
9,999 (March 31, 2023: 9,999) equity shares of INR 10 each fully paid up in Updater Services (UDS) Foundation (Also refer Note 40)	0.10	0.10
Investments at FVTPL		
Unquoted		
Investments in cumulative convertible debentures		
300,000 (March 31, 2023: 300,000) Cumulative Convertible Debentures of INR 100 each of Aubotz Labs Private Limited *	30.00	-
Investments in equity instruments		
1,000 (March 31, 2023: Nil) equity shares of INR 10 each fully paid up in Bird Airport Services (Chennai) Private Limited	18.00	-
	48.10	0.10
B Current investments		
Investments in mutual fund at Fair Value through Profit or Loss		
Quoted		
HSBC Ultra Short Duration Fund - Direct Growth (Formerly known as L&T Low Duration Fund Direct Plan - Growth) 6,648.12 units (March 31, 2023: 3,526.19 units)]	11.90	4.00
Baroda BNP Paribas Ultra Short Duration Fund - Direct Plan Growth 3,101.84 units (March 31, 2023: 3,101.84 units)]	4.42	4.00
Unquoted		
Investments in cumulative convertible debentures		
300,000 (March 31, 2023: 300,000) Cumulative Convertible Debentures of INR 100 each of Aubotz Labs Private Limited *	-	30.00
	16.32	38.00
Non-current	48.10	0.10
Current	16.32	38.00
Total	64.42	38.10
Aggregate book value of quoted investments	16.32	8.00
Aggregate market value of quoted investments	16.32	8.00
Aggregate value of unquoted investments	48.10	30.10
Aggregate amount of impairment in value of investments	-	-

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

Details of quoted investments in mutual funds

Particulars	As at March 31, 2024		As at March 31, 2023	
	Units	Amount	Units	Amount
HSBC Ultra Short Duration Fund - Direct Growth (Formerly known as L&T Low Duration Fund Direct Plan - Growth)	6,648.12	11.90	3,526.19	4.00
Baroda BNP Paribas Ultra Short Duration Fund - Direct Plan Growth	3,101.84	4.42	3,101.84	4.00

Information about the Group's exposure to credit risk and market risk are disclosed in Note 41.



5 Loans

(See accounting policy in Note 2.2(j))

	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Loans to employees				
- unsecured and considered good	0.57	1.26	6.80	7.36
- credit impaired	-	-	4.71	3.41
	0.57	1.26	11.51	10.77
Less: Loss allowance	-	-	(4.71)	(3.41)
	0.57	1.26	6.80	7.36

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

Information about the Group's exposure to credit risk and market risk are disclosed in Note 41.

6 Other financial assets

(See accounting policy in Note 2.2(j))

	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Unsecured and considered good, unless otherwise stated				
Security deposits				
- considered good	119.10	69.17	47.79	49.04
- credit impaired	7.98	1.56	5.14	15.49
	127.08	70.73	52.93	64.53
Less: Loss allowance	(7.98)	(1.56)	(5.14)	(15.49)
	119.10	69.17	47.79	49.04
Rental deposits				
- considered good	32.66	76.06	35.60	8.15
- credit impaired	5.23	3.08	-	-
	37.89	79.14	35.60	8.15
Less: Loss allowance	(5.23)	(3.08)	-	-
	32.66	76.06	35.60	8.15
Retention deposits				
- considered good	0.10	0.30	-	-
- credit impaired	0.53	0.60	-	-
	0.63	0.90	-	-
Less: Loss allowance	(0.53)	(0.60)	-	-
	0.10	0.30	-	-
Advances recoverable in cash				
- considered good	0.01	-	0.01	0.94
- credit impaired	-	-	0.53	0.41
	0.01	-	0.54	1.35
Less: Loss allowance	-	-	(0.53)	(0.41)
	0.01	-	0.01	0.94
Bank balances other than cash and cash equivalents				
- Margin money deposits with banks*	28.47	30.12	76.49	-
- in long term deposits with maturity more than 12 months	52.35	98.23	2,316.09	-
	80.82	128.35	2,392.58	-
Interest accrued and not due on bank deposits	-	-	-	8.67
Other receivables	-	-	0.51	-
	232.69	273.88	2,476.49	66.80

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

(i) Information about the Group's exposure to credit risk and market risk are disclosed in Note 41.

ii) Fixed deposits under lien with various banks in respect of guarantees issued to third parties include INR 104.96 million as at March 31, 2024 (March 31, 2023 INR 30.12 million).

iii) The balance of bank deposits (including interest accrued) mentioned above includes an amount of INR 2,236.83 million as at March 31, 2024, (March, 2023: Nil) held with various banks representing unutilised IPO proceeds. Also refer Note 48.

iv) Refer Note 40 for balances outstanding with related parties.



7 Other assets	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Balance with government authorities				
- considered good	13.21	7.45	60.12	66.17
- credit impaired	-	-	-	4.16
	13.21	7.45	60.12	70.33
Less: Provision for doubtful receivables	-	-	-	(4.16)
	13.21	7.45	60.12	66.17
Capital advance				
- considered good	32.18	15.96	-	-
- credit impaired	0.06	0.06	-	-
	32.24	16.02	-	-
Less: Provision for doubtful advances	(0.06)	(0.06)	-	-
	32.18	15.96	-	-
Advances to suppliers				
- considered good	-	-	91.55	21.01
- credit impaired	-	-	-	15.81
	-	-	91.55	36.82
Less: Provision for doubtful advances	-	-	-	(15.81)
	-	-	91.55	21.01
Advance to employees				
- considered good	-	0.24	14.49	21.32
- credit impaired	-	-	6.21	2.52
	-	0.24	20.70	23.84
Less: Provision for doubtful advances	-	-	(6.21)	(2.52)
	-	0.24	14.49	21.32
Prepaid expenses	7.71	-	88.26	69.15
Share issue expenses receivable*	-	-	-	59.92
Other advances	1.57	-	1.85	1.52
	54.67	23.65	256.27	239.09

*During the year ended March 31, 2023, the Holding Company had incurred share issue expenses in connection with proposed public issue of equity shares amounting to INR 59.92 million. In accordance with the Companies Act, 2013 ("the Act") and the terms of the offer agreement entered between the Company and the selling shareholders, the selling shareholders shall reimburse the share issue expenses in proportion to respective shares offered for the sale. Subsequently, the Company has recovered the expenses incurred in connection with the issue, on completion of Initial Public Offer (IPO). Also refer Note 48.

8 Inventories

(See accounting policy in Note 2.2(i))

	As at March 31, 2024	As at March 31, 2023
Raw materials	15.22	17.68
Stock-in-trade	37.20	32.38
Finished goods	10.08	15.13
Consumables	7.41	4.67
	69.91	69.86

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Updater Services Limited (formerly known as Updater Services Private Limited)
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	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
9 Contract assets <i>(See accounting policy in Note 2.2(g) and Note 2.2(j))</i>				
Reimbursement right of gratuity #	226.88	221.55	278.09	179.74
Less: Provision for expected credit loss	-	-	(45.20)	(22.96)
	226.88	221.55	232.89	156.78
Unbilled revenue*	-	-	257.21	511.40
	-	-	257.21	511.40
	226.88	221.55	490.10	668.18

*Classified as contract assets as there is no unconditional right to consideration and it is dependent on completion of contractual obligations. These are considered good.

#The Group has recognised gratuity liability and reimbursement right in respect of employees where there is contractual right to receive reimbursement from customers, pursuant to paragraph 116 of Ind AS - 19. Also refer Note 34.

Movement of Contract assets

Opening balance

Add: Addition during the year
Less: Billed during the year

Closing balance

Movement in loss allowance of contract assets

Opening balance
Provision / (reversal) of impairment loss on financial assets (refer Note 29)
Closing balance

	March 31, 2024	March 31, 2023
	912.69	748.69
	278.29	582.59
	(428.80)	(418.59)
	762.18	912.69
	22.96	10.55
	22.24	12.41
	45.20	22.96

10 Trade Receivables
(See accounting policy in Note 2.2(j))

A. Trade receivables

Trade receivables considered good - secured
Trade receivables considered good - unsecured
Trade receivables which have significant increase in credit risk
Trade receivables - credit impaired
Total Trade receivables

Less: Loss allowance

Net Trade Receivables (A)

B. Unbilled Trade receivables

Unbilled Trade receivables # considered good
Total Unbilled Trade receivables (B)

Total Trade receivables (A + B)

#Classified as unbilled Trade receivables as the right to consideration is unconditional upon passage of time. These are considered good.

Movement in loss allowance of Trade receivables

Opening balance
Provision / (reversal) of impairment loss on financial assets (refer Note 21 and 29)
Closing balance

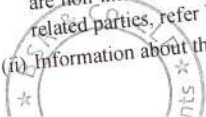
Movement of Unbilled Trade receivables

Opening balance
Add: Addition during the year
Less: Billed during the year
Closing balance

	-	-
	4,018.87	3,359.88
	1.09	-
	144.95	126.91
	4,164.91	3,486.79
	(144.95)	(126.91)
	4,019.96	3,359.88
	1,019.04	917.40
	1,019.04	917.40
	5,039.00	4,277.28
	126.91	165.85
	18.04	(38.94)
	144.95	126.91
	917.40	786.33
	1,019.04	917.40
	(917.40)	(786.33)
	1,019.04	917.40

Notes:

- (i) 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 40.
- (ii) Information about the Group's exposure to credit risk and market risk are disclosed in Note 41.



10 Trade receivables (continued)

(iii) Trade Receivable ageing as on March 31, 2024

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	1,537.72	2,213.51	1,028.08	131.79	112.08	19.07	8.27	5,050.52
(ii) Undisputed Trade Receivables - credit impaired	9.56	3.44	5.73	13.87	16.84	20.87	12.77	83.08
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - credit impaired	-	-	-	17.35	2.74	3.08	27.18	50.35
	1,547.28	2,216.95	1,033.81	163.01	131.66	43.02	48.22	5,183.95

Trade Receivable ageing as on March 31, 2023

Particulars	Unbilled	Current but not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - considered good	917.40	1,854.55	1,425.40	46.67	21.47	5.11	6.68	4,277.27
(ii) Undisputed Trade Receivables - credit impaired	-	25.11	13.09	14.01	20.38	17.33	18.39	108.32
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - credit impaired	-	-	1.50	-	2.96	0.77	13.37	18.60
	917.40	1,879.66	1,439.99	60.68	44.81	23.21	38.44	4,404.19

11A Cash and cash equivalents

(See accounting policy in Note 2.2(u))

Balances with banks

- in current accounts

- deposits with original maturity of less than three months

Cash on hand

	As at March 31, 2024	As at March 31, 2023
	222.42	864.06
	613.18	282.03
	0.56	0.58
	836.16	1,146.67

Information about the Group's exposure to credit risk and market risk are disclosed in Note 41.

11B Bank Balances other than cash and cash equivalents

Bank deposits (with original maturity of more than 3 months but less than 12 months) (refer note (iv) below)

Earmarked balances with banks and balances held with banks to extent held as margin money (refer note(i) to (iii) below)

Total Bank Balances other than cash and cash equivalents

	483.19	414.98
	188.05	89.29
	671.24	504.27

Notes:

(i) Fixed deposits under lien with various banks in respect of guarantees issued to third parties of INR 17.35 million (March 31, 2023: INR 89.29 million).

(ii) Balance includes an amount of INR 170.63 million as at March 31, 2024, (March, 2023: Nil) held with ICICI Bank (Monitoring Agency account and IPO Public issue account) as the IPO Public Issue Account.

(iii) Earmarked balances representing advances received from Government for a specified project of INR 0.07 million as at March 31, 2024 (March, 2023: INR 2.95 million). Such advances received are utilised only for the said project.

(iv) The balance of bank deposits (including interest accrued) mentioned above includes an amount of INR 10.10 million as at March 31, 2024, (March, 2023: Nil) held with various banks representing unutilised IPO proceeds.

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	As at March 31, 2024	As at March 31, 2023
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12 Equity share capital

Authorised

75,000,000 (March 31, 2023: 75,000,000) equity shares of INR 10 each 750.00 750.00

Issued, subscribed and paid up

66,948,366 (March 31, 2023: 52,952,467) equity shares of INR 10 each fully paid up 669.48 529.52

Pursuant to the resolution passed on Extraordinary General Meeting dated March 4, 2023, the authorised share capital of the Holding Company had increased from INR 530 million to INR 750 million.

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the beginning of the year	52,952,467	529.52	52,817,479	528.18
Add: Shares issued during the year	13,995,899	139.96	134,988	1.34
Outstanding at the end of the year	66,948,366	669.48	52,952,467	529.52

(b) Terms / rights attached to equity shares:

The Holding Company has only one class of equity share having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. The Group declares dividend in Indian Rupees.

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.

(c) For the period of five years immediately preceding the date at which the Balance Sheet is prepared:

- (i) During the year ended March 31, 2023, 134,988 equity shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash.
- (ii) The Holding Company has not issued any bonus shares.
- (ii) The Holding Company has not bought-back any equity shares.

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of INR 10 each fully paid				
Mr.Raghunandana Tangirala	15,849,179	23.67%	15,587,702	29.44%
Ms.Shanthi Tangirala	16,237,705	24.25%	16,237,705	30.66%
Tangi Facility Solutions Private Limited	7,173,440	10.71%	11,173,440	21.10%
India Business Excellence Fund – II	*	*	2,889,161	5.46%
India Business Excellence Fund – IIA	*	*	6,139,468	11.59%

* not disclosed as shareholding is less than 5%.

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 Group, please refer Note 36.

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12 Equity share capital (continued)

(f) Promoter's shareholding details:

Particulars	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
As at March 31, 2024					
Mr.Raghunandana Tangirala	15,587,702	261,477	15,849,179	23.67%	(5.77%)
Ms.Shanthi Tangirala	16,237,705	-	16,237,705	24.25%	(6.41%)
Tangi Facility Solutions Private Limited	11,173,440	(4,000,000)	7,173,440	10.71%	(10.39%)
As at March 31, 2023					
Mr.Raghunandana Tangirala	16,377,702	(790,000)	15,587,702	29.44%	(1.57%)
Ms.Shanthi Tangirala	16,237,705	-	16,237,705	30.66%	(0.08%)
Tangi Facility Solutions Private Limited	11,173,440	-	11,173,440	21.10%	(0.05%)

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13 Other equity

Securities premium
Capital redemption reserve
Foreign currency translation reserve
Share options outstanding account
General reserve
Retained earnings
Total Other equity

	As at March 31, 2024	As at March 31, 2023
4,349.28	601.95	
22.16	21.09	
14.43	21.56	
79.18	53.89	
19.38	26.60	
3,247.44	2,554.32	
7,731.87	3,279.41	

(a) Securities premium

Opening balance
Premium on issue of shares
IPO expense adjusted against securities premium (refer Note 48)
Exercise of stock options
Closing balance

	March 31, 2024	March 31, 2023
601.95	559.43	
3,866.67	42.52	
(181.52)	-	
62.18	-	
4,349.28	601.95	

(b) Capital Redemption Reserve

Opening balance
Changes during the year
Closing balance

	March 31, 2024	March 31, 2023
21.09	20.75	
1.07	0.34	
22.16	21.09	

(c) Foreign currency translation reserve

Opening balance
Changes during the year
Closing balance

	March 31, 2024	March 31, 2023
21.56	-	
(7.13)	21.56	
14.43	21.56	

(d) Share options outstanding account

Opening balance
Add: Employee stock options provided
Less: Exercise of stock options
Closing balance

	March 31, 2024	March 31, 2023
53.89	42.17	
100.60	38.89	
(75.31)	(27.17)	
79.18	53.89	

(e) General reserve

Opening balance
Less: Buyback of shares
Closing balance

	March 31, 2024	March 31, 2023
26.60	26.60	
(7.22)	-	
19.38	26.60	

(f) Retained earnings

Opening balance
Add: Profit for the year
Add: Other comprehensive gain / (loss)
Less: Buy-back of equity shares
Less: Transfer to capital redemption reserve
Add: Adjustments relating to acquisition of NCI
Closing balance

	March 31, 2024	March 31, 2023
2,554.32	2,227.14	
679.46	357.86	
7.50	9.65	
7.22	-	
(1.07)	(0.34)	
-	(39.99)	
3,247.43	2,554.32	



Nature and purpose of reserves

(a) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(b) 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 in accordance with the provision of the Companies Act, 2013.

(c) Foreign currency translation reserve

Exchange differences in translating financial statements of foreign operations are the foreign currency translation differences.

(d) Share options outstanding account

The Group has established various equity-settled share-based payment plans for certain categories of employees of the Group. See Note 36 for further details on these plans.

(e) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

(f) Retained earnings

Retained earnings represents profits generated and retained by the Company post distribution of dividends to the equity shareholders in the respective years. This reserve can be utilized for distribution of dividend by the Company considering the requirements of the Companies Act, 2013.

14 Non-controlling interests

Movement of NCI

Opening balance

Total comprehensive income for the year

Dividend payment to NCI

Adjustments relating to acquisition of NCI

Exercise of share options

Closing balance

	As at March 31, 2024	As at March 31, 2023
	59.46	69.18
	March 31, 2024	March 31, 2023
	69.18	53.09
	(17.59)	(11.72)
	(32.80)	(9.54)
	-	10.18
	40.67	27.17
	59.46	69.18

15 Borrowings

Secured loans (at amortised cost)

Term loans from bank (secured) (refer Note 15.1)

Current maturities of non-current term loans from banks (secured)(refer Note 15.1)

Cash credit from banks (secured) (refer Note 15.2)

Working capital loan (secured) (refer Note 15.3)

Short-term revolving loan (secured) (refer Note 15.4)

	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	-	179.25	-	-
	-	-	-	78.63
	-	-	26.31	-
	0.34	-	502.36	1,155.31
	-	-	-	352.19
	0.34	179.25	528.67	1,586.13

Notes:

- 15.1 * During the year ended March 31, 2023, the Holding Company had taken a term loan facility with an interest rate ranging between 8.25% to 8.61% (March 31, 2023 7.15% to 8.25%) p.a., 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 aforesaid term loan has been pre-closed during the year.
- 15.2 ** The Holding Company has taken cash credit having interest rate ranging from 6.00% to 11.25% p.a. (March 31, 2023: 6.00% to 24.00% p.a). These facilities are repayable on demand and are secured primarily by way of pari-passu first charge on the entire present and future current assets of the Company and collateral by way of pari-passu first charge on the entire present and future movable assets of the Company.
- 15.3 *** The Holding Company has taken working capital loan from banks having interest rate ranging from 6.80 % to 11.85% p.a (March 31, 2023: 4.46% to 8.40% p.a). These facilities are repayable within 7 - 90 days and are secured primarily by way of pari-passu first charge on the present and future current assets of the Company and collateral by way of pari-passu first charge on the entire movable assets of the Company.
- 15.4 **** The Holding Company has taken a short-term revolving loan with an interest rate of 8.75% p.a (March 31, 2023: 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).



15.5 During the previous year, there was a breach in the financial covenants relating to term loan and working capital demand loan facilities availed by the Holding Company from two banks as at March 31, 2023. The Company had obtained condonation from the respective banks 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, and hence there were no changes made to the classification of these loans for the year ended March 31, 2023.

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

As at March 31, 2024

Quarter	Particulars	Bank name	Amount as per books of accounts	Amount as per quarterly statement	Difference (Refer below Note)
June 30, 2023	Sales	Refer note (a) below	3,515.96	3,491.80	(24.16)
	Trade receivables	Refer note (a) below	3,125.65	3,248.11	122.46
	Trade payables	Refer note (a) below	325.36	320.37	(4.99)
	Borrowings	Refer note (a) below	1,847.77	1,838.80	(8.97)
September 30, 2023	Sales	Refer note (a) below	6,981.85	6,892.68	(89.17)
	Trade receivables	Refer note (a) below	3,264.57	3,395.21	130.64
	Trade payables	Refer note (a) below	586.29	314.62	(271.67)
	Borrowings	Refer note (a) below	2,169.27	2,146.60	(22.67)
December 31, 2023	Sales	Refer note (a) below	10,485.88	10,471.43	(14.45)
	Trade receivables	Refer note (a) below	3,218.71	3,411.14	192.43
	Trade payables	Refer note (a) below	512.87	474.34	(38.53)
	Borrowings	Refer note (a) below	725.21	716.9	(8.31)
March 31, 2024	Sales	Refer note (a) below	14,155.85	14,094.16	(61.69)
	Trade receivables	Refer note (a) below	3,143.06	3,455.83	312.77
	Trade payables	Refer note (a) below	378.88	373.94	(4.94)
	Borrowings	Refer note (a) below	498.31	488.2	(10.11)

Notes:

a) 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, Kotak Bank, Bajaj Finance Limited, ICICI Bank, Citi Bank, Standard Chartered Bank, DBS Bank.

b) The Holding Company reported the amounts on a provisional basis for the purpose of the said quarterly filing made to the banks and consequently accounting principles comprising of recognition, measurement and presentation criteria amongst others, in accordance with the requirements of Ind AS were not considered in quarterly returns / statements. Management is of the view that the Holding Company has sufficient unutilised borrowing facilities as per the terms of arrangement with its lenders which is higher than the excess balance disclosed in the quarterly returns / statements as tabulated above.

c) The Holding Company has subsequently submitted revised returns to the aforesaid banks except Bajaj Finance Limited.



As at March 31, 2023

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

Notes:

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

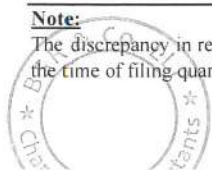
15.7 The summary of differences noted in quarterly statements filed by one of the subsidiary, Fusion Foods & Catering Private Limited with banks are as follows:

As at March 31, 2024

Quarter	Particulars	Bank name	Amount as per books of accounts	Amount as per quarterly statement	Difference (Refer below Note)
June 30, 2023	Debtors	HDFC Bank	272.94	251.46	21.48
	Creditors	HDFC Bank	155.01	153.01	2.00
	Stock	HDFC Bank	17.76	14.31	3.45
September 30, 2023	Debtors	HDFC Bank	243.59	370.31	(126.72)
	Creditors	HDFC Bank	140.85	140.41	0.44
	Stock	HDFC Bank	20.13	17.33	2.80
December 31, 2023	Debtors	HDFC Bank	202.71	213.76	(11.05)
	Creditors	HDFC Bank	103.96	91.96	12.00
	Stock	HDFC Bank	14.20	14.20	-
March 31, 2024	Debtors	HDFC Bank	151.35	136.10	15.25
	Creditors	HDFC Bank	67.90	62.28	5.62
	Stock	HDFC Bank	13.04	13.00	0.04

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.



15.8 In respect of other subsidiaries, quarterly returns or statements of current assets filed by the subsidiaries with banks and financial institutions are in agreement with the books of accounts.

15.9 Reconciliation of movement of liabilities to cash flows arising from financing activities

Particulars	Borrowings	Lease Liabilities
As at April 1, 2022	586.79	126.37
Cash inflows	10,777.33	-
New leases	-	373.93
Interest	120.13	20.97
Cash outflows	(9,718.87)	(88.02)
As at March 31, 2023	1,765.38	433.25
Cash inflows	10,239.62	-
New leases	-	246.81
Interest	141.53	50.87
Cash outflows	(11,617.52)	(213.00)
As at March 31, 2024	529.01	517.93

15.10 The Group's exposure to credit, currency and liquidity risk related to borrowings is disclosed in Note 41.

16 Trade payables

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	137.23	174.35
Total outstanding dues of creditors other than micro enterprises and small enterprises	655.38	618.96
	792.61	793.31

Trade payables ageing schedule as at March 31, 2024

Particulars	Outstanding for the following periods from the due date of payment						Total
	Unbilled dues	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed outstanding dues of MSMEs	56.29	50.23	27.74	1.42	0.22	0.32	136.22
Undisputed outstanding dues of creditors other than MSMEs	117.90	156.78	198.14	7.69	2.07	2.27	484.85
Disputed outstanding dues of MSMEs	-	-	1.02	-	-	-	1.02
Disputed outstanding dues of creditors other than MSMEs	-	-	90.67	69.96	-	9.89	170.52
Total	174.19	207.01	317.57	79.07	2.29	12.48	792.61

Trade payables ageing schedule as at March 31, 2023

Particulars	Outstanding for the following periods from the due date of payment						Total
	Unbilled dues	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
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 are non-interest bearing and are normally settled on 30 to 60 day term.

These details have been provided based on the information available with the Group in respect of the registration status of its vendors/suppliers. All trades payables are 'current'.

The Group's exposure to credit, currency and liquidity risk related to trade payables is disclosed in Note 41.

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	Non-current		Current	
	As at	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
17 Other financial liabilities				
(See accounting policy in Note 2.2(j))				
Capital creditors	-	-	24.02	15.03
Employee benefits payable	-	-	1,528.48	1,162.53
Bonus payable	-	-	345.42	399.39
Director fee payable	-	-	6.00	0.72
Payable to selling shareholders	-	-	1.07	-
Other payables	-	-	4.74	8.29
(At Fair Value through Profit or Loss)				
Liability payable to promoters of acquired subsidiaries [#]	311.63	1,138.71	918.22	735.94
	311.63	1,138.71	2,827.95	2,321.90

The Group's exposure to credit, currency and liquidity risk related to other financial liabilities is disclosed in Note 41.

This represents liability payable to the promoters of acquired subsidiaries - Athena BPO Private Limited (March 31, 2024: Rs. 598.94 Million; March 31, 2023: Rs. 678.30 Million) and Denave India Private Limited (March 31, 2024: Rs.630.91 Million; March 31, 2023: Rs. 1,196.35 Million) under the terms of the relevant share purchase agreement for acquisition of future purchase of shares.

	Non-current		Current	
	As at	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
18 Provisions				
(See accounting policy in Note 2.2 (l) and Note 2.2(r))				
Provision for employee benefits				
Provision for gratuity (refer Note 34)	277.87	319.56	140.10	99.37
Provision for gratuity - reimbursement employees (refer Note 34)	156.83	219.93	230.75	123.20
Provision for leave benefits	62.15	-	27.66	104.18
	496.85	539.49	398.51	326.75
Other provisions				
Provision for tax litigations*	-	-	2.80	3.34
	496.85	539.49	401.31	330.09

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

Provision for litigations

At the beginning of the year		3.34	2.81
Created during the year		-	0.53
Utilised during the year		(0.54)	-
At the end of the year		2.80	3.34

19 Other current liabilities

Advance from customers	81.70	16.24
Statutory dues and related liabilities*	720.87	673.85
Provision against provident fund order [#]	4.56	4.22
Deferred income	0.41	10.05
Other payables	5.56	50.07
Total Other current liabilities	813.10	754.43

*Statutory dues and related liabilities include Provident Fund, Employee State Insurance, Professional Tax, Tax Deducted at Source, Goods and Services Tax and Labour Welfare Fund, amongst others.

The Company received an order from the High Court (against the appeal made by the PF department) directing the Company to pay PF on certain allowances to be considered for PF computation for the salary paid for the period FY 2007-12. Based on the High court order and in compliance with Supreme Court judgement in 2019, the Company has created provision amounting for INR 2.83 million. (March 31, 2023: INR 2.83 million). Further, the Group has also accrued for interest during the year amounting to INR 0.34 million (March 31, 2023: INR 1.39 million.)

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	For the year ended March 31, 2024	For the year ended March 31, 2023
20 Revenue from contracts with customers		
<i>(See accounting policy in Note 2.2(g))</i>		
Sale of products (A)	46.54	87.80
Sale of services (B)	24,397.09	20,901.07
Total Revenue from contracts with customers (A + B)	24,443.63	20,988.87
Disaggregated revenue information		
Set out below is the disaggregation of the Group's revenue from contracts with customers:		
Revenue by geography		
India	23,295.31	19,368.40
Outside India	1,148.32	1,620.47
Total Revenue from contracts with customers	24,443.63	20,988.87
Also refer Note 39.		
Timing of revenue recognition		
Goods transferred at a point in time	46.54	87.80
Service transferred at a point in time	212.35	381.80
Service transferred over a period of time	24,184.74	20,519.27
Total	24,443.63	20,988.87
Reconciliation of Revenue from sale of products/services with the contracted price		
Revenue as per contracted price	24,460.22	20,988.87
Discounts	(16.59)	
Total	24,443.63	20,988.87
Contract balances		
Trade receivables (refer Note 10)	5,039.00	4,277.28
Contract assets (Unbilled revenue) (refer Note 9)	716.98	889.73
Contract Liabilities		
Advance from customers (refer Note 19)	81.70	16.24
Deferred income (refer Note 19)	0.41	10.05
	236.10	132.03
21 Other income		
Interest income under the effective interest method on:		
- bank deposits	119.15	25.53
- others	9.74	11.24
Interest income on income tax refund	3.61	23.47
Fair value gain on financial Assets at FVTPL	31.34	0.79
Profit on sale of Property, Plant and Equipment (Net)	6.41	4.99
Liabilities / provisions no longer required written back*	52.91	61.81
Exchange differences (Net)	1.63	-
Other non-operating income	11.31	4.20
	236.10	132.03

* Includes reversal of impairment allowance of Nil (March 31, 2023: INR 47.18 million) relating to certain receivables in respect of which management had estimated the recovery to be the doubtful in the previous years.

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	For the year ended March 31, 2024	For the year ended March 31, 2023
22 Cost of materials consumed		
Inventory at the beginning of the year	17.68	3.53
Add: Purchases during the year	978.89	782.19
Less: Inventory at the end of the year	(21.63)	(17.68)
	974.94	768.04
23 Purchase of traded goods		
Purchase of traded goods	44.30	23.72
	44.30	23.72
24 Cost of services		
Cost of services	-	2,667.09
Refer Note 47.	-	2,667.09
25 Changes in inventories of Finished goods and Stock-in-trade		
Finished goods		
Closing stock	10.08	15.13
Opening stock	12.24	13.27
Stock-in-trade		
Closing stock	37.20	32.38
Opening stock	35.42	44.65
	0.38	10.41
26 Employee benefits expenses		
Salaries, wages and bonus	16,272.38	12,291.44
Contribution to provident and other fund (refer Note 34)	1,605.29	1,327.25
Gratuity expense (refer Note 34)	82.39	91.00
Staff welfare expenses	95.85	92.00
Employee stock option expenses (refer Note 36)	100.60	38.89
	18,156.51	13,840.58
27 Finance costs		
(see accounting policy in note 2.2(v))		
Interest expense on financial liabilities measured at amortised cost		
- Interest on borrowings	141.53	123.07
- Interest on lease liabilities (refer Note 35)	50.87	20.97
Interest on shortfall in payment of income tax	0.18	0.76
Other borrowing costs	0.25	0.87
	192.83	145.67
28 Depreciation and amortization expense		
(see accounting policy in note 2.2(d) and (e))		
Depreciation of Property, Plant and Equipment (refer Note 3)	244.11	209.82
Depreciation of Right-of-use assets (refer Note 35)	190.67	90.02
Amortization of intangible assets (refer Note 3C)	104.82	70.56
	539.60	370.40



	For the year ended March 31, 2024	For the year ended March 31, 2023
29 Impairment losses		
Impairment losses on contract assets	22.24	11.64
Impairment loss on doubtful trade receivables	17.65	14.21
Impairment loss on doubtful advances	22.22	10.49
Impairment loss on doubtful deposits	6.20	-
Impairment on loans to employees	1.30	-
	69.61	36.34
30 Fair value change in liabilities payable to promoters of acquired subsidiaries		
Fair value change in liabilities payable to promoters of acquired subsidiaries	105.92	413.63
	105.92	413.63
31 Other expenses		
Site maintenance expenses	762.64	548.47
Outsourced manpower	965.41	172.82
Cleaning materials and consumables	236.21	306.04
Verification expenses	124.40	129.30
Freight and forwarding charges	236.78	13.48
Canteen materials	59.01	48.20
Travelling and conveyance	259.41	129.54
Rent	77.04	77.08
Legal and professional fees	124.79	104.39
Training expenses	53.66	73.11
Repairs and maintenance - buildings	8.00	-
Repairs and maintenance - others	104.41	126.92
Communication expenses	80.59	53.51
Printing and stationery	29.40	23.03
Consumption of stores and spares	11.01	11.33
Intangible asset under development Written off	0.29	-
Bad debts written off	12.34	1.55
Insurance	22.08	29.39
Power and fuel	96.64	47.67
Computer hire charges	11.79	28.56
Postage and courier charges	116.73	170.37
Provision for diminution in value of inventories	2.08	0.73
Non-executive Director's remuneration	15.30	6.81
Payment to auditors	20.09	14.46
Rates and taxes	15.60	26.76
Expenditure on corporate social responsibility (CSR)	21.56	14.03
Loss on sale of Property, Plant and Equipment	1.61	5.51
License fee	78.75	67.98
Miscellaneous expenses	202.19	72.10
	3,749.81	2,303.14

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	As at March 31, 2024	As at March 31, 2023
32 Income tax		
<i>(See accounting policy in note 2.2(m))</i>		
32A Amounts recorded in Balance sheet		
Non-current tax assets (net)		
Advance tax (net of provision for tax)	773.28	547.19
	<u>773.28</u>	<u>547.19</u>
Current tax liabilities (Net)		
Provision for income taxes (net of advance income taxes)	79.77	57.30
	<u>79.77</u>	<u>57.30</u>
32B Amounts recorded in the statement of profit and loss		
	For the year ended March 31, 2024	For the year ended March 31, 2023
The major components of income tax expense for the respective periods are:		
Current income tax:		
Current tax	206.74	227.55
Adjustment of tax relating to earlier years	6.75	9.55
Deferred tax:		
Deferred tax charge / (credit)	(30.31)	(41.27)
Total tax expense recorded in the statement of profit or loss	<u>183.19</u>	<u>195.83</u>
32C Income tax recognised in other comprehensive income		
Income tax effect on Remeasurements of defined benefit liability (asset)	(3.72)	(3.12)
	<u>(3.72)</u>	<u>(3.12)</u>
32D Reconciliation of effective tax rate / tax expense		
Profit before tax	845.83	541.88
Less: Accounting profit before tax taxed at different rates*	-	(177.70)
Adjusted Profit before tax	845.83	364.18
Enacted tax rate in India	25.17%	25.17%
Profit before tax multiplied by enacted tax rate	212.88	91.66
Effects of:		
Effect of change in substantively enacted tax rates on deferred tax	-	0.39
Effect of Ind As Adjustments	(1.48)	1.19
Additional deduction under Income tax based on employment generation	(91.02)	(75.56)
Adjustment in respect of tax related to earlier years	6.76	9.55
Fair value change in Liability payable to promoters of acquired subsidiaries	12.30	104.11
Income from Deemed Dividend u/s 2(22)(e) - Loan by a subsidiary to another fellow subsidiary	(10.07)	-
Non deductible expenses	5.43	11.19
Tax on accounting profit that taxed at different rate*	-	21.24
Others	48.39	32.06
Net effective income tax	<u>183.18</u>	<u>195.83</u>
Income tax recognised in other comprehensive income		
Deferred tax relating to items recognised in OCI during the year		
Tax effect on re-measurement gains and (losses) on defined benefit obligations (net)	(3.72)	(3.12)
	<u>(3.72)</u>	<u>(3.12)</u>

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

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

32E Recognized deferred tax assets and liabilities

	Deferred tax assets (net)		Deferred tax liabilities (net)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Reconciliation of Deferred tax assets / liabilities				
Opening balance Deferred tax asset / (liabilities)	488.07	473.84	(157.50)	(108.48)
Tax (expense) / credit during the year recognised in Statement of Profit and Loss	(9.88)	17.35	40.48	23.92
Tax (expense) / income during the year recognised in OCI	(3.72)	(3.12)	-	-
Deferred tax on acquisition	-	-	-	(72.94)
Closing balance (net)	<u>474.46</u>	<u>488.07</u>	<u>(117.03)</u>	<u>(157.50)</u>



32E Recognized deferred tax assets and liabilities (Continued)

Movement in deferred tax assets and liabilities
For the year ended March 31, 2024

Particulars	April 1, 2023	Acquired in business combination	Recognised in statement of profit and loss	Recognised in OCI	March 31, 2024
Deferred tax assets					
Property, Plant and Equipment and Intangible assets	71.88	-	2.52	-	74.40
Provision for doubtful trade receivables	46.47	-	(5.18)	-	41.29
Provision for doubtful assets	12.86	-	5.77	-	18.63
Provision for employee benefits	154.78	-	(0.26)	(3.72)	150.80
Expenses allowable on payment basis	126.98	-	(25.48)	-	101.50
Losses available for offsetting against future taxable income*	36.14	-	24.77	-	60.91
Others	38.96	-	(12.03)	-	26.93
Total	488.07	-	(9.88)	(3.72)	474.46
Deferred tax liabilities					
Intangible assets	-	-	(1.60)	-	1.60
Intangible assets arising on acquisition of subsidiaries	157.50	-	42.08	-	115.42
Total	157.50	-	40.48	-	117.03

For the year ended March 31, 2023

Particulars	April 1, 2022	Acquired in business combination	Recognised in statement of profit and loss	Recognised in OCI	March 31, 2023
Deferred tax assets					
Property, Plant and Equipment and Intangible assets	32.53	-	39.35	-	71.88
Provision for doubtful trade receivables	119.65	-	(73.18)	-	46.47
Provision for doubtful assets	73.49	-	(60.63)	-	12.86
Provision for employee benefits	120.58	-	37.32	(3.12)	154.78
Expenses allowable on payment basis	102.35	-	24.63	-	126.98
Losses available for offsetting against future taxable income*	12.69	-	23.45	-	36.14
Others	12.55	-	26.41	-	38.96
Total	473.84	-	17.35	(3.12)	488.07
Deferred tax liabilities					
Intangible assets	-	-	-	-	-
Intangible assets arising on acquisition of subsidiaries	108.48	72.94	(23.92)	-	157.50
Total	108.48	72.94	(23.92)	-	157.50

* One of the subsidiary, Global Flight Handling Services Private Limited ('Global') has been awarded multiple airport contracts for ground handling services/business during the Financial Year 2021-22, and the operations in those airports have commenced from the Financial Year 2022-23. As per the projections, it is probable that subsidiary will earn sufficient taxable profit in future periods to set-off the carry forward losses and corresponding reversal of deferred tax assets relating to such losses. Based on the given facts, the subsidiary has recognized and carried deferred tax assets on the losses in the books of accounts.

33 Earnings per equity share

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

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

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

Particulars	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
Profit attributable to equity shareholders of Holding Company	679.46	357.86
Profit attributable to equity holders of the Holding Company adjusted for the effect of dilution	679.46	357.86
Weighted average number of Equity shares for basic EPS	59,800,883	52,821,547
Effect of dilution:		
Effect of share options exercised	343,298	557,444
Weighted-average number of equity shares (diluted) for the year (refer note below)	60,144,181	53,378,991
Earning per share of INR 10 each		
- Basic	11.36	6.77
- Diluted	11.30	6.70



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

(i) Defined contribution plan:

The Group provident fund is a defined contribution plan. An amount of INR 1605.29 million being contribution made to recognised provident fund is recognised as an expense for the year ended March 31, 2024 (March 31, 2023: INR 1327.25 million) and included under Employee benefits expense (Note 26) in the Statement of Profit and loss.

(ii) Defined benefit plans:

A. Gratuity (Regular)

The Group has a defined benefit gratuity plan ("Plan") in India, governed by the Payment of Gratuity Act, 1972. The Plan entitles an employee, who has rendered at least five years of continuous service, to gratuity payable on termination of his employment at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

Some of the entities in the Group makes annual contributions to gratuity funds established as trusts or insurance companies.

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

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

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	472.67	466.99
Fair value of plan assets	(54.70)	(48.06)
Net liability	417.97	418.93
Current	140.10	99.37
Non-current	277.87	319.56

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Service cost:		
Current service cost	52.43	74.61
Net interest cost:		
Interest expense on defined benefit obligation	31.12	16.59
Interest income on loan assets	(1.16)	(0.20)
Total included in Employee benefits expense (refer Note 26)	82.39	91.00

(c) Remeasurement recognized in other comprehensive income:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Components of actuarial gain/losses on obligations		
Due to change in financial assumptions	(13.30)	(9.75)
Due to change in demographic assumption	0.14	0.25
Due to experience adjustments	24.33	(3.41)
Return on plan assets	(0.72)	0.05
Total	10.45	(12.86)

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

(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	As at
	March 31, 2024	March 31, 2023
Opening defined benefit obligation	466.99	422.53
Defined benefit obligation for acquisition during the year	-	13.89
Current service cost	52.43	74.61
Interest cost	31.47	16.39
Actuarial losses/(gains)	-	-
Due to change in financial assumptions	13.12	(9.75)
Due to change in demographic assumption	(0.15)	0.25
Due to experience adjustments	(24.70)	(3.41)
Benefit paid	(66.49)	(47.52)
Closing balance of the present value of defined benefit obligation	472.67	466.99

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

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Opening plan assets	48.06	33.86
Expected return on plan assets	3.57	0.05
Contributions	61.74	60.71
Benefits paid and charges deducted	(57.61)	(47.52)
Actuarial gain/ (loss) on plan assets	(1.06)	0.96
Closing balance of the present value of plan assets	54.70	48.06

(f) Reconciliation of net liability:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Net liability as at the beginning of the year	418.93	388.67
Defined benefit obligation for acquisition during the year	-	13.89
Defined benefit cost included in the statement of profit and loss	82.39	91.00
Defined benefit cost included in other comprehensive income	(10.45)	(12.86)
Benefit paid	(72.90)	(61.77)
Net liability at the end of the year	417.97	418.93

(g) Principal actuarial assumptions at the balance sheet date:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
1) Discount rate	6.93% - 7.25%	5.50% - 7.30%
2) Salary growth rate	3.00% to 13.59%	5.00% to 8.59%
3) Attrition rate	10.00% - 90.00% at all ages	10.00% - 70.00% at all ages
4) Retirement age	58	58
5) Maturity tables	Indian Assured Lives Mortality (2012-14) Ultimate Table	

The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The Company expects to make contribution to the gratuity fund in the future based on the actuarial valuation report.

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

(h) Quantitative sensitivity analysis for significant assumption:	As at March 31, 2024		As at March 31, 2023	
	Change	Obligation	Change	Obligation
(i) Discount rate	+0.5%	397.37	+0.5%	405.92
	-0.5%	407.29	-0.5%	417.78
(ii) Salary growth rate	+0.5%	408.71	+0.5%	418.79
	-0.5%	395.97	-0.5%	404.90

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

(i) Expected cashflows based on past service liability:

Particulars	As at March 31, 2024	As at March 31, 2023
Year 1	163.45	139.13
Year 2	111.74	101.64
Year 3	78.73	75.47
Year 4	56.86	55.32
Year 5	42.17	38.78
More than 5 years	81.19	70.03

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

Particulars	As at March 31, 2024	As at March 31, 2023
Investment details		
Others	54.70	48.05
Total	54.70	48.05

The average duration of the defined benefit obligation for the year ended March 31, 2024 is 3.1 years (March 31, 2023 is 2.9 years).

B. Gratuity (reimbursement from customers)

The Group has a defined benefit gratuity plan ("Plan") in India, governed by the Payment of Gratuity Act, 1972. The Plan entitles an employee, who has rendered at least five years of continuous service, to gratuity payable on termination of his employment at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The Group has recognised gratuity liability and reimbursement right for its employees in accordance with Ind AS 19. The defined benefit plans typically expose the Group to actuarial risks such as interest rate risk and salary risk.

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

(a) Net defined benefit liability:

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	387.58	343.13
Fair value of plan assets	-	-
Net liability	387.58	343.13
Current	230.75	123.20
Non-current	156.83	219.93

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Updater Services Limited (formerly known as Updater Services Private Limited)
Notes to Consolidated financial statements for the year ended March 31, 2024
(All amounts are in Millions of Indian Rupees, except share data and as stated)

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

(b) Net benefit cost:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	70.58	61.83
Interest cost on defined benefit obligation	23.36	14.40
Net actuarial (gain) / loss recognised in the year	(53.57)	(0.55)
Net benefit cost	40.37	75.68

Note:

The employee benefits expenses towards gratuity and related reimbursement right for associate employees for the year ended March 31 2024 INR 40.37 million [March 31 2023: INR 75.68 million] have been netted off in the Statement of Profit and Loss.

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

Particulars	As at March 31, 2024	As at March 31, 2023
Opening defined benefit obligation	344.75	291.78
Current service cost	70.58	61.83
Interest cost	23.36	14.40
Actuarial losses/(gains)	0.42	-
Due to change in financial assumptions	(3.91)	(23.92)
Transfer in	33.26	-
Due to change in demographic assumption	(4.85)	2.24
Due to experience adjustments	(44.81)	21.13
Benefit paid	(31.22)	(24.33)
Closing balance of the present value of defined benefit obligation	387.58	343.13

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

Particulars	As at March 31, 2024	As at March 31, 2023
Opening plan assets	-	-
Expected return on plan assets	-	-
Contributions	31.22	24.33
Benefits paid and charges deducted	(31.22)	(24.33)
Actuarial gain/ (loss) on plan assets	-	-
Closing balance of the present value of plan assets	-	-

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

Particulars	As at March 31, 2024	As at March 31, 2023
1) Discount rate	6.94%	7.10%
2) Salary growth rate	6.12%	6.65%
3) Attrition rate	41.37% at all ages	39.13% at all ages
4) Retirement age	58	58
5) Maturity tables	Indian Assured Lives Mortality (2012-14) Ultimate Table	

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

(f) Quantitative sensitivity analysis for significant assumption:	As at March 31, 2024		As at March 31, 2023	
	Change	Obligation	Change	Obligation
(i) Discount rate	+0.5%	383.55	+0.5%	338.53
	-0.5%	391.66	-0.5%	347.85
(ii) Salary growth rate	+0.5%	392.59	+0.5%	348.54
	-0.5%	382.60	-0.5%	337.82

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 analysis are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

(g) Expected cashflows based on past service liability:

Particulars	As at March 31, 2024	As at March 31, 2023
Year 1	141.87	111.64
Year 2	99.93	87.00
Year 3	68.33	65.22
Year 4	50.73	47.12
Year 5	35.29	35.51
More than 5 years	51.41	56.64

The average duration of the defined benefit plan obligation at the end of the reporting period is 2.7 years (March 31, 2023: 2.9 years).

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35 Leases

The Group has lease contracts for building used in its operations. Leases of building generally have lease terms between 2 - 7 years, vehicles have lease terms of 1 - 3 years and furniture and fittings between 1-2 years (more than 12 months). 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. Refer note 31 for payment made towards short-term lease.

Information about leases for which the Group is a lessee is presented below.

(i) Right-of-use assets

Particulars	Buildings	Vehicles	Total
As on April 1, 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 of right-of-use assets	(90.02)	-	(90.02)
Other Ind AS Adjustments	0.74	-	0.74
As on March 31, 2023	402.08	0.01	402.09
Additions	265.73	-	265.73
Deletions	(16.43)	(0.01)	(16.44)
Depreciation of right-of-use assets	(190.67)	-	(190.67)
Foreign exchange fluctuation/ adjustments	(0.42)	-	(0.42)
As on March 31, 2024	460.29	-	460.29

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

Particulars	As at March 31, 2024	As at March 31, 2023
As at beginning of the year	433.25	126.37
Additions	255.62	160.32
Acquisition of subsidiary	-	241.23
Deletions	(8.81)	(25.75)
Interest on lease liabilities (refer Note 27)	50.87	20.97
Payments	(213.00)	(88.02)
Other Ind AS adjustments	-	(1.87)
As at end of the year	517.93	433.25
Current	192.70	149.02
Non-Current	325.23	284.23

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

March 31, 2024	Within five years	More than five years	Total
Extension options expected not to be exercised	5.96	3.92	9.88
Termination options expected to be exercised	58.42	-	58.42
March 31, 2023	Within five years	More than five years	Total
Extension options expected not to be exercised	-	-	-
Termination options expected to be exercised	73.46	10.39	83.85

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

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 41 (Financial risk management). The effective interest rate for lease liabilities is ranging between 7.50% to 9.00%, with maturity between 2023-2028.

The following are the amounts recognised in profit or loss:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation expense of right-of-use assets	190.67	90.02
Interest expense on lease liabilities	50.87	20.97
Expense relating to short-term leases (included in other expenses)	77.04	77.08
Total amount recognised in statement of profit and loss	318.59	188.07

The Company had total cash outflows for leases of INR 213 million for the year ended March 31, 2024 (INR 88.02 million for the year ended March 31, 2023).



36 Share-based payments

a) Employee Share-option Plan - 2019

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

The expense recognised (net of reversal) for share options during the year ended March 31, 2024 is INR Nil [March 31, 2023: INR Nil]. There are no cancellations or modifications to the awards for the year ended March 31 2023. The outstanding options as on March 31, 2023 has been exercised during the year ended March 31, 2024.

Tranche I (A)

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

Tranche I (B), II and III

The Holding Company has granted certain options during the previous year with future performance of the Company as criteria which has been defined based on a matrix as per the ESOP 2019 (for Tranche I (B), II and III). During the financial year 2021-22, the Company has modified the vesting conditions (other than market condition) stipulated with respect to the options granted already pursuant to the Updater Employee Stock Option Plan 2019 [25-Sep-2020 & 25-Sep-2021] in a manner which is beneficial to employees. The performance criteria stipulated in the grant letter issued to the employees was revised according to the actual performance achieved for the financial years 2019-20 and 2020-21 and consequently, the options granted to the eligible employees are vested with immediate effect. Accordingly, the ESOP reserve is created based on the revised plan.

A. Details of ESOP 2019

Name of the scheme - ESOP 2019	Tranche - I (A)	Tranche - I (B)	Tranche - II	Tranche - III
Date of grant	April 17, 2019	April 17, 2019	October 18, 2019	January 10, 2020
Number granted	406,772	521,235	144,788	77,220
Exercise price (in INR)	10.00	111.00	111.00	111.00
Vesting period	1 year	1 - 3 years	1 - 3 years	1 - 3 years
Vesting condition	100% on April 17, 2020	25% on September 30, 2020 25% on September 30, 2021 50% on September 30, 2022	25% on September 30, 2020 25% on September 30, 2021 50% on September 30, 2022	25% on September 30, 2020 25% on September 30, 2021 50% on September 30, 2022

B. Movement in the options granted to employees

Particulars	Number of options		Weighted average exercise price	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Outstanding at the beginning of the year	662,563	662,563	48.99	48.99
Options granted during the year	-	-	-	-
Options exercised during the year	(662,563)	-	(48.99)	-
Options expired during the year	-	-	-	-
Outstanding at the end of the year	-	662,563	-	48.99
Exercisable at the end of the year	-	662,563	-	-

The range of exercise prices for options outstanding at the end of the year was Nil (March 31, 2023: INR 10 to INR 111).

The weighted average remaining contractual life for the share options outstanding as at March 31, 2024 is Nil (March 31, 2023: Nil).

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

C. Fair value of options granted

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

Particulars	March 31, 2024	March 31, 2023
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

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

As on the grant date, fair value of the option is INR 83.71 and weighted average share price is INR 93.

Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.



36 Share-based payments (continued)

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

The shareholders had approved two Employee Stock Option Schemes "Updater Employee Stock Option Plan 2022" and "Updater Employee Stock Option Plan 2022 - Second" ("ESOP 2022" or "Plan") on December 3, 2022, and March 4, 2023, respectively. The primary objective of the above two schemes is to reward certain employees of Holding Company and its subsidiaries for their association, dedication and contribution to the goals of the Holding Company. Under the Scheme, 18,33,000 stock options were granted to the said employees at an exercise price of INR 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 Holding Company as criteria which has been defined based on a matrix as per the ESOP 2022 scheme. The performance criteria stipulated in the grant letter issued to the employees was based on pre determined EBITDA Target which will be communicated to employees either in the March month of the previous financial year or at the beginning of the respective financial year. Also, the plan has a rollover to next financial year wherein catch up opportunity of 1 more year is available in case the EBITDA Target is not achieved for a particular financial year. Further, management has considered future projections and related estimates in determining the number of options expected to be vested and has accounted for the ESOP reserve accordingly.

The expense recognised (net of reversal) for share options during the year ended March 31, 2024 is INR 58.28 million [March 31, 2023: INR 11.71 million]. There are no cancellations or modifications to the awards during the year ended March 31 2024.

A. Details of ESOP 2022

Name of the scheme - ESOP 2022	Tenure based		Performance based	
	Tranche -T I	Tranche -T II	Tranche -E I	Tranche -E II
Date of grant	December 16, 2022	March 04, 2023	December 16, 2022	March 04, 2023
Number granted	390,508	476,000	390,492	476,000
Exercise price (in INR) per share	300	300	300	300
Vesting period	4 Years Graded Vesting		4 Years Graded Vesting	
Method of settlement	Equity-Settled		Equity-Settled	
Method of accounting	Fair Value		Fair Value	
Vesting condition	Service condition - Tenure based		Performance condition - EBITDA linked	
Method of valuation	Black Scholes model		Black Scholes model	

B. Movement in the options granted to employees

Particulars	Number of options		Weighted average exercise price	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Outstanding at the beginning of the year	1,733,000	-	300.00	-
Options granted during the year	-	1,733,000	-	300.00
Options exercised during the year	-	-	-	-
Options forfeited during the year	-	-	-	-
Options expired during the year	(281,806)	-	300.00	-
Outstanding at the end of the year	1,451,194	1,733,000	300.00	300.00
Exercisable at the end of the year	-	-	-	-

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36 Share-based payments (continued)

C. Fair value of options granted

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

Particulars	March 31, 2024	March 31, 2023
Exercise price per share (INR)	300	300
Expected volatility	38.16% - 41.50%	38.16% - 41.50%
Expected dividend yield (%)	0%	0%
Risk free interest rates	7.43%	7.43%
Expected life of the option		
-As on grant date :16-12-2022	2 - 3.5 Years	2 - 3.5 Years
-As on grant date :04-03-2023	1.79 - 3.33 Years	1.79 - 3.33 Years
Weighted average share price	301.89	301.89
Wrighted average remaining contractual life as at year-end	1.31 years	2.31 years
Fair value of the option as on grant date		
-As on grant date: December 16, 2023	INR 82.59 - INR 110.74	INR 82.59 - INR 110.74
-As on grant date: March 4, 2023	INR 83.32- INR 116.61	INR 83.32- INR 116.61

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

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

Date of grant	Option details	No of shares	Fair value per share	Value of the options	Weighted average value	Weighted average price
December 16, 2023	Tranche -T I	390,508	293.45	114,594,573	0.23	66.12
March 4, 2023	Tranche -T II	476,000	308.80	146,988,800	0.27	84.82
December 16, 2023	Tranche -E I	390,492	293.45	114,589,877	0.23	66.12
March 4, 2023	Tranche -E II	476,000	308.80	146,988,800	0.27	84.82
		1,733,000		523,162,050	1.00	301.89

A. 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	March 04, 2023	March 04, 2023
Number granted	50,000	50,000
Exercise price (in INR) per share	300	300
Vesting period	1 Year	1- 2 Years
Method of settlement	Equity-settled	Equity-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

B. Movement in the options granted to employees

Particulars	Number of options		Weighted average exercise price	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Outstanding at the beginning of the year	100,000	-	300.00	-
Options granted during the year	-	100,000	-	300.00
Options exercised during the year	-	-	-	-
Options forfeited during the year	-	-	-	-
Options expired during the year	-	-	-	-
Outstanding at the end of the year	100,000	100,000	300.00	300.00
Exercisable at the end of the year	-	-	-	-

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36 Share-based payments (continued)

C. Fair value of options granted

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

Particulars	March 31, 2024	March 31, 2023
Exercise price per share (INR)	300	300
Expected volatility	41.50%	41.50%
Expected dividend yield (%)	0.00%	0.00%
Risk free interest rates	7.43%	7.43%
Expected life of the option		
- As on grant date: December 16, 2023	2 - 3.5 Years	2 - 3.5 Years
- Weighted average remaining contractual life as at year-end	1.79 - 3.33 Years	1.79 - 3.33 Years
- For options granted on: March 4, 2023	308.80	308.80
Weighted average share price	0.67 years	1.67 years
Fair value of the option as on grant date		
- As on grant date: March 4, 2023	INR 83.32	INR 83.32

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

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

- e) One of the subsidiary, Denave has granted Employee stock option plan-2018. The Employee stock option plan-2018 "ESOP-2018" came into effect from 01st March, 2018. It was approved by the Board of Directors ('the Board of Denave') in the meeting held on 01st March, 2018, and by the members of the Denave in the Extra Ordinary General Meeting held on March 1, 2018 and further modified vide Board resolution dated 4th April, 2018; 30th January, 2020 and 31st December 2020.

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

Pursuant to a resolution of the Board of Directors dated April 4, 2018 and a resolution of the Shareholders dated April 30, 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 INR 16.11 million (March 31, 2023: INR 18.77 million)

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36 Share-based payments (continued)

A. Details of ESOP 2018/2021

Particulars	2020-21 Block-I	2020-21 Block-II	2021-22 Block-I	2022-23 Block-I
Date of grant	April 22, 2020	December 30, 2020	April 30, 2021	August 18, 2022
Number granted	47,975	235,000	137,000	747,000
Surrendered	-	-	-	-
Fresh grant	-	-	-	-
Total	47,975	235,000	137,000	747,000
Exercise price (in INR)	1.00	1.00	1.00	1.00
Vesting period	1-3 years	1-3 years	1-3 years	1-4 years
Vesting 25%	April 22, 2021	December 30, 2021	April 30, 2022	Refer Note 5
Vesting 25%	April 22, 2022	December 30, 2022	April 30, 2023	
Vesting 50%	April 22, 2023	December 30, 2023	April 30, 2024	
Vesting conditions	There shall be a period of one year between the date of grant of Options and the vesting of Options. The vesting is subject to other vesting conditions as per ESOP 2018/2021 as amended from time to time.			
Method of settlement	Equity	Equity	Equity	Equity
Modification in terms along with explanation	Refer note 3 below	Refer note 4 below	Nil	Nil

Particulars	2017-18 Block-I	2017-18 Block-II	2018-19 Block-I
Date of grant	March 10, 2018	April 30, 2018	April 30, 2018
Number granted	297,750	297,750	237,987
Surrendered	37,975	-	-
Fresh grant	-	-	-
Total	259,775	297,750	237,987
Exercise price (in INR)	1.00	1.00	1.00
Vesting period	1 year	1 year	1-3 years
Vesting 25%	March 10, 2019	April 30, 2019	April 30, 2019
Vesting 25%	March 10, 2020	April 30, 2020	April 30, 2020
Vesting 50%	March 10, 2021	April 30, 2021	April 30, 2021
Vesting conditions	There shall be a period of one year between the date of grant of options and the vesting of options. The vesting is subject to other vesting conditions as per ESOP 2018/2021 as amended from time to time.		
Method of settlement	Equity	Equity	Equity
Modification in terms along with explanation	Refer note 1 below	Refer note 1 below	Refer note 2 below

Note 1

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

Note 2

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

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

Note 3

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

Note 4

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

Note 5

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

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B. Movement in the options granted to employees

Particulars	Number of options	
	March 31, 2024	March 31, 2023
Outstanding at the beginning of the year	1,459,870	712,870
Options granted during the year	-	747,000
Weighted average exercise price per option (INR)	-	1
Options exercised during the year	-	-
Options surrendered during the year	(100,000)	-
Outstanding at the end of the year	1,359,870	1,459,870
Exercisable at the end of the year	709,070	456,370

C. Fair value of options granted

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

Particulars	March 31, 2024	March 31, 2023
Exercise price	1.00	1.00
Expected volatility	23.29%	23.29%
Expected dividend yield (%)	-	-
Risk free interest rates	6.52%	6.52%
Expected life of the option	7 years	7 years
Wrighted average remaining contractual life as at year-end	1.36 years	2.31 years
Weighted average share price	72.54	72.54
Fair value of the option	71.54	71.54

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

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

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

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

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

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

The expense recognised (net of reversal) for share options during the year ended March 31, 2024 is Rs. 25.87 Million [March 31 2023: Rs. 8.40 Million]. There are no cancellations or modifications to the awards during the year ended March 31 2024.

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	4-Mar-23	4-Mar-23
Number granted	1,260	631
Exercise price (in INR) per share	10	10
Vesting period	2.5 years graded vesting	2.5 years graded vesting
Method of settlement	Equity-settled	Equity-settled
Method of accounting	Face value	Face value
Vesting condition	Service condition - tenure based	Performance condition - EBITDA linked
Method of valuation	Black Scholes model	Black Scholes model

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36 Share-based payments (continued)

B. Movement in the options granted to employees

Particulars	Number of options		Weighted average exercise price	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Outstanding at the beginning of the year	1,891	-	10.00	-
Options granted during the year	-	1,891	-	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	1,891	10.00	10.00
Exercisable at the end of the year	-	-	-	-

C. Fair value of options granted

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

Particulars	March 31, 2024	March 31, 2023
Exercise price per share (INR)	10	10
Expected volatility	-	-
Expected dividend yield (%)	0%	0%
Risk free interest rates	9.50%	9.50%
Expected life of the option	-	-
- As on grant date: December 16, 2022	2.5 Years	2.5 Years
- Weighted average remaining contractual life as at year-end	0.50 years to 2.50 years	0.50 years to 2.50 years
Weighted average share price	10.00	10.00
Fair value of the option as on grant date	-	-
- As on grant date: December 16, 2022	INR 21,000	INR 21,000

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

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37 Capital management

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

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

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	0.34	179.25
Current borrowings	528.67	1,586.13
Lease liabilities	517.93	433.25
Less: Cash and cash equivalents	(836.16)	(1,146.67)
Less: Bank balances other than cash and cash equivalents	(671.24)	(504.27)
Less: Bank balances in long term deposits with original maturity more than 12 months (forming part of other financial assets)	(2,316.09)	-
Net Debt	(2,776.55)	547.69
Total Equity Capital	8,460.81	3,878.11
Capital and Net Debt	5,684.26	4,425.80
Gearing ratio	(48.85%)	12.37%

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023.

38 Commitments and contingencies

Particulars	As at March 31, 2024	As at March 31, 2023
a. Contingent liabilities		
Income tax (refer below note 1)	411.16	618.55
Professional Tax (refer below note 2)	6.21	6.21
Goods & Services Tax	104.15	1.13
Others (refer below note 3)	5.98	5.98
b. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for net of capital advances	38.61	30.89
Other commitments (Net of advances)	1.95	-

Notes:

1. Income Tax

a) The Holding Company had claimed a deduction u/s 80JJAA of the Income tax Act for Assessment Year 2019-20 amounting to INR 445.30 million (tax impact of INR 106.78 million), wherein the Holding Company had filed a belated return of income on January 24, 2020 claiming the said deduction (due date for the Company being October 31, 2019). The Holding Company had filed an application with Central Board of Direct Taxes ['CBDT'] on January 30, 2020 to condone the delay in filing the return of income on the grounds that due to unavoidable circumstances there was a delay in finalization of audit and books of accounts leading to delay in filing of return of income.

During the year ended March 31, 2022, the assessment u/s 143(3) of the Income-tax Act, 1961 was completed for the said AY disallowing the said claim of the Holding Company on the grounds that the return of income was filed beyond the due date prescribed u/s 139(1) of the Income-tax Act, 1961. The Holding Company had filed condonation request before the Central Board of Direct Taxes (CBDT). Subsequent to the balance sheet date, the Holding Company has received an order in favour of the Holding Company.

b) During the year ended March 31, 2023, the Holding Company has received an order under section 263 of the Income-tax Act, 1961 for AY 2017-18. As per given order, there are certain adjustments relating to buy-back of shares which were added to the total taxable income amounting to INR 1,420.19 million (tax demand of INR 410.72 million). The Company had filed an appeal with Commissioner of Income Tax Appeals against the said order. Management is confident of a favourable outcome on this matter and hence no provision is considered necessary as on date.

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38 Commitments and contingencies (continued)

c) In respect of the subsidiaries:

Fusion Foods & Catering Private Limited - TDS Liability as per TRACES portal INR 0.44 million (March 31, 2023: INR 0.01 million)

Stanworth Management Private Limited - Claim made against company not acknowledged in respect of Income tax matters (TDS) - INR 0.07 million (March 31, 2023: INR 0.03 million.)

Tangy Supplies & Solutions Private Limited - Demand raised for AY 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 - Nil (March 31, 2023: INR 0.58 million).

Matrix Business Services Private Limited - During the year ended March 31, 2023, the subsidiary has received an order dated December 28, 2022 from the Income tax department in relation to the AY 2021-22 disallowing the incentive paid to the erstwhile promoters of the subsidiary amounting to INR 66 million and demanded an amount of INR 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 January 23, 2023. - INR 16.90 million.

2. The Gujarat Panchayats and Municipal Corporations has made claim against the Holding Company for amount INR 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, professional tax demand made amounting to INR 0.60 million (against which the subsidiary has paid INR 0.15 million under protest).

3. Includes claim made against the Holding Company in Labour court by ex-employees of the company amounting to INR 3.20 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 financial year 2014-15 pursuant to retrospective amendment to "Payment of Bonus Act, 1965" for which an interim stay has been granted by the High Court of Madras. - INR 2.78 million.

4. The details of Corporate Guarantees given by the Holding Company on behalf of its subsidiaries is tabulated below:

Name of the Company	As at	As at
	March 31, 2024	March 31, 2023
Global Flight Handling Services Private Limited	265.00	20.00
Stanworth Management Private Limited	25.00	25.00
Fusion Foods and Catering Private Limited	30.00	30.00
	320.00	75.00

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Updater Services Limited (Formerly known as Updater Services Private Limited)
Notes to Consolidated financial statements for the year ended March 31, 2024
(All amounts are in millions of Indian Rupees unless otherwise stated)

39 Segment information

The Managing Director of the Holding Company 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 basis these reportable segments.

The Integrated Facility Management services ('IFM') 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 ('BSS') 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.

There are no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

For the year ended March 31, 2024

Particulars	IFM	BSS	Total segments	Adjustments & eliminations*	Total
Income					
Revenue from operations	16,742.93	8,093.93	24,836.86	(393.23)	24,443.63
Other income	306.20	46.38	352.58	(116.48)	236.10
Total Income	17,049.13	8,140.31	25,189.44	(509.71)	24,679.73
Cost of materials consumed	974.94	-	974.94	-	974.94
Purchase of traded goods	231.19	-	231.19	(186.89)	44.30
Cost of services	-	-	-	-	-
Changes in inventories of Finished goods and Stock-in-trade	0.38	-	0.38	-	0.38
Employee benefits expenses	13,141.00	5,017.42	18,158.42	(1.91)	18,156.51
Finance costs	158.73	63.63	222.36	(29.53)	192.83
Depreciation and amortization expense	213.03	240.45	453.48	86.12	539.60
Impairment losses	135.81	-	135.81	(66.20)	69.61
Fair value change in liabilities payable to promoters of acquired subsidiaries	48.86	-	48.86	57.06	105.92
Other expenses	1,619.54	2,330.57	3,950.11	(200.30)	3,749.81
Segment profit	525.65	488.24	1,013.88	(168.04)	845.83
As at March 31, 2024					
Total Assets	13,277.23	4,486.44	17,763.67	(2,415.67)	15,348.00
Total Liabilities	5,325.43	2,198.47	7,523.90	(636.71)	6,887.19
Other information					
Capital expenditure	-	-	-	-	-
Depreciation and amortization expense	(213.03)	(240.45)	(453.48)	(86.12)	(539.60)

For the year ended March 31, 2023

Particulars	IFM	BSS	Total segments	Adjustments & eliminations*	Total
Income					
Revenue from operations	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)
Purchase 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 Stock-in-trade	0.23	-	0.23	(10.64)	(10.41)
Employee benefits expenses	(12,259.76)	(1,581.53)	(13,841.29)	0.71	(13,840.58)
Finance costs	(139.74)	(27.12)	(166.86)	21.19	(145.67)
Depreciation and amortization expense	(198.81)	(112.57)	(311.38)	(59.02)	(370.40)
Impairment losses	(77.72)	(3.71)	(81.43)	45.09	(36.34)
Fair value change in liabilities payable to promoters of acquired subsidiaries	-	-	-	(413.63)	(413.63)
Other expenses	(1,351.52)	(1,012.64)	(2,364.16)	61.02	(2,303.14)
Segment profit	338.83	659.86	998.69	(456.81)	541.88
As at March 31, 2023					
Total Assets	10,019.11	3,824.37	13,843.48	(1,674.01)	12,169.47
Total Liabilities	6,432.40	1,635.40	8,067.80	223.56	8,291.36
Other information					
Capital expenditure	-	-	-	-	-
Depreciation and amortization expense	198.81	112.57	311.38	59.02	370.40



Updater Services Limited (Formerly known as Updater Services Private Limited)
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(All amounts are in millions of Indian Rupees unless otherwise stated)

39 Segment information (continued)

Information in respect of geographical areas

Revenue by Geography**

India
Outside India

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
India	23,295.31	19,368.40
Outside India	1,148.32	1,620.47
	<u>24,443.63</u>	<u>20,988.87</u>

* Ind AS 108 requires disclosure of reconciliations between segment information and respective line item in Consolidated Financial Statements. Inter-segment transactions are eliminated upon consolidation. There are no other reconciling items, hence, no separate reconciliation has been presented.

** Revenue from one customer amounting to Nil (March 31, 2023: INR 1,698.30 million) constitute more than 10% of the total revenue of the Holding Company in the respective years.

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40 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 Tangi Facility Solutions Private Limited Tangirala Infrastructure Development Private Limited Updater Services Private Limited - Employees group gratuity scheme
Key Management Personnel (KMP)	Mr. Raghunandana Tangirala, Managing Director Ms. Shanthi Tangirala, Non-Executive Director (until June 23, 2022) Mr. Jayaram L. B., Company Secretary (until March 04, 2023) Mr. B. Ravishankar, Company Secretary (w.e.f. March 06, 2023 until February 10, 2024) Mrs. Sandhya Saravanan, Company Secretary (w.e.f. February 10, 2024) Mr. Balaji Swaminathan, Chief Financial Officer (until December 30, 2023) Mrs. Radha Ramanujan, Chief Financial Officer (w.e.f. December 30, 2023) Mr. Sunil Rewachand Chandiramani, Independent Director Mr. Amitabh Jaipuria Chief Executive Officer (from March 1, 2022 till March 04, 2023) Executive Director (from March 04, 2023 till April 30, 2023) Non-executive Director from w.e.f. May, 01 2023 Mr. Shankar Gopalakrishnan, Nominee Director (from April 25, 2020 until March 21, 2023) Mr. Vijay Dhanuka, Nominee Director (from February 13, 2017 until March 21, 2023) Mr. Amit Choudhary, Independent Director Mr. Pondicherry Chidambaram Balasubramanian, Whole-time Director (from September 13, 2022 until April 2, 2024) Ms. Jigyasa Sharma (w.e.f. April 2, 2024)

* 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 during the year

	For the year ended March 31, 2024	For the year ended March 31, 2023
Rent expense		
Mr. Raghunandana Tangirala	11.51	11.50
Ms. Shanthi Tangirala	11.44	11.44
Services received		
Best Security Services Private Limited	48.95	25.35
Sales/Material supplied		
Best Security Services Private Limited	4.03	3.16
Managerial remuneration #		
Mr. Raghunandana Tangirala	19.20	13.69
Mr. Amitabh Jaipuria	0.68	21.39
Mr. Pondicherry Chidambaram Balasubramanian	8.88	8.97
Mr. Balaji Swaminathan	5.22	6.50
Mr. Jayaram L. B.	-	1.17
Mr. Ravishankar B.	2.75	0.19
Mrs. Sandhya Saravanan, Company Secretary (w.e.f. February 10, 2024)	0.24	-
Mrs. Radha Ramanujan, Chief Financial Officer (w.e.f. December 30, 2023)	3.78	-
# excludes employee stock option expenses, details of which are disclosed separately below		
Commission to Non-executive directors		
Mr. Sunil Rewachand Chandiramani	5.24	1.83
Employee stock option expenses		
Mr. Amitabh Jaipuria	7.70	0.61
Mr. Pondicherry Chidambaram Balasubramanian	2.32	0.27
Mr. Balaji Swaminathan	-	0.13

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Updater Services Limited (Formerly known as Updater Services Private Limited)
Notes to Consolidated financial statements for the year ended March 31, 2024
(All amounts are in millions of Indian Rupees unless otherwise stated)

40 Related party disclosures (continued)

(B) Transactions during the year	For the year ended March 31, 2024	For the year ended March 31, 2023
Liability paid to erstwhile promoters 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	2.80	2.20
Mr. Amit Choudhary	2.45	1.70
Ms. Sangeetha Sumesh	2.65	1.10
Mr. Amitabh Jaipuria	1.40	-
Reimbursement of expenses		
Mr. Sunil Rewachand Chandiramani	0.00	0.03
Contribution to gratuity		
Updater Services Private Limited - Employees Company Gratuity Scheme	52.93	41.43
(C) Balance outstanding at the end of the year	As at March 31, 2024	As at March 31, 2023
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
Rent payable		
Mr. Raghunandana Tangirala	1.07	0.01
Ms. Shanthi Tangirala	1.14	0.68
Trade payable		
Best Security Services Private Limited	4.81	3.64
Director fee payable		
Mr. Amit Choudhary	-	0.27
Mr. Sunil Rewachand Chandiramani	-	0.27
Mr. Raghunandana Tangirala	1.05	-
Ms. Sangeetha Sumesh	-	0.18
Managerial remuneration payable		
Mrs. Sandhya Saravanan, Company Secretary (w e f February 10, 2024)	0.10	-
Mrs. Radha Ramanujan, Chief Financial Officer (w e f December 30, 2023)	0.36	-
Mr. Pondicherry Chidambaram Balasubramanian	0.04	-
Mr. Amitabh Jaipuria	-	5.00
Commission payable		
Mr. Sunil Rewachand Chandiramani	6.39	1.83
Trade receivables		
Best Security Services Private Limited	0.30	0.12
(D) Consideration to key managerial personnel during the year	For the year ended March 31, 2024	For the year ended March 31, 2023
Short-term employee benefits,*	50.77	49.56
Buy-back of Equity Shares	-	38.38

The employee stock compensation expenses for the year ended March 31, 2024 includes charge of INR 10.02 million (March 31, 2023: INR 1.01 million) towards key managerial personnel 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 Group 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 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.



41 Financial instruments - Fair values and risk management

A. Accounting classification and Fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	March 31, 2024			Fair value			
	Carrying amounts	Measured at FVTPL	Measured at amortised cost	Level 1	Level 2	Level 3	
Financial assets measured at fair value							
Investments (current and non-current)*	4	64.42	64.32	0.10	16.32	-	48.00
Financial assets not measured at fair value							
Loans (current and non-current)**	5	7.37	-	7.37			
Other financial assets (non-current)**	6	232.69	-	232.69			
Trade receivables**	10	5,039.00	-	5,039.00			
Cash and cash equivalents**	11A	836.16	-	836.16			
Bank balances other than cash and cash equivalents above**	11B	671.24	-	671.24			
Other financial assets (current)**	6	2,476.49	-	2,476.49			
		<u>9,262.93</u>	<u>-</u>	<u>9,262.93</u>			
Financial Liabilities measured at fair value							
Other financial liabilities (current and non-current)***	17	1,229.85	1,229.85	-			1,229.85
Financial Liabilities not measured at fair value							
Borrowings (current and non-current)**	15	529.01	-	529.01			
Lease liabilities (current and non-current)**	35	517.93	-	517.93			
Trade payables**	16	792.60	-	792.60			
Other financial liabilities (current)**	17	1,909.73	-	1,909.73			-
		<u>3,749.26</u>	<u>-</u>	<u>3,749.26</u>			
Note	March 31, 2023			Fair value			
	Carrying amounts	Measured at FVTPL	Measured at amortised cost	Level 1	Level 2	Level 3	
Financial assets measured at fair value							
Investments (current and non-current)*	4	38.10	38.00	0.10	8.00	-	30.00
Financial assets not measured at fair value							
Loans (current and non-current)**	5	8.62	-	8.62			
Other financial assets (non-current)**	6	273.88	-	273.88			
Trade receivables**	10	4,277.28	-	4,277.28			
Cash and cash equivalents**	11A	1,146.67	-	1,146.67			
Bank balances other than cash and cash equivalents above **	11B	504.27	-	504.27			
Other financial assets (current)**	6	66.80	-	66.80			
		<u>6,277.52</u>	<u>-</u>	<u>6,277.52</u>			
Financial Liabilities measured at fair value							
Other financial liabilities (current and non-current)***	17	1,874.65	1,874.65	-			1,874.65
Financial liabilities not measured at fair value							
Borrowings (current and non-current)**	15	1,765.38	-	1,765.38			
Lease liabilities (current and non-current)**	35	433.25	-	433.25			
Trade payables**	16	793.31	-	793.31			
Other financial liabilities (current)**	17	1,585.96	-	1,585.96			-
		<u>4,577.90</u>	<u>-</u>	<u>4,577.90</u>			

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41 Financial instruments - Fair values and risk management (continued)

A. Accounting classification and Fair values (continued)

** The Group has not disclosed the fair values of financial instruments such as Loans, Trade receivables, Cash and cash equivalents, bank balances other than cash and cash equivalents, borrowings, trade payables and certain other financial assets and liabilities, because their carrying amounts are a reasonable approximation of fair values.

There have been no transfers between the levels during the year ended March 31, 2024 and March 31, 2023.

Refer 2.2(h) to the consolidated financial statements.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs are not based on observable market data (unobservable inputs).

*Inputs used include time of maturity, discount rate, interest rate, conversion terms, volatility and other market conditions.

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

B. Financial risk management

The Group has exposure to the following risks arising from financial instruments, which is addressed through measures set out below:

- credit risk (see (B)(ii));
- liquidity risk (see (B) (iii)); and
- market risk (see (B)(iv))

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

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. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. The Group is exposed to credit risk from Trade receivables, loans, cash and bank balances, and other financial assets.

The maximum exposure to credit risk for trade and other receivables are as follows:

	Note	Carrying amount	
		31-Mar-24	31-Mar-23
Loans (current and non-current)	5	7.37	8.62
Other financial assets (non-current)	6	232.69	273.88
Trade receivables	10	5,039.00	4,277.28
Cash and cash equivalents	11A	836.16	1,146.67
Bank balances other than cash and cash equivalents above	11B	671.24	504.27
Other financial assets (current)	6	2,476.49	66.80

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41 Financial instruments - Fair values and risk management (continued)

ii. Credit risk (continued)

Trade receivables

In cases of customers where credit is allowed, the average credit period on such sale of services / sale of goods ranges from 1 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. The management believes that unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to customers that have defaulted on their payments to the Group are not expected to be able to pay their outstanding dues, mainly due to economic circumstances.

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 concentration of credit risk is limited due to the customer base being large and unrelated. Further, the Group constantly evaluates the quality of trade receivable and provides impairment loss on financial assets (trade receivables) based on expected credit loss model.

For movement of loss allowance in trade receivables, refer note 10.

Cash and cash equivalents (including other bank balances)

The Group held cash and cash equivalents and margin money deposits with credit worthy banks and financial institutions as at the reporting dates which has been measured on the 12-month expected loss basis. The credit worthiness of the banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

Other financial assets

Other financial assets primarily consists of non-current bank deposits, security deposits, interest accrued on bank deposits and other receivables. The Company does not expect any loss from non-performance by these counter-parties.

iii. Liquidity risk

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

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, including contractual interest.

As at March 31, 2024

Particulars	Carrying amounts	Within 1 year	1-3 years	3-5 years	Total
Borrowings (current and non-current)	529.01	528.67	0.34	-	529.01
Lease liabilities (current and non-current)	517.93	192.70	319.31	5.92	517.93
Trade payables	792.60	792.60			792.60
Other financial liabilities (non-current)	311.63		195.18	116.45	311.63
Other financial liabilities (current)	2,827.95	2,827.95			2,827.95
Total	4,979.12	4,341.92	514.83	122.37	4,979.12

As at March 31, 2023

Particulars	Carrying amounts	Within 1 year	1-3 years	3-5 years	Total
Borrowings (current and non-current)	1,765.38	1,586.13	153.64	25.61	1,765.38
Lease liabilities (current and non-current)	433.25	183.31	199.49	88.09	470.89
Trade payables	793.31	793.31	-	-	793.31
Other financial liabilities (non-current)	1,138.71	-	1,138.71	-	1,138.71
Other financial liabilities (current)	2,321.90	2,321.90	-	-	2,321.90
Total	6,452.55	4,884.65	1,491.84	113.70	6,490.19

iv. Market risk

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the foreign exchange rates, interest rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Group is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest risk and price risk from fluctuation in mutual fund investments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

(a) 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 its forecasted cash flows and trade receivables.



41 Financial instruments - Fair values and risk management (continued)

iv. Market risk (continued)

Foreign currency risk management:

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

Particulars	Currency	As at March 31, 2024		As at March 31, 2023	
		Amount in FC (million)	Amount in INR (million)	Amount in FC (million)	Amount in INR (million)
Trade receivables	USD	1.16	96.32	1.47	120.07
Trade payables	AED	-	-	0.01	0.17
Trade payables	KD	-	-	0.00	0.10
Trade payables	USD	0.00	0.19	0.11	9.10

Sensitivity analysis

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.

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 an 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.

Particulars	Profit before Tax		Effect on pre-tax Equity	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
March 31, 2024				
USD	(4.81)	4.81	(4.81)	(4.81)
March 31, 2023				
USD	5.55	(5.55)	5.55	(5.55)
AED	0.01	(0.01)	0.01	(0.01)
KD	0.00	(0.00)	0.00	(0.00)

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.

(b) 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:

Particulars	Effect on profit before tax		Equity, net of tax	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Increase in rate by 2%	(30.38)	(28.55)	(30.38)	(28.55)
Decrease in rate by 2%	30.38	17.07	30.38	17.07

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

Fixed-rate instrument	Nominal amount	
	March 31, 2024	March 31, 2023
Borrowings	529.01	1,765.38

(c) Price risk

The Group is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. As at March 31, 2024, the investments in mutual funds amounts to INR 16.32 million (March 31, 2023: INR 8 million). As regards Group's investments in unquoted equity investments, the management contends that such investments do not expose the Group to price risks. In general, these securities are not held for trading purposes.

Sensitivity analysis:

For every 1% increase in price, profit before tax would be impacted by gain of approximately INR 1.63 million (March 31, 2023: INR 0.80 million). Similarly, for every 1% decrease in price there would be an equal and opposite impact on the profit before tax.

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42 Material partly - owned subsidiaries

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter company eliminations.

A. Avon Solutions & Logistics Private Limited

Summarised Balance sheet

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Cash and cash equivalents	0.32	5.50
Current assets excluding cash and cash equivalents	334.32	294.64
Non-current assets	120.27	173.09
Trade payables	88.07	19.02
Provisions	45.23	40.15
Current liabilities excluding trade payables and provisions	94.28	104.52
Borrowings	13.38	-
Lease liabilities	36.46	5.47
Equity	204.14	304.07
Share of NCI	24.00%	24.00%
Attributable to NCI	48.99	72.97

Summarised Statement of profit and loss

Particulars	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
Total Revenue from operations	709.45	616.21
Employee benefits expense	238.30	268.77
Finance costs	5.84	0.42
Depreciation and amortization expense	13.69	2.14
Other expenses	398.76	244.71
Profit before tax	62.95	100.17
Income tax expense	23.04	33.64
Profit for the period	39.91	66.53
Other comprehensive income/(loss)	(3.20)	0.39
Total comprehensive income for the period	36.71	66.92
Attributable to NCI	8.81	16.06

Summarised cash flow statement

Particulars	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
Operating activities	(37.25)	127.90
Investing activities	120.57	(72.03)
Financing activities	(88.50)	(51.59)
Net increase/(decrease) in cash and cash equivalents	(5.18)	4.28

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42 Material partly - owned subsidiaries (continued)

B. Global Flight Handling Services Private Limited

Summarised Balance Sheet

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	14.43	25.23
Current assets excluding cash and cash equivalents	157.23	101.14
Non-current assets	119.07	58.26
Trade payables	167.66	90.54
Provisions	0.18	0.09
Current liabilities excluding trade payables and provisions	44.63	34.69
Borrowings	236.05	150.44
Equity	(152.30)	(91.13)
Share of NCI	16.75%	16.75%
Attributable to NCI	(57.37)	(30.97)

Summarised Statement of Profit and Loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total Revenue	259.35	191.05
Employee benefits expense	182.73	121.52
Finance costs	16.85	10.08
Depreciation and amortization expense	0.95	0.54
Other expenses	170.82	149.05
Profit before tax	(111.30)	(90.13)
Income tax expense	(24.67)	(23.44)
Profit for the period	(86.63)	(66.68)
Other comprehensive income/(loss)	-	-
Total comprehensive income for the period	(86.63)	(66.68)
Attributable to NCI	(26.40)	(27.77)

Summarised cash flow statement

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Operating activities	(58.63)	(54.58)
Investing activities	(20.92)	(1.29)
Financing activities	68.75	74.59
Net increase/(decrease) in cash and cash equivalents	(10.80)	18.72

Information regarding non-controlling interests

Accumulated balances of material non-controlling interest	As at March 31, 2024	As at March 31, 2023
Avon Solutions & Logistics Private Limited	48.99	72.97
Global Flight Handling Services Private Limited	(57.37)	(30.97)

Total comprehensive income/(loss) for the year allocated to material non-controlling interests	For the year ended March 31, 2024	For the year ended March 31, 2023
Avon Solutions & Logistics Private Limited	8.81	16.06
Global Flight Handling Services Private Limited	(26.40)	(27.77)

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

Notes to Consolidated financial statements for the year ended March 31, 2024

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

43 Group information

A. Subsidiaries

Name of the entity	Principal activities	Country of incorporation	% equity interest	
			As at March 31, 2024	As at March 31, 2023
Avon Solutions & Logistics Private Limited	Mailroom logistics management	India	76.00%	76.00%
Integrated Technical Staffing and Solutions Private Limited#	Technical staffing management	India	100.00%	99.99%
Stanworth Management Private Limited#	Integrated facility management	India	100.00%	99.99%
Tangy Supplies & Solutions Private Limited#	Supply of house keeping products	India	100.00%	99.99%
Fusion Foods and Catering Private Limited#	Corporate and Industrial catering management	India	100.00%	99.99%
Wynwy Technologies Private Limited#	Home maintenance and household services	India	100.00%	99.99%
Global Flight Handling Services Private Limited	Ground service support for airlines	India	83.25%	83.25%
Global Flight Handling Services (Pune) Private Limited (subsidiary of Global Flight Handling Services Private Limited)	Ground service support for airlines	India	74.00%	74.00%
Global Flight Handling Services (Patna) Private Limited (subsidiary of Global Flight Handling Services Private Limited)	Ground service support for airlines	India	74.00%	74.00%
Global Flight Handling Services (Raipur) Private Limited (subsidiary of Global Flight Handling Services Private Limited)	Ground service support for airlines	India	74.00%	74.00%
Global Flight Handling Services (Vizag) Private Limited (subsidiary of Global Flight Handling Services Private Limited)	Ground service support for airlines	India	74.00%	74.00%
Global Flight Handling Services (Surat) Private Limited (subsidiary of Global Flight Handling Services Private Limited)	Ground service support for airlines	India	74.00%	74.00%
Matrix Business Services India Private Limited* (w.e.f April 25, 2019)	People, product, and process assurance services	India	99.99%	99.99%
Washroom Hygiene Concepts Private Limited (w.e.f September 5, 2019)#	Family Hygiene Solutions	India	100.00%	99.99%
Denave India Private Limited (w.e.f October 27, 2021)*	Sales enablement and other staffing services	India	99.99%	99.99%
Denave Europe Limited, UK (from October 27, 2021)	Sales enablement and other staffing services	UK	100.00%	100.00%
Denave (M) SDN BHD, Malaysia (from October 27, 2021)	Sales enablement and other staffing services	Malaysia	100.00%	100.00%
Denave SG Pte Ltd, Singapore (from October 27, 2021)	Sales enablement and other staffing services	Singapore	100.00%	100.00%
Athena BPO Private Limited (w.e.f. December 23, 2022)*	Business process outsourcing	India	99.99%	99.99%
Athena Call Centre Services Private Limited	Business process outsourcing	India	100.00%	100.00%
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 not recognised non-controlling interest in subsidiaries Denave 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 these consolidated financial statements (Also refer Note 17).

** 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 these consolidated financial statements.

Includes shares held by nominee shareholders on behalf of Updater Services Limited, where applicable.

B. Holding / Promoter Company

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



Updater Services Limited (Formerly known as Updater Services Private Limited)
Notes to Consolidated financial statements for the year ended March 31, 2024
(All amounts are in millions of Indian Rupees unless otherwise stated)

44 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

For the year ended March 31, 2024

Entity name	Net assets		Share in profit or loss		OCI		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	67.58%	5,718.20	34.97%	231.72	-4970.52%	19.71	37.97%	251.43
II. Subsidiaries								
A von Solutions & Logistics Private Limited	2.41%	204.14	6.02%	39.91	807.88%	(3.20)	5.54%	36.71
Integrated Technical Staffing and Solutions Private Limited	1.10%	93.39	3.18%	21.10	-65.57%	0.26	3.23%	21.36
Stanworth Management Private Limited	0.75%	63.35	2.04%	13.53	-456.69%	1.81	2.32%	15.34
Tangy Supplies & Solutions Private Limited	1.40%	118.87	1.62%	10.72	0.00%	-	1.62%	10.72
Fusion Foods and Catering Private Limited	1.91%	161.62	5.98%	39.66	267.31%	(1.06)	5.83%	38.60
Wynwy Technologies Private Limited	-1.94%	(163.97)	-6.47%	(42.89)	-12.61%	0.05	-6.47%	(42.84)
Global Flight Handling Services Private Limited	-1.80%	(152.30)	-13.07%	(86.63)	0.00%	-	-13.08%	(86.63)
Matrix Business Services India Private Limited	7.71%	652.66	9.46%	62.71	1085.21%	(4.30)	8.82%	58.41
Washroom Hygiene Concepts Private Limited	1.44%	121.91	6.07%	40.26	44.53%	(0.18)	6.05%	40.08
Denave India Private Limited	10.38%	877.95	30.54%	202.35	3180.02%	(12.61)	28.65%	189.74
Athena BPO Private Limited	8.34%	705.53	22.19%	147.02	26.53%	(0.11)	22.18%	146.92
NCI in all subsidiaries	0.70%	59.46	-2.54%	(16.82)	193.89%	(0.77)	-2.66%	(17.59)
Total	100.00%	8,460.81	100.00%	662.65	100.00%	(0.40)	100.00%	662.25

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Updater Services Limited (Formerly known as Updater Services Private Limited)
Notes to Consolidated financial statements for the year ended March 31, 2024
(All amounts are in millions of Indian Rupees unless otherwise stated)

44 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

For the year ended March 31, 2023

Entity name	Net assets		Share in profit or loss		OCI		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	-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	9.79%	379.69	78.58%	271.94	-6.117%	(5.96)	74.76%	265.98
Athena BPO Private Limited	1.23%	47.85	13.97%	48.35	-5.04%	(0.49)	13.45%	47.86
NCI 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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45 Business Combinations and acquisition of non-controlling interest

A. Acquisitions of Athena BPO Private Limited ("Athena")

On December 23, 2022, the Group acquired 57% equity ownership in Athena for a consideration of INR 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 INR 1,437.74 million includes INR 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 not recognised a non-controlling interest in Athena as the unacquired shares from the promoters of Athena are recognised as financial liabilities in the consolidated financial statements and accordingly Athena is considered to be 100% owned by the Group for the purpose of consolidation.

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

Notes:

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

The income approach has been considered for arriving at the value of the intangible asset as defined in "Ind AS 113 Fair Value Measurement". The intangible asset is considered having a useful life of 8.5 years from the date of acquisition.

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

As per the investment agreements for Athena, the promoters have agreed to a non-compete for a period of 5 years from the expiry of contract of service or the promoters ceasing to hold any securities of Athena (i.e. after October 31, 2026). Thus, effectively 8 years from the date of acquisition.

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

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

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

- (iv) The Group incurred acquisition-related costs of INR 4.31 million on legal fees and due diligence costs. These costs have been included in 'legal and professional fees' under 'other expenses' for the year ended March 31, 2023.



45 Business Combinations and acquisition of non-controlling interest (continued)

(v) The goodwill of INR 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 had contributed INR 406.79 million of revenue and INR 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 INR 1,010.70 million and the profit before tax for the Group would have been higher by INR 99.85 million during the year ended March 31, 2023.

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

During the financial year 2022-23, the Group acquired 57% stake in Athena at an agreed price of INR 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. The obligation has been remeasured and the corresponding fair value change has been accounted in the Statement of profit and loss.

B. Acquisitions of Denave India Private Limited ("Denave")

On October 27, 2021, the Group acquired 52% equity ownership in Denave India Private Limited ("Denave") for a consideration of INR 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 INR 1,412.10 million includes INR 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 not recognised 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
Intangible assets	-
Trade receivables	417.79
Cash and bank balances	105.66
Loans and advances	2.90
Non-current tax assets (Net)	56.06
Other	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



45 Business Combinations and acquisition of non-controlling interest (continued)

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

Notes:

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

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

As per the investment agreements for Denave, the promoters have agreed to a non-compete for a period of 3 years from the expiry of contract of service or the promoters ceasing to hold any securities of Denave (i.e. after June 30, 2027). Thus effectively 5.5 years from the date of acquisition.

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

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

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

(iv) The goodwill of INR 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.

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

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



46 Code on wages, 2019 and Code on Social Security, 2020

The 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 the financial statements during the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

47 Hitherto, the Group had presented certain employee benefit expenses and other expenses primarily constituting subcontractor expenses incurred in relation to one of the subsidiaries for the previous year ended March 31, 2023 under the head 'Cost of services'. In this regard, the Group has presented the relevant employee benefit expenses of INR 2,622.47 million under the head 'Employee benefit expenses' and relevant other expenses of INR 940.67 million under the head 'Other expenses' incurred in relation to the aforesaid subsidiary for the year ended March 31, 2024 forming part of these consolidated financial results in line with the requirements of Schedule III.

48 Utilisation of IPO proceeds

The Company has completed an Initial Public Offer (IPO) on October 4, 2023 by way of fresh issue of 13,333,333 equity shares of face value of INR 10 each and an offer for sale of 8,000,000 equity shares of face value of INR 10 each of the Company at an issue price of INR 300 per equity share aggregating to INR 6,400 million (comprising fresh issue of equity shares of INR 4,000 million and INR 2,400 million payable to selling shareholders towards offer for sale). The Company allotted 13,333,333 fresh equity shares of INR 10 each at a premium of INR 290 per equity share on September 30, 2023. The total share premium arising on IPO amounting to INR 3,866.67 million has been accounted under securities premium reserve and the IPO related expenses amounting to INR 181.52 million, being Company's share of total estimated IPO expense has been adjusted against the premium amount as disclosed in Note 13 to the consolidated financial statements.

The Company has received an amount of INR 3,778 million (net of Company's share of IPO Expenses of INR 354 million, retained in the Monitoring Agency Account to the extent unpaid) from the proceeds of the fresh issue. Out of the Company's share of IPO Expenses INR 181.52 million has been adjusted to securities premium.

(INR in million)

Objects of the issue	Amount as proposed in offer document	Utilisation up to March 31, 2024	Unutilised up to March 31, 2024
Repayment and /or prepayment of certain borrowings availed by the Company	1,330.00	(1,330.00)	-
Funding working capital requirements	1,150.00	-	1,150.00*
Pursuing inorganic growth initiatives	800.00	(233.65)	566.35
General corporate purposes	498.70	-	498.70**
Total	3,778.70	(1,563.65)	2,215.05

*includes INR 700 million estimated for utilisation by FY 2023-24 as per the prospectus dated September 28, 2023

** includes INR 250 million estimated for utilisation by FY 2023-24 as per the prospectus dated September 28, 2023

Net IPO proceeds which were un-utilised as at March 31, 2024 were temporarily invested in fixed deposits with banks, Monitoring Agency bank account and In this regard, the unutilised IPO fund balance has been carried forward for utilization in FY 2024-25 in accordance with applicable laws, based on approval Also refer note 12 and 13 to the consolidated financial statements.

49 Other statutory information

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (iii) The Group has not been declared as wilful defaulters by any bank or financial institution or government or any government authority.
- (iv) The Group has the following balance/transactions with the below-mentioned companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956:

Name of struck-off Company	Nature of Transaction	Balances Outstanding		Relationship with the Struck off company
		As at March 31, 2024	As at March 31, 2023	
Cross Limits Services and Solutions	Trade Payables		0.06	None
Pancyber Infotech Private Limited	Trade Payables		0.03	None
Bajaj Electronics	Services received		0.01	None
Air Mech Engineers Private Limited	Services received	1.72	0.03	None
Knorr-Bremse Systems For Commercial Vehicles India Private Limited	Trade receivable	0.05	0.05	None
Delhi Public School Private Limited	Trade receivable	0.06	0.06	None
Knorr -Bremse Systems For Commercial Vehicles India Private Limited	Service provided/Material supplied	0.05	0.05	None
Delhi Public School Private Limited	Service provided/Material supplied	0.06	0.06	None

- (v) The Group has complied with the number of layers prescribed under the Companies Act, 2013.



49 Other statutory information (continued)

- (vi) The Group has not entered into any scheme of arrangement as per sections 230 to 237 of the Companies Act, 2013. Refer Note 51.
- (vii) (a) During the year ended March 31, 2024, the Holding Company advanced loans of INR 111.14 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 INR 27.03 million, INR 18.20 million, INR 11.41 million, INR 3.75 million, INR 20.13 million and INR 12.03 million to its subsidiaries namely, 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 and Global Flight Handling Services (Surat) Private Limited 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 balance amount of INR 36.79 million has been used by Global Flight Handling Services Private Limited towards its working capital requirements.

Avon Solutions and Logistics Private Limited had advanced loans of INR 50 million to its fellow subsidiary - Global Flight Handling Services Private limited on various dates towards funding requirements for business purposes. Subsequently, GFHSPL had further advanced loans aggregating INR 2.92 million, INR 9.83 million, INR 2.11 million, INR 14.93 million and INR 2.54 million to its subsidiaries, namely Global Flight Handling Services (Pune) Private limited (CIN U93090PN2021PTC198665), Global flight Handling Services (Patna) Private limited (CIN U622008R2021PTC052021), 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 ended March 31, 2024, one of the subsidiary companies, GFHSPL has received funds of INR 111.14 million from the Holding Company and INR 10 million from Avon Solutions and Logistics Private Limited on various dates towards its working capital requirements. Subsequently, GFHSPL has further advanced loans aggregating INR 29.95 million, INR 21.24 million, INR 5.86 million, INR 35.06 million, INR and INR 14.57 million to its subsidiaries namely, 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 and Global Flight Handling Services (Surat) Private Limited 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).

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 800010 India	U62200BR2021PTC052021	Step-subsiary	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 411030 India	U93090PN2021PTC198665	Step-subsiary	Subsidiary of Fellow subsidiary
Global Flight Handling Services (Surat) Private Limited (Ultimate Beneficiary)	Cabin No.2, First Floor, Inside Terminal Building Arrival Hall, ATC Building, Dumas Road, Surat Surat GJ 395007 India	U63030GJ2021PTC126393	Step-subsiary	Subsidiary of Fellow subsidiary
Global Flight Handling Services (Raipur) Private Limited (Ultimate Beneficiary)	OTB Ground Floor, Swami Vivekananda Airport, Mana Raipur CT 492015 India	U63040CT2021PTC012256	Step-subsiary	Subsidiary of Fellow subsidiary
Global Flight Handling Services (Vizag) Private Limited (Ultimate Beneficiary)	First Floor, D.No.1-168, Susarla Colony Gopalapatnam Visakhapatnam Vishakhapatnam AP 530027 India	U62100AP2021PTC118299	Step-subsiary	Subsidiary of Fellow subsidiary



49 Other Statutory information (continued)

- (viii) The Group has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).
- (ix) The Group has not traded or invested in crypto currency or virtual Currency during the year.
- (x) In accordance with the requirements of Division II - Ind AS Schedule III to the Companies Act, 2013, disclosure surrounding Registration of charges or satisfaction with Registrar of Companies, Title deeds of Immovable Property not held in the name of the Company and analytical ratios have been disclosed only in the standalone financial statements.

50 Buy Back of Equity shares

The Board of Directors of Denave at its meeting held on August 4, 2023, approved a proposal to buy-back upto 1,070,000 equity shares of Denave ('equity shares'), for an aggregate consideration not exceeding INR 123.21 million, being 6% of the total number of equity shares. The shareholders of Denave approved the same on August 16, 2023, by way of a special resolution. A letter of Offer was made to all eligible shareholders. Denave bought back 1,070,000 equity shares out of the shares that were tendered by promoters of Denave and extinguished the equity shares on September 15, 2023. Capital redemption reserve was created to the extent of share capital extinguished INR 1.07 million. General reserve of Denave utilised towards buyback of equity shares amounting to INR 7.22 million has been transferred to retained earnings of the Group.


51 Events after reporting period

(a) The Board of Directors of the Company in their meeting held on May 20, 2024, considered and approved the proposed scheme of amalgamation (Scheme') of wholly-owned subsidiaries, viz, Stanworth Management Private Limited ('Stanworth') and Tanga Supplies & Solutions Private Limited ('Tanga') with Updater Services Limited with effect from April 1, 2024 ('the appointed date') under sections 230 to 233 of the Companies Act, 2013, and other applicable sections and provisions of the Companies Act, 2013 read together with the rules made thereunder. The aforesaid scheme is subject to the approval of shareholders and creditors of the respective companies, Stock Exchanges, National Company Law Tribunal and such other approvals as may be required.

(b) The Board of Directors of the Holding Company in their meeting held on May 20, 2024, considered and approved the proposed scheme of merger of two wholly-owned entities (Scheme') wherein shares of Integrated Technical Staffing and Solutions Private Limited ('ITSS') will be swapped with that of Wynwy Technologies Private Limited ('Wynwy') consequent upon merger of the two entities with effect from June 1, 2024 ('the appointed date'). The aforesaid scheme is subject to the approval of respective entities Board of Directors, Shareholders, Stock Exchanges, National Company Law Tribunal and such other approvals as may be required.

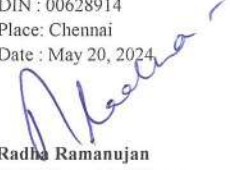
As per our report of even date

for BSR & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022


K Sudhakar
Partner
Membership No: 214150
Place: Chennai
Date : May 20, 2024

For and on behalf of Board of Directors
Updater Services Limited
(Formerly known as Updater Services Private Limited)
CIN: U74140TN2003PLC051955


Raghunandana Tangirala
Managing Director
DIN : 00628914
Place: Chennai
Date : May 20, 2024


Radha Ramanujan
Chief Financial Officer
Place: Chennai
Date : May 20, 2024


Amitabh Jaipuria
Director
DIN : 01864871
Place: Chennai
Date : May 20, 2024


Sandhya Saravanan
Company Secretary
Membership No: 66942
Place: Chennai
Date : May 20, 2024