



# ANNUAL REPORT 2021-22





**140T Mobile Harbour Crane  
Certification for Chhabahar Port, Iran**



**Electric Buses Inspection for  
Surat Municipal Corporation**



**Advanced NDT - PAUT of  
Pressure Vessel, L&T Hazira**

# CONTENT

Sr. No.	Contents	Page Nos.
1.	Contents	01
2.	Corporate Information	03
3.	Directors' Report.	04-26
4.	Auditors' Report on Consolidated Financial Statements	27-33
5.	Consolidated Financial Statements	34-63
6.	Auditors' Report on Standalone Financial Statements	64-75
7.	Standalone Financial Statements	76-101
8.	Auditors' Report on Financial Statements (SAFESS)	102-109
9.	Financial Statements (SAFESS)	110-127
10.	Offices in India	128



### ***Board of Directors***

#### ***Chairman:***

Mr. Arun Sharma

#### ***Directors***

Mr. Ashokkumar Srivastava

Mr. Vinay Kshirsagar

Ms. S. Priya

Mr. Hrishikesh Joshi

Mr. Gautam Chatterjee

#### ***Senior Management Team***

Mr Naresh Gupta, Sr. Vice President

Mr. S.N. Mishra, Vice President

Mr. Paulson N Chakkunny, Vice President

Mr. B.V. Nargundkar, Sr. Vice President

#### ***Auditors***

M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants

#### ***Bankers***

Bank of Baroda, HDFC Bank

#### ***Registered & Head Office and Training-Cum-R&D Centre***

52A, Adi Shankaracharya Marg, Opp. Powai Lake, Powai, Mumbai – 400 072

#### ***Survey Stations***

Bangalore, Baroda, Bhopal, Chennai, Hyderabad, Mumbai, Kolkata, New Delhi, Pune, Vishakhapatnam, Odisha, Rajasthan

#### ***Corporate Identity Number***

U74120MH2014PTC254091

#### ***Subsidiaries***

- SAFESS QUALITY MANAGEMENT PRIVATE LIMITED
- ARUN ABHIYANTEY PRIVATE LIMITED
- INVESTMENT IN PT IRCLASS SERVICE INDONESIA

#### ***Joint Venture***

- DCSPL ASSOCIATION WITH ISSPL (AOP) upto 31st May 2021

*To the Members of IRClass Systems and Solutions Pvt. Ltd. (ISSPL)*

Your Directors have pleasure in presenting the Ninth Annual Report together with audited statement of accounts for the year ended March 31, 2022.

**1. Financial Results:**

Particulars	Consolidated		Standalone	
	2021-22	2020-21	2021-22	2020-21
	(Rs in Lakhs)		(Rs in Lakhs)	
<b>Total Revenue:</b>				
Survey Fees:				
Industrial Division	6,731.87	6,061.17	6,731.87	6,061.17
IRQS Division	2,584.10	2,002.33	2,584.10	2,002.33
Others	954.92	995.52	305.00	256.66
	10,575.95	9,059.02	9,621.03	8,320.16
Other Income	175.38	240.90	143.03	255.87
<b>Total Revenue .....</b>	<b>10,751.33</b>	<b>9,299.93</b>	<b>9,764.06</b>	<b>8,576.03</b>
<b>Total Expenditure:</b>				
Employee Cost	5,037.30	4,393.01	4,801.30	4,174.90
Other Cost	4,483.74	3,624.96	3,713.01	3,144.16
Finance Cost	55.54	73.64	47.81	73.64
Depreciation & Amortisaation	107.63	130.70	91.25	112.61
<b>Total Expenditure.. ..</b>	<b>9,684.21</b>	<b>8,222.31</b>	<b>8,653.37</b>	<b>7,510.32</b>
<b>SURPLUS... ..</b>	<b>1,067.12</b>	<b>1,077.61</b>	<b>1,110.69</b>	<b>1,070.72</b>

In the current year, the total Standalone revenue has increased from Rs. 85.76 crores to Rs. 97.64 crores and the net surplus has increased from Rs. 10.71 crores to Rs. 11.10 crores.

The total consolidated revenue has increased from Rs. 90.59 crore to Rs. 105.75 crore as compared to the previous year. The net surplus has decreased from Rs. 10.78 crore to Rs. 10.67 crore mainly due to underperformance of Safess in terms of both revenue and surplus and Industrial division in terms of surplus. IRQS Division and GML Division have performed well in the current year in terms of revenue and surplus. Safess revenue has decreased by Rs. 2.45 crores mainly due to lower tender booking in the second half of the Financial year.

**2. Transfer to Reserve:**

Your Company has not transferred any amount of the current year to general reserves.

**3. Industrial Services**

Industrial Division delivered strong performance with healthy order booking, reengineered organization structure with SBU Leads at Branch level and enhanced geographical footprints.

**Key Highlights:**

1. Opened Branch Offices in Bhubaneswar & Coimbatore and placed Resident Engineers at Jaipur, Ludhiana, Ghaziabad, Lucknow & Trichy for ease of customers reach.
2. Realigned Business Heads at Head Office to SBUs and appointed SBU Leads at Branch Offices to drive the business through SBU's at various branch locations and geographies.
3. Enhanced GML Service Portfolios with Polymer Testing Facilities

**Significant Contracts Won:**

1. Canara Bank, Bangalore – Techno Economic Viability Study of Deepak Fertilizer Plant in Odisha
2. HPCL, Mumbai – RLA (Residual Life Assessment) & Fit For Service (FFS) of Solvent Extraction Units 2&3
3. Finolex, Ratnagiri – Condition Assessment of 40T EOT Crane including its Civil Structures.
4. Marino Industries, Halol – PMC for construction of Laminates Facility
5. L&T Construction, Mumbai – Site QA/QC of Structural Steel Fabrication for Mumbai Ahmedabad High Speed Rail Project.
6. BEML Ltd., Bangalore – Shop Inspection of Earth Moving Equipment Engines and Ancillaries intended for Construction, Mining & Defence Sectors.
7. BALCO, Korba – Owner's Engineer services for Aluminum Smelter Expansion Project.
8. CBRI, Roorkee – PMC for construction of Health Centers in various districts of Nepal.
9. Greater Chennai Corporation – PMC for improvement of 929 BT & CC internal roads in Chennai.
10. Hyderabad Metropolitan Water Supply & Sewage Board – Site QA/QC of water supply infrastructure works for Outer Ring Road Villages.
11. L&T Hydrocarbon, Mumbai – TPI for construction of New Living Quarters Platform & NQL Platform of ONGC at Mumbai High Assets.
12. Mussoorie Dehradun Development Authority – Site QA/QC of Housing Development Project
13. Odisha Community and Tank Development Management Society – PMC for Integrated Irrigation Project for Climate Resilient Agriculture

**Some of Key Projects completed/under execution during the year:****BEML Ltd., Bangalore – Earth Moving Equipment for Mining, Construction and Defence Supply – Diesel Engines & Components Inspection**

Industrial Division bagged order from BEML Ltd., Bangalore for Third Party Inspection of Earth Moving Equipment Engines and Auxiliaries at their vendors place all over India and Second Party Inspection at their Engine Division, Mysore for Inspection of received materials, engine assembling process and witness of final performance testing. For the year contract from May 2021 to Mar 2022, total 3300+ batches were inspected, by deploying dedicated 5 engineers at vendor's place on call basis and 5 engineers at Engine Division, Mysore on continuous basis.

Industrial Division Team delivered services with customer centric approach in close coordination with BEML User Departments at Mysore and their Corporate Quality Assurance Team at Bangalore with continuous Process and Quality improvement inputs. Some of the key components, where process and quality improvements were suggested and implemented included Ventilator Shaft, Fan Drive, Oil Supply lines, Return Tube, Intake Manifold Oil Leakage and contributed for introduction of 106 new QAPs of critical items. With all these value addition measures by Industrial Division Team, BEML achieved reduction of overall rejection rate by 17% there by contributing to BEML Warranty Cost Saving Initiative.



**National Investment & Infrastructure Fund (NIIF) – Focus on Infrastructure development in India**

National Investment & Infrastructure Fund (NIIF) is India’s first infrastructure specific sovereign fund for infrastructure investments, with over USD 4.3 billion assets under management. NIIF, through its non-banking finance arm – Aseem Infrastructure Finance Limited, appointed ISSPL to undertake technical due diligence of six National Highways in the state of Andhra Pradesh and three National Highways in the state of Gujarat. The scope included the initial assessment of these highway assets, with total length of 680 km, for the Client’s pre-investment decision. The assignment was successfully completed to the satisfaction of the Client in terms of the quality of reports and the timeliness. We also offered insights on the cargo traffic movements on these highway stretches - a value addition that was well appreciated by the client.



**Canara Bank – Technical Due Diligence of the proposed Deepak Fertilizer Plant**

Canara Bank appointed ISSPL to undertake Technical Due Diligence of the proposed fertilizer plant in the state of Odisha with the project cost of around INR 22 billion. The scope included techno economic assessment of the proposed project. The assignment was successfully completed to the satisfaction of the Bank with the Bank empaneling IRCLASS as the domain expert in Chemicals & Fertilizers sector to assess all their future investment projects.

**Mumbai International Cruise Terminal**

Mumbai Port Trust is constructing the Mumbai International Cruise Terminal (MICT) which is expected to be commissioned by July 2024. We have been appointed as Project Management Consultant for the project. The iconic sea cruise terminal coming up at BPX-Indira Dock will cost ₹495 crore, from which, ₹303 crore will be incurred by Mumbai Port Authority and the remaining by private operators. The terminal will have a capacity of handling 200 ships and 1 million passengers per annum.

It is a first-of-its-kind iconic sea cruise terminal in India with a total construction area of 4.15 lakh sq. ft. will have 22 Elevators, 10 Escalators, and multi-storied car parking for 300 cars. Two cruise ships will be able to berth at a time on the dock.



**Government of India Aid to Underdeveloped Nations – Industrial Services is proud to be a part**

The Embassy of India, Kathmandu signed an Agreement with the Central Building Research Institute (CBRI), Roorkee, India for post-earthquake Project Design & Project Management for Reconstruction / Retrofitting of 147 Health Buildings in earthquake affected districts of Nepal.

Industrial Services has been awarded Project Management Consultancy contract by CBRI for this project to ensure timely completion of the project within budgeted cost.



**Mumbai – Ahmedabad High Speed Rail (Bullet Train) Project**

Larsen & Toubro – IHI Infrastructure Systems Consortium was awarded the work to fabricate and transport 28 steel truss bridges on the 508.17 km Mumbai – Ahmedabad High Speed Rail (MAHSR Bullet Train) project which will connect both cities through 12 stations at an estimated cost of Rs. 1.1 lakh crore (US\$15 billion).

As per NHSRCL, an estimated 70865 MT of steel will be used for the fabrication of these 28 steel bridges, and they have already sensitized the steel industry to cater such a huge demand for India’s first High Speed Rail corridor.

Industrial Services has been awarded Services of Independent Examining Body (IEB) for MAHSR Project P-4 Package.



**Reliance Retail**

Retail foray of RIL, which has widespread presence on PAN India basis, is on expansion spree. EPC wing of Reliance Retail is executing all the construction activities of all these properties/stores from scratch to final handover to operations. All the works & related construction activities are executed through robust in-house engineering & project management team of engineers followed by robust system driven processes.

To make system more diligent & responsive, RIL has hired services of Industrial division for providing Handing Over & Taking Over Audit Services for Reliance Retail.



**Odisha Integrated Irrigation Project For Climate Resilient Agriculture (OIIPCRA) – A World Bank Funded Project**

Government of Odisha have decided to implement the World Bank supported Odisha Integrated Irrigation Project for Climate Resilient Agriculture (OIIPCRA) through the Department of Water Resources (DoWR). The project will be implemented through the “Odisha Community Tank Development & Management Society (OCTDMS), a Special Purpose Vehicle (SPV) created under the Department of Water Resources (DoWR), Government of Odisha.

The OIIPCRA will be a unique project, which aims at converging the activities of three departments of the Government i.e. Department of Water Resources (DoWR), Agriculture and Farmers’ Empowerment (A&FE) and Fisheries and Animal Resources Development (FARD) Departments for augmenting the capacity and income of the farmers in the project area through climate resilient agricultural practices.

Industrial Division bagged this prestigious order from OCTDMS for PMC of 3 Packages – Zone I (Berhampur), Zone II (Baripada) and Zone III (Bhawanipatna)



**IRCLASS -Condition Assessment of Structures with Civil NDT**

Amphion cyclone affected Manufacturing plant of German based Company – Continental (formerly Phoenix Conveyor Belt Pvt Ltd) at Kalyani, West Bengal was assessed by Civil NDT division for the quality of concrete & the design adequacy. The crane supporting girders were observed with major damages & cracks in RCC columns at critical junctions.

Civil NDT Team provided rehabilitation methodology and support for the Repair Project Management Consultancy. The restoration work is carried out for this brown field project with the latest repair and retrofitting technology without hampering the production loss of client. The project is recognized by BU team from Germany & nominated for the Best Project 2021-22 in Global Continental Group.



**Solar Power Plant Performance Testing - Fueling growth to Renewable Sector Business**

Industrial Services is growing with positive credentials in the market for CAPEX services of Solar PV Power Industry. To leverage these credentials further to become a One Stop Solution provider, Industrial Services developed Solar Plant Performance Testing services to meet client’s requirement of OPEX services. Further we successfully delivered services in Egypt & Morocco, In Year 2021-22 we received appreciation from client M/s Sterling & Wilson for professional approach and timely execution of Solar Power plant performance testing (IR Thermography) for 52MW Malindi solar PV power project. Kilifi, Kenya.

Project Details - 52MW Malindi solar PV power project. Kilifi, Kenya. (The project was developed by Africa Energy Development, Globeleq and Malindi Solar Group & Sterling and Wilson Solar was selected to render EPC services for the solar PV power project.



**Solar PV Modules IPQC (Round the Clock QA-QC inspection), Transformer, Inverter F.A.T. in China.**

Developer - SWE REPCO SA (Pty) LTD. (Phelan Energy Group)

Project Details :- 86.25 MW Solar Project South Africa.

Product Details :-

- 1) 5BB HALF-CELL 340/345 Wp Double glass poly crystalline PV Module
- 2) 3.125MW inverter (SG3125HV-30) at OEM M/s Sungrow Power, China.
- 3) 40MVA 132-22kV (YNd1) at OEM M/s Chint Electric Co., China.

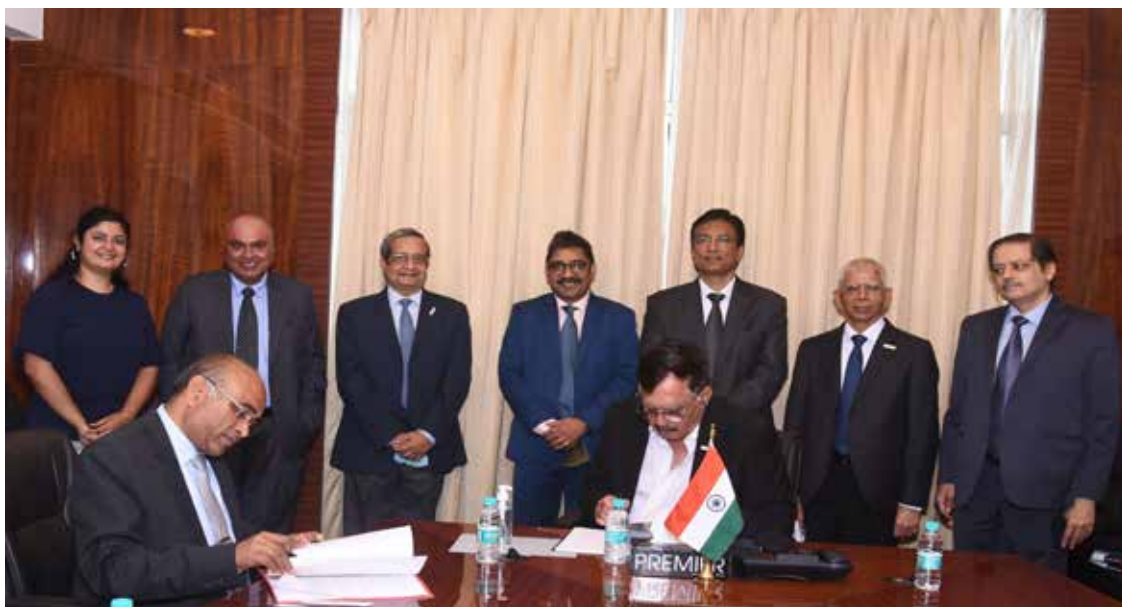
Satisfactorily performed in process inspection of Solar PV modules for M/s SWE REPCO SA (Pty) LTD. (Phelan Energy group)- at PV Modules OEM M/s ZNSHINE China. Zhixi Industry Zone, Jintan Area, Changzhou city, Jiangsu Province, China for 86.25 MW Solar PV Project in Cape town South Africa.

The scope of work included BOM Verification, Stage / in-process inspection (Round the clock -24 Hrs coverage in all 3 shifts), Non Conformity management, final pre shipment inspection, Container Loading inspection, Deliverables, conformity assessment of Solar PV modules inspection as per IEC standards.



**4. IRQS Activities**

The year FY 21-22 added another milestone in the history of IRQS as it took a huge leap forward by acquiring a major testing facility of CEG test house in February 2022. The biggest integrated state-of-the-art laboratory facility in north India, covering 14,000 sq.ft. area has been NABL/ISO 17025 accredited and approved by FSSAI, EIC and APEDA. The multidisciplinary laboratory has wet chemistry, trace analysis, mechanical and microbiology sections and is well-equipped to provide detailed analytical testing services across diverse industries: Food & Agriculture, Ayurvedic, Microbiological, Pharmaceuticals, Surgical, Environment (Air, Water, Soil), Health & Safety, Industrial Hygiene and Material Testing Services. It has latest technologies and equipment like LC-MS/MS, GC-MS/MS, ICP-MS, HPLC, GC, IC, UV-VIS Spectrophotometer, FT-IR, 21 CFR compliance software etc and has pan India sample collection facility.



**Acquisition of CEG Test House by IRCLASS – Feb 2022**

**Certification**

The certification division of IRQS continued to progress with no. of active certificates increasing from 2719 to 2938 nos. Throughout the era of pandemic IRQS continued its services by providing online audits and with normalisation of situation, it slowly shifted its services to a hybrid model i.e. both online and onsite with a close monitoring of COVID situation.

During FY 21-22, IRQS diversified its certification services by acquiring accreditation from NABCB to new certifications viz. ISO 13485 – Medical Device Quality Management

System and ISO 27701 – Privacy Information Management System. It also got registered with Central Drugs Standard Control Organisation (CDSCO) as a Notified Body for Medical Devices (ISO 13485).

**IRQS International Footprints:**

The international presence of IRQS increased rapidly during this period with a growth rate of 200%. Its footprints have now increased from 21 (FY 20-21) to 31 countries (FY(21-22)).

Countries	No of clients	Countries	No of clients	Countries	No of clients
Taiwan	98	Afghanistan	6	Hong Kong	1
Egypt	26	Bangladesh	3	Portugal	1
China	25	Russia	3	Seychelles	1
USA	23	Mongolia	3	Bahrain	1
Korea	23	Netherland	3	Myanmar	1
Turkey	15	Kenya	3	Uganda	1
Sri-Lanka	12	Greece	2	Cambodia	1
Kuwait	11	Qatar	2	Australia	1
UAE	9	UK	2	<b>Total</b>	<b>296 nos.</b>
Vietnam	9	Canada	1		
Singapore	8	Denmark	1		



**Certificate handover for Engineering Staff College of India**

Some of the key project executed by IRQS in FY 21-22 include:

- IRQS became the 1st certification body in India to provide FSSC Development Program Level 1 Certificate. The certificate was granted to Makaibari Tea Estate
- Swachh Pratyogita Odisha project executed for Quality Council of India - This special city/ULB ranking project was a brain child of Hon’ble Chief Minister of Odisha Mr Naveen Patnaik
- Computerised Inventory Control Project Technical Group Army Ordnance Corps (INDIAN ARMY) was certified for ISO 27001 standard
- Orchlon School and Kindergarten Complex LLC became the 1st school in Mongolia to be certified for ISO 21001 – Management systems for educational organizations

- Agricycle East Africa, A Subsidiary of Agricycle Global Inc. - First Kenyan company to be certified by IRQS for FSSC 22000
- Energy Audits were conducted for Delhi International Cargo Terminal, Kandla International Container Terminal, Mumbai International Cargo Terminal, Rozi International Cargo Terminal Pvt. Ltd, Visakha Container Terminal Pvt. Ltd.
- Ruchi Soya was certified by IRQS for Food Safety System Certification - FSSC 22000
- Integrated Management System Certification of Tata Steel Mining and Odisha Mining Corp
- LLC Nortec – A Russian entity was certified through IRQS for IATF 16949
- Manufacturing units Parle Biscuits - Nashik & Bhuj were certified for ISO 14001 & ISO 45001
- Gangavaram Port Limited certified for Integrated Management System and Energy Management System(ISO 50001)
- Integrated Management System Certification was completed for JSW Cement Limited – Jajpur
- 7 Tea Gardens viz. Kesar Commercial Pvt Ltd, Putharjhora Tea Garden Pvt Ltd, Darjeeling Trading Pvt Ltd, Seeyok Tea Company Limited, Selimbong Tea Company Pvt Ltd, Singell Tea & Agricultural Ind Pvt Ltd, Snowview Tea Company Pvt Ltd from North-East region were certified for FSSC 22000
- Customised Data Access audit conducted for Mahindra and Mahindra



**Certificate handover ceremony for Computerised Inventory Control Project -  
An Indian Army Ordnance Data Centre**

### **Ship-recycling**

Continuing its success in HKC and EU certification, IRCLASS expanded its footprint by certifying Arab Shipbuilding & Repair Yard Company from Kingdom of Bahrain. Currently IRCLASS has certified 15 clients for HKC(HongKong Convention) and 4 clients for EU.



**Ship-breaking yard in Alang certified by IRCLASS**

**Coal Business**

In the Financial year 2021-2022, total quantity of coal handled was around 140 Million Metric Ton as compared to 118 MMT in the previous year. Three new locations were added in this year.

Coal Sampling is now being done from 21 loading locations and sample preparation is happening in 9 locations with a strength of around 110 Samplers & Supervisors.

Apart from Mahanadi Coal fields – Coal India Limited, the major customers are NALCO & GSPL, Adani Power, GMR, Sembcorp & NTPC.

**Trainings**

Throughout FY 21-22, 390 training programs were conducted which is the highest number of training conducted by IRQS in a year. These included 271 Lead Auditor training courses which is almost three times the no of Lead Auditor courses conducted in FY 20-21. Of these 271 Lead Auditor courses, 78 courses were conducted in classroom whereas the remaining 193 training courses were delivered through online mode. The total delegates trained in FY 20-21 are as under:

Sr. No.	ISO Standard	No. of delegates attended
1	QMS LA	1045
2	EMS LA	195
3	OHSMS LA	475
4	ISMS LA	194
5	BCMS LA	21
6	Others	1608
	<b>Total</b>	<b>3538</b>

IRQS also introduced some customized trainings and developed new modules including ISO 17025 internal auditor training, 5S Awareness, FOSTAC course – Advance Catering, FOSTAC - Meat and Meat Products, FOSTAC – Milk and Milk Products , Behaviour Based Safety Awareness Training, Emergency Preparedness & Disaster Management Awareness, Electrical Safety & Positive Isolation Awareness, ISMS Lead Implementor Etc.

The Lead Auditor courses of IRQS were accredited by IRCA-Global for ISO 9001, ISO 14001, ISO 45001 & ISO 27001 standards. In FY 21-22 a new product ISO 22301 – Business Continuity Management System was accredited by IRCA and training programs were successfully conducted for the same.

**Accreditations:**

IRQS acquired accreditation for 2 new standards in FY 21-22 viz. ISO 13485 – Medical Device Quality Management System and ISO 27701 – Privacy Information Management System. The accreditation was granted by NABCB.

Remote office and witness assessments were conducted successfully by RvA, ANAB, IATF, NABCB and FSSC.

Sr. No.	Particulars		Details				
01)	Accreditation Audits FY : 2021 - 2022	NABCB	01)	Remote Office Initial Assessment for Scope extension for QMS Scheme conducted for MDQMS (ISO 13485) Scheme on 4th June 2021. NABCB granted Accreditation on 17th Sept. 2021.			
			02)	Remote Office Surveillance Assessment conducted for QMS, EMS, OHSMS & EnMS Scheme(s) on 24th & 25th June 2020.			
			03)	Remote Office Surveillance Assessment conducted for QMS, EMS, OHSMS, FSMS & FSSC, EOMS, ISMS & EnMS Scheme(s) on 20th & 21st January 2022.			
			04)	Remote Office Initial Assessment for Scope extension for ISMS Scheme Conducted PIMS (ISO 27701) scheme on 21st January 2022. NABCB granted Accreditation on 21st April 2022.			
			05)	Remote Witness Assessments:			
				<b>Sr No</b>	<b>Name of the client(s)</b>	<b>Scheme(s)</b>	<b>Audit Date(s)</b>
				1)	Seabird Logisolutions Limited	FSSC 22000 Version 5.1	20th & 21st July 2021
				2)	Newcare Hygiene Products	MDQMS (ISO 13485)	14th & 16th August 2021
				3)	Hitech Corporation Ltd Unit Baddi	FSSC 22000 Version 5.1	7th to 9th Oct. 2021
				4)	Asclepius Wellness Private Limited	FSSC 22000	27th & 28th Dec 2021
				5)	Nalwa Steel and Power Limited	QMS, EMS & OHS	11th to 13th Jan. 2022
				6)	Industrial Energy Limited	EnMS Scheme	1st & 2nd February 2022
				7)	Vstaar Plus Lifestyle Private Limited	Ayush Standard Mark	15th & 16th Feb. 2022
				8)	Hansa Customer Equity Private Limited	PIMS (ISO 27701)	7th & 8th March 2022

Sr. No.	Particulars		Details									
		RvA	01)	Remote Office Surveillance assessment conducted for QMS, EMS, OHSMS, ISMS & FSMS Scheme(s) on 22nd Nov., 26th Nov., 30th Nov. , 1st Dec. & 3rd Dec. 2021.								
		ANAB	01)	Remote Office Surveillance Assessment conducted for SCSMS on 21st to 23rd September 2021.								
		IATF	01)	Annual Remote Office Surveillance Assessment for IATF 16949 conducted on 4th to 6th April 2022.								
			02)	Remote Witness Assessments:								
				<b>Sr. No.</b>	<b>Name of the client(s)</b>	<b>Scheme(s)</b>	<b>Audit Date(s)</b>					
				01)	Smart Approach Co., Ltd.	IATF	1st July 2021					
				02)	Nantong Haohai Electric Appliance Co., Ltd.,	IATF	16th and 17th Dec.21					
		FSSC	01)	Remote Office Assessment has been conducted for FSSC Ver 5.1 on 7th & 8th Sept. 2021								
02)	New accreditation		01)	Scope Extension for Food chain category I for FSSC ver 5.1, granted NABCB accreditation on 24th November 2021.								
			02)	IRCLASS Systems & Solutions Pvt. Ltd. has registered with Central Drugs Standard Control Organisation (CDSCO) as a Notified Body for Medical Devices (ISO 13485) on 09-Feb-2022.								
			03)	NABCB granted Accreditation for MDQMS (ISO 13485) on 17th Sept. 2021.								
			04)	NABCB granted Accreditation for PIMS (ISO 27701:2019) on 21st April 2022.								
03)	Auditor Qualification Process		01)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">No. of New empanelment completed</td> <td style="text-align: center;">90</td> </tr> <tr> <td>No. of Upgradation completed</td> <td style="text-align: center;">52</td> </tr> <tr> <td>No. of Enhancement completed</td> <td style="text-align: center;">56</td> </tr> </table>			No. of New empanelment completed	90	No. of Upgradation completed	52	No. of Enhancement completed	56
No. of New empanelment completed	90											
No. of Upgradation completed	52											
No. of Enhancement completed	56											

### Marketing

Continuing its efforts, IRQS introduced some new technologies to overhaul its Digital Marketing. These includes:

- Introduction of new website for ISSPL Laboratory Services
- Re-vamp of IRQS website for certification, training and IT services to make it more user friendly
- Increasing the effectiveness of email marketing by conducting email id validation and close monitoring of campaigns
- Conducted successful webinars through subject experts on various products and were successful in reaching to 1500+ audiences
- Social Media presence was the area of focus. Regular updates and articles helped to increase the followers on LinkedIn multi-fold



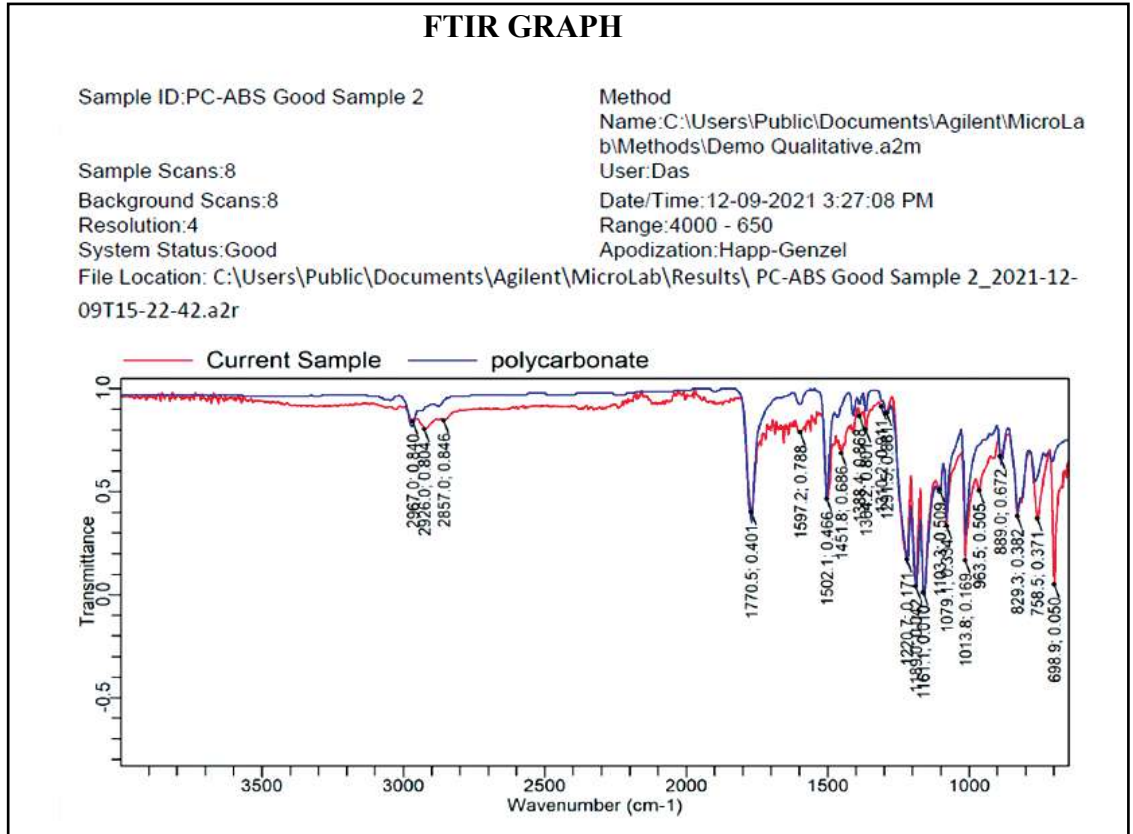
Testing at ISSPL Lab

5. **GML - A Division of ISSPL**

**GML – Polymer Testing Services (New Initiative)**

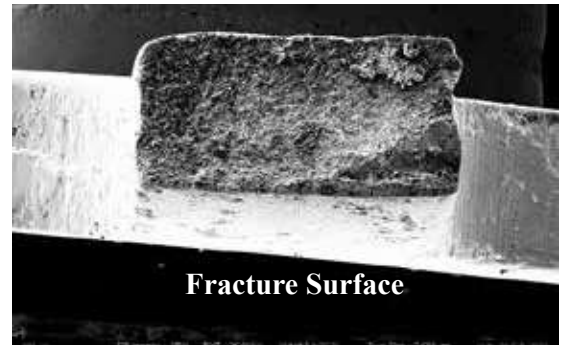
**Qualitative Chemical analysis of Polymer / Plastic material by FTIR**

GML has installed FTIR (Fourier Transform Infrared Spectroscopy) equipment from M/s AGILENT, USA for Qualitative Chemical analysis of Polymer / Plastic material. One important requirement of the industry is to identify the Polymer / Plastic material they need to use or find during reverse engineering of a competition product. We employ Chemical test methods and advanced Fourier Transform Infrared (FT-IR) spectroscopic techniques to do this. FT-IR spectroscopy is ideally suited to qualitative analysis of polymer starting materials and finished products, quantification of components in complex polymer mixtures, and analysis of in-process samples. IR spectroscopy is reliable, fast and cost-effective. Through these techniques and our experience we can analyze thermosets and thermoplastics, surface coatings, synthetic resins, rubbers and elastomers, plastics additives, recycled plastics, complex mixtures and composites, films, adhesives and sealants, paints, organics liquids and chemicals, Plastic monomers etc.

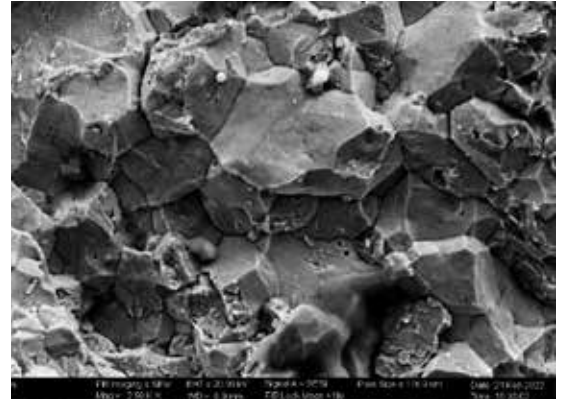
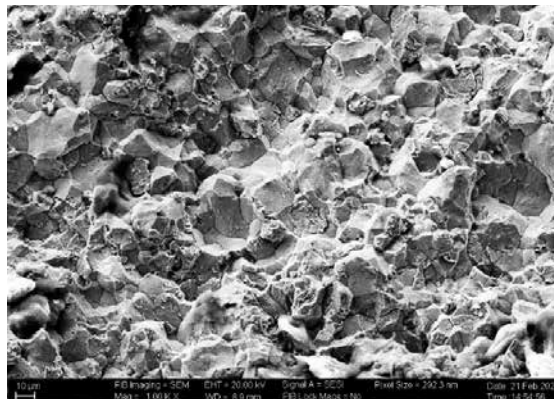


**Metallurgical Failure Investigation of Point Holder**

**Background:** Customer observed fracture in Point Holder after assembly operations. The reason for the failure needed to be evaluated.



**Fractured Point Holder**



## SEM FRACTOGRAPH

### Conclusion:

Based on the outcome of metallurgical studies, SEM analysis on the fracture surface of location 1 and 2 reveals Brittle intergranular fracture morphology with a typical step structure / clearly defined grain facets indicating the possibility of Hydrogen embrittlement. Based on the SEM analysis, the failure of the point holder could possibly be due to Hydrogen Embrittlement (HE). IHE (Internal Hydrogen Embrittlement) – due to Influence of residual hydrogen emanating from manufacturing processes, resulting in delayed brittle failure of the component under load induced and/or residual tensile stress

## 6. SAFESS- A wholly Owned subsidiary of ISSPL

### Highlights during the year include

1. SAFESS got Accreditation from NABCB as per ISO17020 Type C Inspection Body.
2. Taking Initiative toward Electrical and Instrumentation (Automation) Projects in private and government sector.
3. PESO recognition under SMPV (U) & Petroleum Rules renewed.
4. Targeted New Business from Private Sector for condition and Health Assessment of Equipment's and Pipeline.
5. Started specialized services in Underground vessels and above ground vessels corrosion mapping and Advance NDT including statutory certification.
6. SAFESS's website revamped.

### Capacity Building

1. Competency of persons enhanced by providing training on statutory requirement as per PESO.
2. Online Technical trainings / Webinars attended by Safess team.
3. Safety Awareness Training attended by Safess team which is given by Total Oil HSE Team.
4. Conducted training of ISO 17020 NABCB requirement for Accreditation.
5. Industrial Division Engineers Trained & Utilised at Sites from Near by locations

### Major Projects Completed:

1. HMEL Bhatinda – Statutory testing of MSVS under Rule 19.
2. MRPL Mangalore – Pipeline Turn around job at MRPL Mangalore refinery.
3. OPAL Dahej – Statutory testing of Horton Spheres under SMPV Rule 19
4. Reliance Industries Ltd Jamnagar – Calibration of Pipeline for volume (stock) measurement.
5. Deepak Fertilizers and Zuari Agro chemicals Ltd – SRV/PSV Testing as per SMPV Rule 18.

**HPCL Palghat and HPCL Jind** – SAFESS received a contract from HPCL Palghat and HPCL Jind.

Scope of contract is Modification of Above ground bullets including Pipeline, Civil and structural fabrication as per PESO's SPMV (U) Rule.



**7. Particulars regarding Foreign Exchange Earnings & Expenditure and Conservation of Energy & Technology absorption**

There were no earnings or expenditure in foreign currency and energy conservation measures were initiated by Indian Register of Shipping, owner of the office premises occupied by ISSPL.

**8. Meetings of the Board**

The Board of Directors met 4 times during the period upto 31st March, 2022 and the gap between any two meetings did not exceed 120 days.

The Secretarial Standards pertaining to the Board Meetings and General Meetings have been duly complied by the company.

**9. Maintenance Of Cost Records**

The Company is not required to maintain cost records as specified by Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

**10. Explanation Or Comments By the Board On Every Qualification, Reservation Or Adverse Remarks Made, If Any**

There are no qualifications, reservations or adverse remarks or disclaimers made by the Auditors in their report on the Financial Statement of the Company for the period ended 31st March, 2022.

**11. Statutory Auditors**

M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants, (Registration No.003990S/S200018), have confirmed their eligibility to continue to be the Statutory Auditors of the Company, having been appointed as Statutory Auditors for a further period of 5 years (2018-19 to 2022-23) at the AGM held on 17th September, 2018.

## **12. Directors and Key Managerial Personnel**

The Company has received a Declaration in Form DIR-8 from all the Directors stating that they are not disqualified under section 164 of Companies Act, 2013. The Company has also received.

Form MBP-1 from all the Directors under Section 184 of the Companies Act, 2013 has also been received.

In terms of the applicable provisions of the Companies Act, 2013 the Company is not mandatorily required to appoint any whole time KMPs.

## **13. Extract of Annual Return**

Pursuant to section 134(3)(a) and Section 92(3) of Companies Act, 2013 read with relevant Rules framed thereunder, the extract of Annual Return as on 31st March, 2022 forms part of this Report as **“Annexure A”**.

## **14. Declaration given by Independent Director**

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

## **15. Public Deposits**

During the year under review, Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on date of balance sheet under the directives issued by Reserve Bank of India and under the provisions of section 73 of the Companies Act, 2013.

## **16. Particulars of loan, Guarantee and Investment**

The Company has not subscribed or acquired securities of any Body Corporate during the financial year 2021-22 as per section 186 of the Companies Act, 2013, however the balances of the existing Investments are as reflected in note no. 10 of the balance sheet.

Further Company has not given loans or guarantee or security to anyone as per Section 186 of the Companies Act, 2013.

## **17. Risk Management Policy**

The Company has been maintaining Risk Management register wherein each and every risk is identified. The risks that affect/may affect the organization are reviewed on periodical basis and approved by Head of Division or the concerned Directors of the Company.

## **18. Policy for Prevention of Sexual Harassment**

The Company has been employing women employees in various cadres within its office and factory premises. The Company has in place a policy against Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee has been set up to redress any complaints received. All employees are covered under the policy. There was no complaint received from any employee during the financial year 2021-22 and hence no complaint is outstanding as on 31.03.2022 for redressal.

## **19. Internal Financials Controls**

The Board has adopted policies and procedure for ensuring the orderly and efficient conduct of its business, including adherence to the Company's Policies, the safeguarding

of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

**20. Particulars of Contract and arrangement under Section 188**

No agreement was entered with related parties by the Company during the current year. All the related party transactions were entered by the Company in ordinary course of business and were at arm's length basis.

**21. Significant and Material orders passed by the Regulators or courts**

There are no significant and material orders passed by the regulators / courts that would impact the going concern status of the Company and its future operations.

**22. Company's policy relating to director's appointment, payment of remuneration and discharge of their duties**

The provisions of Section 178 relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not documented any policy relating to matters as provided under Section 178 of the Companies Act, 2013.

**23. Subsidiary, Joint Ventures And Associate Companies**

The Company does not have any Associate Companies. However below mentioned are the Subsidiary companies and Joint venture of your company are as under:

Sr. No.	Name of the Company	Subsidiary/ Joint Venture	% of stake
1.	Safess Quality Management Private Limited	Subsidiary	100%
2.	Arun Abhiyantey Private Limited	Subsidiary	100%
3.	DCSPL Association with ISSPL (AOP)- upto 31 <sup>st</sup> May 2021	Joint Venture	50%

**24. Material changes affecting the financial position of the company**

There are no material changes and commitments, affecting the financial position of the Company, which have occurred after the end of the financial year of the Company i.e. March 31, 2022 and the date of this report.

**25. Particulars of Employees**

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read along with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company as no employees were in receipt in remuneration above the limits specified in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**26. Corporate Social Responsibility (CSR)**

Your Company has adopted a CSR Policy, which was reviewed by the CSR Committee (comprising 3 Directors, Mr. Arun Sharma, Mr. Hrishikesh Joshi and Mr. Gautam Chatterjee). The Companies Act, 2013, requires the Company to spend in every financial year, at least 2% of the average net profits of the company during the three immediately preceding financial years in pursuance of its CSR Policy.

Therefore, based on the definition of 'net profit' given in the Companies (CSR) Rules 2014, your company was required to expend an amount of Rs. 16.43 lakhs on CSR for the period ending 31st March 2022.

On recommendation of the CSR committee and with the approval of the Board of Directors, the Company expended an amount of Rs. 16.55 lakhs towards provision of Infrastructure to Ashram Schools of Government of Maharashtra, which provide Education, including vocational training upto Std. X/XII, to students from the less privileged sections of Society. The manner in which the amount was spent on CSR activities during the year is set out by way of Appendix 1 of this report.

The CSR Committee confirms that the implementation and monitoring of the CST policy, is in compliance with CSR objectives and policy of the company.

## **27. Directors' Responsibility Statement**

In accordance with the provisions of Section Section 134(3)(c) of the Companies Act, 2013, your Directors state that:

- a) In the preparation of accounts, the applicable accounting Standards have been followed.
- b) Accounting Standards selected were applied consistently. Where required, reasonable and prudent judgment and estimates were made so as to give a true and fair view of state of affairs of the Company as at 31st March, 2022 and of the excess of income over expenditure for the year ended on that date.
- c) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The annual accounts of the Company have been prepared on a going concern basis.
- e) Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **28. Acknowledgements**

Your Directors place on record their gratitude to the various authorities and officials in the various Departments of the Union Government and Government of Maharashtra for their continued support. The Directors are grateful to Indian Navy, Port Trusts, ONGC and various other public and private sector companies for the confidence they continue to repose in ISSPL.

Your Directors wish to record their sincere appreciation of the commitment and dedication shown by employees at all levels which has made the continued growth and progress of ISSPL possible.

**For and on behalf of the Board,**

Mumbai, 22nd July, 2022

**Vinay Kshirsagar**  
Director

**Arun Sharma**  
Chairman and Director

## CSR ANNUAL REPORT ON CSR ACTIVITIES

### 1. Brief outline on CSR Policy of the Company:

In pursuance of these Objectives and keeping in mind its social responsibilities to its stakeholders and the society at large, as well as the environment in which it operates, the focus of ISSPL' CSR activities would be towards –

- Providing opportunities for and promoting in every possible way education (including education in the maritime field) of people, including children, women and differently abled persons.
- Protection and preservation of the environment and its sustainability, particularly in areas of its principal operations and activities.
- Eradicating hunger, poverty and malnutrition, promoting health care & sanitation and making available safe drinking water

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr Arun Sharma	Chairman	1	1
2	Mr. Hrishkesh Joshi	Director	1	1
3	Mr. Gautam Chatterjee	Director	1	1

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company- **No**
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)- **NA**
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any- **No**
6. Average net profit of the company as per section 135(5)- **Rs. 821.59 Lakhs**
7.
  - (a) Two percent of average net profit of the company as per section 135(5)- **Rs. 16.43 Lakhs**
  - (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years- **Nil**
  - (c) Amount required to be set off for the financial year, if any- **Nil**
  - (d) Total CSR obligation for the financial year (7a+7b-7c)- **Rs. 16.43 Lakhs**

8. (a) CSR amount spent or unspent for the financial year: **Rs. 16.55 Lakhs**  
 (b) Details of CSR amount spent against ongoing projects for the financial year:

Total Amount Spent for the Financial Year (Rs. in Lakhs)	Amount Unspent (Rs. in Lakhs)				Date of transfer
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	
NA					

- (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in Rs.)	Amount transferred to Unspent CSR Account for the project as per section 135(6) (in Rs.)	Amount transferred to Unspent CSR Account for the project as per section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District					Name	CSR Registration number
NIL											

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

Total Amount Spent for the Financial Year (Rs. in Lakhs)	Amount Unspent (Rs. in Lakhs)					
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)			
	Amount	Date of transfer	Name of the Fund		Amount	Date of transfer
11.46	11.46	23-03-2022	PO Basic Tribal Ashram School, Vangni		11.46	23-03-2022
5.09	5.09	23-03-2022	Primitive Tribe boys and Girls Residential School, Babare		5.09	23-03-2022

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District		Name	CSR Registration number
NA								

- (d) Amount spent in Administrative overheads- Nil
- (e) Amount spent on Impact Assessment, if applicable- Nil
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e)- Rs. 16.55 Lakhs
- (g) Excess amount for set off, if any

Sr. No.	Particular	Amount (Rs. in lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	16.43
(ii)	Total amount spent for the Financial Year	16.55
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.12
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.12

- (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
NA							

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration.	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project Completed / Ongoing
NA								

- 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year- NA

**Asset-wise details**

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

- 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCLASS SYSTEMS AND SOLUTIONS PRIVATE LIMITED**

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

#### **Opinion**

We have audited the accompanying consolidated financial statements of **IRCLASS Systems and Solutions Private Limited** (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and a jointly controlled entity, which comprise the consolidated Balance Sheet as at 31 March 2022, and the consolidated statement of Income and Expenditure and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements"). In the case of the jointly controlled entity, the special purpose financial statements for the period from 1st April 2021 to 31st May 2021 are considered for the purpose of consolidation as the joint control of the Holding Company ceased on 31st May 2021.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on financial statements and on the other financial information of the subsidiaries, and the jointly controlled entity, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, and the consolidated excess of income over expenditure, and consolidated cash flows of the Group and jointly controlled entity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and evidence obtained by other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### **Information Other than the Consolidated Financial Statements and Auditors' Report Thereon**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors' report but does not include the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and members of the jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act (to the extent applicable) for safeguarding the assets of the Group and the jointly controlled entity for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and members of the jointly controlled entity are responsible for assessing the ability of the Group and of its jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group/jointly controlled entity 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 and members of jointly controlled entity are also responsible for overseeing the financial reporting process of respective company/entity.

### **Auditors' 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 auditors' 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies, which are companies incorporated in India have adequate internal financial controls with reference to the consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and jointly controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group and jointly controlled entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and jointly controlled entity 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 believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

### **Other Matters**

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs. 12,05,53,315 and net assets of Rs. 8,65,14,107 as at 31 March 2022, total revenues of Rs. 9,66,43,683 and net cash outflows amounting to Rs.31,57,279 for the year ended on that date, as considered in the consolidated financial statements. We have also not audited the special purpose financial statements of the jointly controlled entity whose financial statements reflect total revenues of Rs. 67,22,217 for the period 1st April 2021 to 31st May 2021. 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 jointly controlled entity, and our report in terms of sub-section (3) of Section 143 and sub-section (11) of Section 197 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.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of other auditors on separate financial statements and other financial information of subsidiaries, 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.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Income and Expenditure and the Consolidated Cash Flow Statement 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 Accounting Standards 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 2022 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 2022 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) As the subsidiaries of the Group incorporated in India are exempted from auditor's reporting on the adequacy of the internal financial control with reference to financial statements vide MCA notification dated 13th June 2017, refer to our separate report in Annexure B to the auditor's report on the standalone financials of the Holding Company for the purpose of reporting on the adequacy of the internal financial control with reference to financial statements of the Holding Company.
- (g) With respect to the other matters to be included in the Auditors' 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 report of the other auditors on the financial statements and the other financial information of the subsidiaries, as noted in the 'Other Matters' paragraph:
- i. There were no pending litigations which would impact the consolidated financial position of the Group.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India during the year ended 31 March 2022.
  - iv.
    - (a) The management of Holding Company and its subsidiary companies incorporated in India has represented that, to the best of their knowledge and belief, 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 and its subsidiary companies incorporated in India 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, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and its subsidiary companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (b) The management of the Holding Company and its subsidiary companies incorporated in India has represented, that, to the best of its knowledge and belief, no funds have been received by these

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 and its subsidiary companies incorporated in India shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
  - v. The Holding Company and its subsidiary companies incorporated in India has not paid or declared dividend during the year and until the date of this report.
2. Since the Holding Company and its subsidiary companies incorporated in India are private limited companies, the provisions of Section 197 of the Companies Act, 2013 are not applicable to it. Accordingly, reporting on compliance with the provisions of Section 197 of the Act is not applicable.
  3. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and respective auditors of subsidiary companies (to the extent applicable) as at balance sheet date, we report:

In our opinion and according to the information and explanations given to us, the following company incorporated in India and included in the consolidated financial statements, has unfavourable remarks, qualifications or adverse remarks given by the respective auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

S.No.	Name of the Company	CIN	Holding / Subsidiary Company	Clause Number of the CARO report which is qualified orad-verse
1	Safess Quality Management Private Limited	U99999M-H1993PTC074629	Subsidiary Company	Clause 3(xvii)

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm's Registration No.003990S/S200018

Place of Signature: Mumbai  
Date: 22nd July, 2022  
UDIN : 22220369ANMDNY6054

**Ramanarayanan J**  
Partner  
Membership No. 220369

**Consolidated Balance Sheet as at 31st March, 2022**

Particulars		Note No.	As at	As at
			March 31, 2022	March 31, 2021
			Amount	Amount
<b>A</b>	<b>RESERVES AND LIABILITIES</b>			
<b>1</b>	<b>Reserves and surplus</b>	4	<b>7,464.57</b>	6,718.48
<b>2</b>	<b>Capital Reserve (On Consolidation)</b>		<b>0.66</b>	0.66
<b>3</b>	<b>Non Current Liabilities</b>			
	(a) Long Term Borrowings	5	<b>50.05</b>	90.10
	(b) Other Long term Liabilities		-	-
<b>4</b>	<b>Current liabilities</b>			
	(a) Short Term Borrowings	6	<b>720.25</b>	704.59
	(b) Trade payables		-	-
	MSME (Refer Note 7)		-	-
	Others	7	<b>725.84</b>	677.93
	(c) Other current liabilities	8	<b>593.07</b>	537.06
	(d) Short Term Provisions		-	-
	<b>Total</b>		<b>9,554.44</b>	8,728.82
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment			
	(i) Tangible assets	9	<b>2,014.28</b>	1,612.64
	(ii) Intangible assets	9	<b>146.22</b>	12.13
	(iii) Intangible asset under development		-	-
	(b) Goodwill on consolidation		<b>1,234.76</b>	1,234.76
	(c) Non-Current Investments	10	<b>3.77</b>	3.77
	(d) Deferred Tax Asset (Net)	11	<b>117.83</b>	88.67
	(e) Long-term loans and advances	12	<b>980.33</b>	1,246.23
<b>2</b>	<b>Current assets</b>			
	(a) Inventories		-	-
	(b) Current Investment		-	-
	(c) Trade receivables	13	<b>3,449.40</b>	3,084.47
	(d) Cash and bank balances	14	<b>639.75</b>	599.72
	(e) Short-term loans and advances	15	<b>815.92</b>	708.74
	(f) Other current assets	16	<b>152.18</b>	137.69
	<b>Total</b>		<b>9,554.44</b>	8,728.82
	See accompanying notes forming part of the financial statements	1 to 32		

In terms of our report attached  
For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
FRN. 003990S/S200018

**Ramanarayanan J**  
Partner  
Membership No. 220369  
Mumbai  
Date : 22nd July, 2022  
ICAI UDIN Ref. No: 22220369ANMDNY6054

**For and on Behalf of the Board of Directors**

**Vinay Kshirsagar**                      **Arun Sharma**  
Director    Chairman and Director  
  
Mumbai    Mumbai  
Date : 22nd July, 2022                      Date : 22nd July, 2022

**Consolidated Income And Expenditure for the year ended 31st March 2022**

Particulars	Note No.	For the year ended	For the year ended
		March 31, 2022	March 31, 2021
		Amount	Amount
<b>A Revenue From Operation [See Note 2 (E)]</b>			
Inspection and Certification Fees		10,575.95	9,059.02
Contracting Income		-	-
<b>B Other Income</b>	17	175.38	240.91
<b>C Total Revenue (A+B)</b>		10,751.33	9,299.93
<b>D Expenses:</b>			
(a) Employee benefits expense	18	5,037.30	4,393.02
(b) Cost of Material Consumed		196.70	78.46
(c) Changes in opening & closing balance of expenditure towards ongoing jobs		-	(26.37)
(d) Finance Cost	19	55.54	73.64
(e) Depreciation on tangible assets	9	100.02	86.79
(f) Amortisation of intangible assets	9	7.62	43.92
(g) Other expenses	20	4,287.03	3,572.86
<b>Total Expenses</b>		9,684.21	8,222.32
<b>E Excess of Income over Expenditure before Tax, Prior Period Items and Exceptional Item</b>		1,067.12	1,077.61
<b>F Exceptional Item</b>		-	-
<b>G Excess of Income over Expenditure Before Prior Period Items and Tax</b>		1,067.12	1,077.61
<b>H Prior Period Items</b>			
Prior Period Income		(6.99)	6.67
Prior Period Expenses		20.61	(4.61)
<b>I Excess of Income over Expenditure before Tax</b>		1,080.74	1,079.66
Less : Provision for Tax			
Current Tax:			
Current Year		303.23	256.45
Previous Year		25.46	(23.55)
Deferred Tax	11	(29.16)	26.94
<b>J Excess of Income Over Expenditure after Tax</b>		781.21	819.82
<b>K Excess of Income Over Expenditure transferred to Reserves &amp; Surplus</b>		781.21	819.82
See accompanying notes forming part of the financial statements	1 to 32		

In terms of our report attached  
For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
FRN. 003990S/S200018

**Ramanarayanan J**  
Partner  
Membership No. 220369  
Mumbai  
Date : 22nd July, 2022

ICAI UDIN Ref. No: 22220369ANMDNY6054

**For and on Behalf of the Board of Directors**

**Vinay Kshirsagar**  
Director

**Arun Sharma**  
Chairman and Director

Mumbai  
Date : 22nd July, 2022

**Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022**

**1. Corporate Information**

IRCLASS Systems and Solutions Private Limited was incorporated on 11th March 2014 under the Indian Companies Act 1956. IRCLASS and its subsidiaries (“the Group”) provide professionally competent, completely independent and highly efficient Technical Inspection & Certification services all over the world against Technical Specification, QA Plan and National/International Standards.

**2. Significant Accounting Policies**

**A. Basis of Consolidation**

- i) The Consolidated financial statements relate to IRCLASS Systems and Solutions Private Ltd (“The Company” or “The Holding Company”) and its subsidiaries. The Company and its subsidiaries together constitute the “Group”. The consolidated financial statements have been prepared on the following basis:
  - a) The financial Statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra group transactions and unrealized profits or losses as per Accounting Standard 21 “Consolidated Financial Statements” as specified under section 133 of the Companies Act, 2013.
  - b) In the case of non integral foreign subsidiaries, revenue items are consolidated at the average exchange rate prevailing during the year. The opening balance in the Statement of Profit and Loss and the opening balance in Reserves and Surplus have been converted at the rates prevailing at the respective Balance Sheet dates. All asset and liabilities as at the year-end are converted at the rates prevailing as on that date. Any exchange difference arising on consolidation is shown under Foreign Currency Translation Reserve.
  - c) The financial statements of subsidiaries consolidated are drawn upto the same reporting date as that of the Company.
  - d) The excess of cost to the Group of its investment in the subsidiaries over the Group’s portion of equity as at the date of making the investment is recognized in the financial statement as “Goodwill on consolidation”.
  - e) The excess of the Group’s share in equity of each subsidiary over the cost of its acquisition at the date, on which the investment is made, is recognized as “Capital Reserve on Consolidation”.

**Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022**

- ii) The list of subsidiaries which are included in the consolidation with their respective country of incorporation and the Group's holding therein is given below:

Particulars	As at March 31, 2022			As at March 31, 2021		
	Country of Incorporation	Held Directly by Parent or through its subsidiaries	Effective Holding	Country of Incorporation	Held Directly by Parent or through its subsidiaries	Effective Holding
<b>Domestic</b>						
Safess Quality Management Pvt Ltd	<b>India</b>	<b>100%</b>	<b>100%</b>	India	100%	100%
Arun Abhiyantey Pvt Ltd	<b>India</b>	<b>100%</b>	<b>100%</b>	India	100%	100%
DCSPL in Association with ISSPL (AOP) (Upto 31st May 2021)	<b>India</b>	<b>NA</b>	<b>NA</b>	<b>India</b>	<b>50%</b>	<b>50%</b>

**B. Basis of Accounting**

The financial statements are prepared under the historical cost convention on an accrual basis and are in accordance with the recognition and measurement principles of Accounting Standards specified under Section 133 of the Indian Companies Act, 2013.

**C. Use of Estimates**

The preparation of financial statements requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) as of the date of financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

**D. Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost (net off grants, if any) which includes purchase price, installation and other incidental cost to bring the assets to its present location and working condition for its intended use. Leasehold improvements are depreciated over the lease period of the underlying premises.

Goodwill on acquisition represents excess of the Purchase Consideration paid over and above the value of net assets taken over at the time of acquisition of business. This is amortized over a period of 5 years from the date of acquisition in accordance with Accounting Standard 14 on Accounting for Amalgamations.

**Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022**

Depreciation on property, plant and equipment is provided using the SLM method over their useful life as follows:

Computer: 3 years

Equipment: 3 to 5 years

Furniture: 10 years

Vehicle: 5- 8 years

Depreciation is charged on pro rata basis for assets purchased/sold during the year.

**E. Revenue Recognition**

Fees for inspection of materials and components and for certification activities are recognized at the time of issuing the respective certificates.

Contract Services are recognized at the time of completion of the services.

**F. Investment Income**

Interest/Dividend Income on Investment is recognized on accrual basis when the right to receive the income is established.

**G. Foreign Currency Transactions**

Transactions in foreign currencies are recorded at exchange rate that approximates the actual rate at the date of transaction. In respect of monetary items denominated in foreign currencies, exchange rate differences arising out of settlement or on conversion at the closing rate are recognized in the Income and Expenditure Account.

**H. Employee Benefits**

Employee benefits comprise provident fund, gratuity, compensated absences and superannuation.

Provident fund is a defined contribution scheme and the Group has no further obligation beyond the contributions made to the recognized fund, which is separately administered.

The gratuity liability and compensated absences are independently determined by actuary based on the projected unit credit method as at the year end after considering discount rates, increase in compensation levels, etc. All actuarial gains/losses are immediately recognized in the Income and Expenditure account.

Also, eligible employees who have been confirmed in service are provided superannuation benefits through a policy with an insurance company with defined contributions made by the Group, which are charged to the Income and Expenditure account.

**Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022**

**I. Operating Lease**

Operating lease payments are recognized as an expense in the income and expenditure account over the lease term.

**J. Income Tax**

Income tax comprises current tax and deferred tax. Provision for current income tax is made on assessable income at the rate applicable to the relevant assessment year. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted at the balance Sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realized. The carrying amounts of deferred tax assets/ liability are reviewed and adjusted at each Balance Sheet date.

**K. Corpus Fund**

Corpus fund received from Indian Register of Shipping is for the following purpose:

- a) **General Fund:** To invest the fund in capital infrastructure in terms of hardware and software and other capital expenses.
- b) **Specific Fund:** Acquisition of majority/entire stake in existing companies/ organizations for the activities related to Design House/Plan Approval/Oil and Gas Sector, Academic & Training Institutes, Software Development Company, utilization of funds for capital expenditure and for research and development in industries allied with maritime activities.

3. The Company is formed under section 12 of the Companies Act, 1956 (equivalent to section 3 of the Companies Act, 2013) having no share capital. The Company is prohibited from distributing its surplus to its members. Each ordinary member, while he is a member or within one year afterwards, undertakes to contribute an amount not exceeding rupees one thousand to the assets of the Company in the event of winding up. Any surplus upon winding up or dissolution of the Company shall be given or transferred to such other Company or Association having objects similar to the objects of the Company to be determined by the members of the Company at or before the time of dissolution or in default thereof, by the High Court of Judicature that has or may acquire jurisdiction in the matter.

Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022

#### 4. Reserves and Surplus

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Amount	Amount
<b>Corpus Fund from Indian Register of Shipping (IRS)</b>		
<b>General Fund</b>	<b>200.00</b>	200.00
	<b>200.00</b>	200.00
<b>Specific Fund</b>		
Opening and Closing Balance	<b>2,995.76</b>	2,995.76
	<b>2,995.76</b>	2,995.76
<b>Total (Refer foot note below)</b>	<b>3,195.76</b>	3,195.76
<b>Surplus in the Income and Expenditure account</b>		
Balance as per last balance sheet	<b>3,522.71</b>	2,702.89
Add : Surplus/(Deficit) for the year	<b>781.21</b>	819.82
Less: Reduction due to loss of control of in “DCSPL in association with ISSPL (AOP)” – Refer Note 26	<b>(35.11)</b>	-
	<b>4,268.81</b>	3,522.71
<b>Total</b>	<b>7,464.57</b>	6,718.48

**Foot Note :** Closing Balance of 3,195.76 as on 31st March 2022 represents the amount spent towards acquisition of business of Geological & Metallurgical Laboratories and Investment in Safess Quality Management Private Limited & Arun Abhiyantey Private Limited.

#### 5. Long Term Borrowings

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Amount	Amount
Term Loan from HDFC Bank	<b>90.10</b>	130.15
Less: Amount Payable within next 12 months shown under Short Term Borrowings	<b>(40.05)</b>	(40.05)
(Secured by charge on the equipment acquired out of term loan carrying interest rate at 10% repayable over 60 installments, last installment due on 28th June 2024)		
<b>Total</b>	<b>50.05</b>	90.10

Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022

#### 6. Short Term Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
	Amount	Amount
Cash Credit Facilities from HDFC Bank (Secured by charge against present and future receivables of the company and Lien of Fixed Deposit amounting to 185 Sanctioned Limit 750 repayable on demand carrying annual Interest rate of 9.10 % (Previous Year 10 %)	<b>593.72</b>	664.54
Current Portion of Long Term Borrowings	<b>40.05</b>	40.05
Cash Credit Facilities from HDFC Bank (Secured by charge against present and future receivables of the company. Sanctioned Limit 200 repayable on demand carrying annual Interest rate of 9.25 % )	<b>86.48</b>	-
<b>Total</b>	<b>720.25</b>	704.59

**Footnote:** Current portion of long-term borrowings reclassified under short-term borrowings in line with amendment made to Schedule III Division I of the Companies Act, 2013

#### 7. Trade payables - Others

Particulars	As at March 31, 2022	As at March 31, 2021
	Amount	Amount
Trade payables - Others	<b>725.84</b>	677.93
<b>Total</b>	<b>725.84</b>	677.93

There are no amounts due to the micro and small suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006. This information takes into account only those suppliers who have intimated in this regard.

Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022

### Trade Payables Ageing

Particulars	As on 31st March, 2022						
	Unbilled	Not Due	Less than 1 year	1-2 years	2- 3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-	-
(ii) Others	328.50	57.88	189.40	13.48	128.04	8.54	725.84
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>328.50</b>	<b>57.88</b>	<b>189.40</b>	<b>13.48</b>	<b>128.04</b>	<b>8.54</b>	<b>725.84</b>

Particulars	As on 31st March, 2021						
	Unbilled	Not Due	Less than 1 year	1-2 years	2- 3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-	-
(ii) Others	289.97	41.26	134.05	128.28	14.33	70.04	677.93
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>289.97</b>	<b>41.26</b>	<b>134.05</b>	<b>128.28</b>	<b>14.33</b>	<b>70.04</b>	<b>677.93</b>

### 8. Other Current Liabilities

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Amount	Amount
Security Deposits from Customers	9.33	7.45
Payable for statutory dues	374.60	367.40
Payable to Employees	76.95	62.11
Employees Related Fund Payable	45.86	42.92
Creditors for Capital Expenditure	22.97	2.63
Advance from customers	48.09	53.34
Other Payable	15.27	1.21
<b>Total</b>	<b>593.07</b>	<b>537.06</b>

# NOTES TO ACCOUNTS

(All amounts are in Rs. Lakhs unless specified otherwise)

Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022

## Note 9 - Property, Plant and Equipment

Sr. No.	Particulars	Gross Block			Accumulated Depreciation			Net Block			
		Balance as at 1 April 2021	Additions during the year	Addition as per Acquisition of Business (*)	Disposal During the year	Balance as at 31 March 2022	Balance as at 1 April 2021	Depreciation charge for the year	Disposal During the year	Balance as at 31 March 2022	Balance as at 31 March 2021
<b>A</b>	<b>Tangible Assets</b>										
1	Land	1,180.77	-	-	-	1,180.77	-	-	-	-	1,180.77
2	Building	15.00	-	-	-	15.00	1.35	0.25	-	1.60	13.65
3	Plant and Equipment	556.26	23.03	330.16	-	909.45	186.06	66.81	-	252.87	370.20
4	Furniture and Fixtures	40.62	3.31	20.33	-	64.26	29.14	4.63	-	33.77	11.48
5	Computer System	161.43	73.64	-	0.50	234.57	124.89	27.23	0.50	151.62	36.54
6	Vehicle	-	16.41	-	-	16.41	-	0.12	-	0.12	-
7	Lease hold improvements	-	-	34.78	-	34.78	-	0.98	-	0.98	-
		<b>1,954.08</b>	<b>116.39</b>	<b>385.27</b>	<b>0.50</b>	<b>2,455.24</b>	<b>341.44</b>	<b>100.02</b>	<b>0.50</b>	<b>440.96</b>	<b>1,612.64</b>
<b>B</b>	<b>Intangible Asset</b>										
1	Goodwill (On Purchase of Business)	345.09	-	141.71	-	486.80	345.09	3.96	-	349.05	-
2	Software	18.30	-	-	-	18.30	6.17	3.66	-	9.83	12.13
		363.39	-	141.71	-	505.10	351.26	7.62	-	358.88	12.13
	<b>Total as on 31.03.2022</b>	<b>2,317.47</b>	<b>116.39</b>	<b>526.98</b>	<b>0.50</b>	<b>2,960.34</b>	<b>692.70</b>	<b>107.64</b>	<b>0.50</b>	<b>799.84</b>	<b>1,624.77</b>
	Total as on 31.03.2021	2,256.39	77.03	-	15.95	2,317.47	565.69	130.71	3.70	692.70	1,688.89

\* Refer Note 27 for Details

Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022

#### 10. Non-Current Investments (At cost)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Amount	Amount
<b>Investment in Non- Trade, Unquoted</b>		
Investment in Shares of Jankalyan Sahakari Bank (2668 nos of Shares Face Value of Rs 10 each) (Previous Year 2668 nos of shares)	0.27	0.27
Investment in PT IRCLASS Service Indonesia	0.29	0.29
Investment in Guangzhou Dazhong Certification	3.21	3.21
<b>Total</b>	<b>3.77</b>	<b>3.77</b>

#### 11. Deferred Tax Asset (Net)

Particulars	As at	As at	Credit/(Charge) for the year ended 31st March 2022
	March 31, 2022	March 31, 2021	
	Amount	Amount	Amount
<b>Deferred Tax Asset Due to</b>			
Difference in Depreciation	23.61	31.31	(7.70)
Loss on Sale of Property, Plant and Equipment	2.49	1.04	1.45
Unrealised Foreign Exchange Loss/ (Gain)	1.27	2.16	(0.89)
Provision for Doubtful Debts	90.46	54.16	36.30
<b>Total</b>	<b>117.83</b>	<b>88.67</b>	<b>29.16</b>
<b>Previous Year</b>	<b>88.67</b>	<b>115.61</b>	<b>(26.94)</b>

#### 12. Long Term Loans and Advances (unsecured, considered good unless stated otherwise)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Amount	Amount
Loans and advances to employees		
- Furniture loans	0.35	0.47
Security deposits	371.51	269.79
Prepaid expenses	0.75	1.34
Income tax recoverable (net of taxation)	607.72	974.63
<b>Total</b>	<b>980.33</b>	<b>1,246.23</b>

Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022

**13. Trade Receivables (unsecured, unless stated otherwise)**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Amount	Amount
Outstanding for a period exceeding six months from the date they are due for payment:		
Considered good	593.53	764.39
Considered doubtful	397.44	287.58
	<b>990.97</b>	1,051.97
Less: Provision for doubtful trade receivables (Refer footnote below)	<b>(397.44)</b>	(287.58)
	<b>593.53</b>	764.39
Outstanding for a period not exceeding six month from the date they		
Considered Good	2,855.87	2,423.82
Considered doubtful	-	-
	<b>2,855.87</b>	2,423.82
Less : Provision for doubtful trade Receivables	-	-
	<b>2,855.87</b>	2,423.82
<b>Total</b>	<b>3,449.40</b>	3,084.47

**Footnote: Provision for doubtful trade receivable**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Amount	Amount
<b>Opening Balance</b>	<b>287.58</b>	426.29
Additional Provision/ (Reversal) during the year	<b>109.86</b>	(138.71)
Bad debts Written off	-	-
<b>Closing Balance</b>	<b>397.44</b>	287.58

Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022

**Trade receivables (including unbilled revenue)**

Particulars	As on 31st March, 2022						
	Unbilled Revenue	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	87.44	2,855.87	327.81	90.07	174.95	0.71	3,536.84
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	5.83	7.97	44.78	192.50	251.08
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	20.40	125.95	146.35
<b>Total</b>	<b>87.44</b>	<b>2,855.87</b>	<b>333.64</b>	<b>98.04</b>	<b>240.13</b>	<b>319.16</b>	<b>3,934.28</b>

Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022

**Trade receivables (including unbilled revenue) (Contd.)**

Particulars	As on 31st March, 2021						
	Unbilled Dues	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	80.49	2,423.82	146.30	337.73	51.57	125.04	3,164.95
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	4.53	24.47	155.22	184.22
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	4.25	99.11	103.36
<b>Total</b>	<b>80.49</b>	<b>2,423.82</b>	<b>146.30</b>	<b>342.26</b>	<b>80.29</b>	<b>379.37</b>	<b>3,452.53</b>

Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022

#### 14. Cash and Bank Balances

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Amount	Amount
<b>Cash and cash equivalents</b>		
Cash on hand	1.31	1.44
Balance with banks		
- In current accounts	59.55	92.89
- In EEFC accounts	138.09	12.93
- In deposit accounts with banks with original maturity less than 3 Months	-	-
	<b>198.95</b>	107.26
<b>Other bank balances</b>		
- In deposit accounts with banks with original maturity of more than 3 months but not more than 12 months (Including deposits pledged with bank of 185 (Previous Year : 185) towards cash credit facilities)	440.80	492.46
(Includes Fixed Deposit of 0.75 lien marked in favor of Statutory authorities) (Previous Year : 0.75)	-	-
<b>Total</b>	<b>639.75</b>	599.72

#### 15. Short Term Loans and Advances (unsecured, considered good unless stated otherwise)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Amount	Amount
Loans and advances to employees		
- Other Advances	10.09	27.16
Prepaid expenses	28.34	24.82
Advance paid to third parties	2.25	1.77
Advance to Creditors for expenses	46.75	25.21
Earnest money deposits	196.73	78.17
Other deposits	0.65	-
Surplus in Gratuity Fund (Refer Note 23 B)	39.13	108.07
Surplus in Leave Encashment Fund (Refer note 23 C)	79.77	59.85
Balances with government authorities	412.21	383.69
<b>Total</b>	<b>815.92</b>	708.74

Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022

**16. Other Current Assets**

Particulars	As at March 31, 2022	As at March 31, 2021
	Amount	Amount
Unbilled revenue	87.44	80.49
Expenditure incurred towards ongoing jobs	53.37	51.00
Interest accrued on deposits with banks	11.37	6.12
Other Receivable	-	0.08
<b>Total</b>	<b>152.18</b>	<b>137.69</b>

**17. Other Income**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Amount	Amount
Interest from bank on :		
- Deposits	22.85	24.30
Other Interest	1.20	0.05
Interest on Income Tax Refund	73.39	36.81
Net gain from foreign currency translation / transactions	9.04	-
Income from Gratuity Fund (Refer note 23 B)	-	40.82
Miscellaneous Income	33.62	0.22
Provision for doubtful debts	-	138.71
Gain on sale of fixed assets (net)	0.18	-
<b>Total</b>	<b>175.38</b>	<b>240.91</b>

**18. Employee Benefits Expense**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Amount	Amount
Salaries and wages	4,262.78	3,852.35
Contribution to Provident Fund	250.09	229.73
Contribution to Superannuation Fund	43.39	47.15
Gratuity (Refer note 23 B)	95.39	-
Expenses for Compensated Absences	66.30	5.02
Contributions to ESIC	18.68	15.62
Contribution to GLWF	0.01	-
Staff welfare expenses	300.66	243.15
<b>Total</b>	<b>5,037.30</b>	<b>4,393.02</b>

Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022

## 19. Finance Cost

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
	Amount	Amount
Interest Paid on Cash Credit Facility	45.57	59.19
Interest Paid on Term Loan	9.97	14.45
<b>Total</b>	<b>55.54</b>	<b>73.64</b>

## 20. Other Expenses

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
	Amount	Amount
Rent	104.87	99.14
Rates and taxes	36.00	45.21
Repairs and maintenance for:		
- Building	81.59	63.55
- Equipment	41.97	48.78
Printing and stationery	34.71	20.04
Communication expenses	39.03	31.69
Insurance	43.26	42.27
Motor car expenses	77.78	60.70
Travelling and conveyance	883.71	710.76
Software expenses and computer consumables	137.64	121.41
External training expenses	12.01	8.56
Quality assurance system - audit and other expenses	90.23	78.34
Provision for doubtful trade receivables	135.40	-
Technical and Professional Consultancy	1,588.94	1,327.32
Honorarium Fees for external experts	208.25	161.68
Electricity	44.43	35.93
Remuneration to statutory auditors (excludes tax):		
- Statutory Audit Fees	8.08	6.78
- Tax audit fees	0.80	1.30
- Reimbursement of expenses	0.10	-
Loss on sale of property, plant and equipment	-	3.21
Books and periodicals	6.42	0.64
Advertisement Expenses	28.97	12.95
Director Fees	1.50	1.10
Seminar and technical presentation expenses	1.91	2.86
Labour Charges and Site Expenses	343.69	283.28
Security/EMD Deposit written off	1.08	32.13
Bad Debts Written Off	72.53	213.79
TDS Considered to be not recoverable written off	11.20	24.22
Net Loss on Foreign Currency Transactions	-	14.37
General administration and other expenses	128.56	83.75
Laboratory Expenses -Materials & consumables	105.81	20.95
CSR Expenditure (Refer note 30)	16.56	16.15
<b>Total</b>	<b>4,287.03</b>	<b>3,572.86</b>

Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022

**21. Related party disclosures:**

**(i) Name of related party and nature of related party relationship:**

**Entity where joint control exists:**

a) DCSPL Association with ISSPL (AOP)- Upto 31st May, 2021

**Key management personnel:**

- a) Mr. Arun Sharma, Chairman and Director IRCLASS Systems and Solutions Pvt Ltd
- b) Mr. Vinay Kshirsagar, Director
1. IRCLASS Systems and Solutions Pvt Ltd
  2. Safess Quality Management Private Limited
  3. Arun Abhiyantey Private Limited
- c) Mr. Naresh Gupta, Director (Safess Quality Management Private Limited & Arun Abhiyantey Private Limited)
- d) Mr. Paulson Chakkunny, Director (Safess Quality Management Private Limited)
- e) Mr. Kapildev Shinde, Director (Safess Quality Management Private Limited)

**(ii) Transactions with related parties:**

Nature of Transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
	Amount in INR	Amount in INR
Managerial Remuneration	Nil	Nil
Director Remuneration	Nil	Nil
Technical and Certification Fees (Income) of DCSPL	Nil	Nil

**(iii) Balances with related parties: (Amount)**

Name of the Party	As at 31.03.2022	As at 31.03.2021
DCSPL Association with ISSPL (Joint control entity)	NA	143.94

**Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022**

**22. Segment Reporting**

Information about Primary Segment

The Group is primarily engaged in technical inspection & certification services

Particulars	Inspection & Certification		Others		Total	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Segment Revenue	10,575.95	9,059.02	-	-	10,575.95	9,059.02
<b>Total Revenue</b>	<b>10,575.95</b>	<b>9,059.02</b>	<b>-</b>	<b>-</b>	<b>10,575.95</b>	<b>9,059.02</b>
Segment Results	893.22	837.41	(1.49)	(0.70)	891.73	836.71
Add: Unallocated Income (Other than Interest)	-	-	-	-	77.94	179.74
Add: Unallocated Expenses (Share Issue Expenses)	-	-	-	-	-	-
Interest Income	-	-	-	-	97.45	61.17
<b>Surplus of Income Before Tax &amp; Exceptional Income</b>	<b>893.22</b>	<b>837.41</b>	<b>(1.49)</b>	<b>(0.70)</b>	<b>1,067.12</b>	<b>1,077.61</b>
Add : Prior Period Items	-	-	-	-	13.63	2.05
<b>Surplus of Income Before Tax</b>	<b>893.22</b>	<b>837.41</b>	<b>(1.49)</b>	<b>(0.70)</b>	<b>1,080.74</b>	<b>1,079.66</b>
Less : Provision for Tax	-	-	-	-	299.53	259.84
<b>Surplus of Income After Tax</b>	<b>893.22</b>	<b>837.41</b>	<b>(1.49)</b>	<b>(0.70)</b>	<b>781.21</b>	<b>819.82</b>
Segment Assets	9,421.64	8,583.90	132.80	132.28	9,554.44	8,728.82
Segment Liabilities	2,085.51	2,008.17	3.70	1.51	2,089.21	2,009.68
Depreciation	-	-	-	-	100.02	86.79
Significant Non Cash Expenditure Other than Depreciation	-	-	-	-	227.82	314.06
Capital Expenditure	-	-	-	-	643.37	77.03

**Information about Secondary Segments**

As the Group operates only within India, secondary segment reporting is not applicable.

Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022

**23. Employee benefits:**

Particulars		Year ended	Year ended
		March 31, 2022	March 31, 2021
		Amount	Amount
<b>A)</b>	<b>Defined Contribution Plans</b>		
	Contribution to Defined Contribution Plan, recognized in the Income and Expenditure account under employee benefits expense in Note 18 are as under:		
	Contribution to Provident Fund	<b>250.09</b>	229.73
	Contribution for Superannuation	<b>43.39</b>	47.15
		<b>293.48</b>	276.88
<b>B)</b>	<b>Defined Benefit Plans</b>		
	Gratuity (Funded) – As per actuarial valuation as at the Balance sheet date		
<b>(i)</b>	<b>Reconciliation of opening and closing balances of defined benefit obligation</b>		
	Present value of defined benefit obligation as at the beginning of the year	<b>655.20</b>	675.19
	Interest cost	<b>44.89</b>	46.07
	Current service cost	<b>67.21</b>	66.19
	Benefits paid	<b>(26.16)</b>	(132.64)
	Net actuarial (gain)/loss	<b>27.96</b>	0.39
	Present value of defined benefit obligation as at the end of the year	<b>769.10</b>	655.20
<b>(ii)</b>	<b>Reconciliation of fair value of plan assets</b>		
	Fair value of Plan Assets as at the beginning of the year	<b>763.27</b>	608.72
	Expected return on plan assets	<b>52.30</b>	41.14
	Asset Transferred in on acquisition	-	-
	Contribution made by Employer	<b>0.29</b>	79.47
	Net actuarial (loss)/gain	<b>(7.63)</b>	112.32
	Benefits paid	-	(78.39)
	Fair value of plan assets as at the end of the year	<b>808.23</b>	763.27
<b>(iii)</b>	<b>Net assets/(liabilities) recognised in the Balance Sheet</b>		
	Fair value of plan assets	<b>808.23</b>	763.27
	Present value of defined benefit obligation	<b>(769.10)</b>	(655.20)
	Net assets/ (liabilities) recognised in the Balance Sheet	<b>39.13</b>	108.07

Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022

**23. Employee benefits: (Contd.)**

Particulars		Year ended	Year ended
		March 31, 2022	March 31, 2021
		Amount	Amount
<b>(iv)</b>	<b>Components of employer's expenses</b>		
	Interest cost	<b>44.89</b>	46.07
	Current service cost	<b>67.22</b>	66.19
	Actuarial (gain)/ loss recognized	<b>35.58</b>	(111.94)
	Expected return on plan assets	<b>(52.30)</b>	(41.14)
	Asset Transferred on acquisition (Prior Period Adjustment)	-	-
	Total expenses/(income) recognized in the Income and Expenditure account	<b>95.39</b>	(40.82)
<b>(v)</b>	Actual return on plan assets	<b>153.39</b>	153.46
<b>(vi)</b>	Principal assumptions used in actuarial valuation	<b>Assured Lives</b>	Assured Lives
	Mortality table	<b>Mortality</b>	Mortality
		<b>(2006-08)</b>	(2006-08)
		<b>Ultimate</b>	Ultimate
	Discount rate	<b>6.86%-7.00%</b>	6.75%-6.83%
	Salary escalation rate	<b>5.00%-7.50%</b>	5.00%-7.50%
	Withdrawal rate	<b>1%</b>	1%
	For Service 4 years and below	<b>5.00%</b>	5.00%
	For Service 5 years and above	<b>5.00%</b>	5.00%
<b>(vii)</b>	Expected contribution for the next year 40.76 (Previous Year: Nil)		
<b>(viii)</b>	The Group manages gratuity fund with insurance companies.		
<b>(ix)</b>	The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
	Debt	<b>82.59%</b>	85.36%
	Equity	<b>17.41%</b>	14.64%
	<b>Total</b>	<b>100.00%</b>	100.00%

Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022

### 23. Employee benefits: (Contd.)

#### (x) Experience adjustment arising on :

Particulars	31st March 2022	31st March, 2021	31st March 2020	31st March 2019	31st March 2018
	Amount	Amount	Amount	Amount	Amount
1) Plan Liability (Gain)/Loss	1.52	0.39	54.27	(5.84)	(12.10)
2) Plan Asset (Gain)/Loss	(3.94)	(112.32)	7.05	6.81	(0.26)

### 23C) Leave Encashment

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Amount	Amount
Closing Liability/(Asset) Defined Benefit Obligation	(79.77)	(59.85)
Less : Opening Liability/(Asset) Defined Benefit Obligation	(59.85)	13.38
Movement in Leave Encashment	19.92	73.24

### 24. Foreign currency exposures:

The period-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Amounts receivable in foreign currency:

Currency	As at March 31, 2022		As at March 31, 2021	
	FCY	Equivalent	FCY	Equivalent
USD	3,92,100	295.64	2,91,392	213.42
AED	419	0.09	4,600	0.92
SLR	2,871	0.01	1,90,000	0.68
AUD	1,241	0.70	-	-
EUR	2,500	2.10	-	-
<b>Total</b>		<b>298.54</b>		<b>215.02</b>

Amounts payable in foreign currency: Nil (P Y Nil)

There are no derivatives held by the Group.

**Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022**

- 25.** During the financial year 2015-16, the Holding Company had acquired the business of Geological Metallurgical Laboratories, a partnership firm, on 31st October 2015 whereby all the assets and liabilities were purchased at book value excluding Land & Building which was purchased at Market Value totaling to 1,595.77 including stamp duty and registration fees paid on property of 145.77) out of Corpus funds. The Holding Company has recognized goodwill of 345.09 being the excess of purchase consideration over the value of net asset acquired. As at March 31, 2022, the entire goodwill has been fully amortised in accordance with the accounting policy of the Group as disclosed in note 2D.
- 26.** During the financial year 2016-17, the Holding Company had formed an Association of Persons (AOP) in collaboration with Dhruv Consultancy Services Private Limited for carrying out Detailed Project Report (DPR) related works for National Highway Authority of India (NHAI) and other similar State Government Agencies. As per clause C of AOP agreement, all assets, liabilities, income and expenditure are shared equally among the partners. Accordingly ISSPL's Share of assets, liabilities, income and expenditure have been accounted proportionately line by line in Consolidated Financial Statements. From 31st May, 2021, ISSPL has terminated the Agreement with DCSPL association of ISSPL and accordingly accumulated surplus in the income & expenditure account as on that date of 35.11 has been derecognised and proportionate line by line consolidation of assets, liabilities, income and expenditure discontinued from that date.
- 27.** During the financial year 2021-22, the Holding Company acquired a Division from CEG Test House and Research Centre(P) Limited for testing in the field of food and agriculture, drugs and pharmaceutical, water, environment monitoring and testing of Ayush and Herbal products on 09th February, 2022 whereby all the assets and liabilities were purchased at a lumpsum consideration of 600 (Six Hundred lakhs only) as a going concern on lumpsum basis. The Company has recognized goodwill of 141.71 being the excess of purchase consideration over the value of net asset acquired. As at March 31, 2022, goodwill has been amortized in accordance with the accounting policy of the Company as disclosed in note 2D

Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022

**27. Details of assets and liabilities taken over are as follows:**

Particulars	Amount
<b>Assets</b>	
Property, Plant and Equipment	385.27
Goodwill	141.71
Lab. Exp-Materials & Consumable	72.12
Books and Periodicals	5.00
Trade Receivable	5.03
Total Asset	609.13
<b>Liabilities</b>	
Trade Payable	4.00
Employee Expense Payable	5.13
Total Liabilities	9.13
<b>Net Consideration</b>	<b>600.00</b>

**28. Lease charges:**

The Holding Company has taken buildings on operating lease with lock-in period of 3 years. The total lease rent paid on the same amounting to 8.48 (P.Y. 6.77) is included under Rent forming part of other expenses.

**Obligations towards Minimum Lease payments (Amount)**

Particulars	31st March 2022	31st March 2021
Not later than One year	60.50	6.49
Later than one year but not later than five years	118.65	-
Later than five years	-	-
<b>Total</b>	<b>179.15</b>	<b>6.49</b>

**Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022**

29. Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary / associates / joint ventures :

	<b>March 31, 2022</b>			
	<b>Net assets, i.e total assets minus total liabilities</b>		<b>Share in profit or loss</b>	
	<b>As % of Consolidated net assets</b>	<b>Rs.</b>	<b>As % of Consolidated net profit or loss</b>	<b>Rs.</b>
<b>Parent</b>				
IRCLASS Systems and Solutions Private Limited	95.30	7,113.62	101.11	789.59
<b>Subsidiaries</b>				
Safess Quality Management Pvt Ltd	2.60	193.75	(5.10)	(39.85)
Arun Abhiyantey Pvt Ltd	2.10	157.20	(0.27)	(2.06)
<b>Joint Venture</b>				
DCSPL in Association With ISSPL	NA	NA	4.29	33.53
<b>Total</b>	<b>100.00</b>	<b>7,464.57</b>	<b>100.00</b>	<b>781.21</b>

**30. CSR Expenditure:**

- (a) Gross amount required to be spent by the Group during the year is 16.43 (P. Y. 16.05)
- (b) Amount spent during the year on:

<b>CSR activities</b>	<b>In Cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	16.56	-	16.56

**Notes forming part of the consolidated financial statements as at and for the year ended 31<sup>st</sup> March 2022**

- 31. Contingent Liability: Nil (Previous year Nil)**
- 32.** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

---

Signatures to Notes 1 to 32

**For and on behalf of the Board**

Mumbai  
Date : 22nd July, 2022

**Vinay Kshirsagar**  
Director

**Arun Sharma**  
Chairman and Director

**Consolidated Cash Flow Statement for the year ended 31st March, 2022**

PARTICULARS	Year ended March 31, 2022		Year ended March 31, 2021	
	Amount	Amount	Amount	Amount
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Excess of income over expenditure before Tax, exceptional and prior period items		1,067.12		1,077.61
Adjustments for:				
Depreciation on tangible assets	100.02		86.79	
Amortisation of goodwill on acquisition	3.96		40.26	
Amortisation of Software	3.66		3.66	
Lab. Exp-Materials & consumab. taken over on acquisition of business debited to I&E account	72.12		-	
Books and periodicals taken over on acquisition of business debited to I&E account	5.00		-	
Loss / (Gain) on sale / write off of fixed assets (net)	(0.18)		3.21	
Interest on FD with bank	(22.85)		(24.36)	
Interest on IT Refund	(73.39)		(36.81)	
Security/EMD Deposit w/off	1.08		32.13	
Net unrealised exchange (gain)/loss on foreign currency translations	(3.52)		12.66	
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(2.79)		1.34	
Interest paid on cash credit	45.57		59.19	
Interest paid on Term Loan	9.97		14.46	
Provision for doubtful trade receivables (net)	135.40		(138.71)	
Bad Debts Written Off	72.53		213.79	
TDS not recoverable written off	11.20		24.22	
		357.78		291.83
<b>Operating surplus before working capital changes</b>		1,424.90		1,369.44
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(585.81)		(178.57)	
Short-term loans and advances	(108.25)		(227.70)	
Long-term loans and advances	(101.01)		(18.90)	
Other Current assets	(9.25)		(6.87)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	43.91		(43.30)	
Other current liabilities	50.86		46.52	
Short Term Provisions	-		(79.85)	
		(709.55)		(508.67)
Cash generated from operations		715.35		860.77
Direct taxes paid (Tax deducted at source)		100.41		(88.12)
<b>Net cash from operating activities (A)</b>		815.76		772.65
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant & equipment (including capital advances)	(116.20)		(52.58)	
Proceeds from sale of property, plant and equipment	-		9.05	
Consideration paid for Acquisition of Business	(600.00)		-	
Bank balances not considered as cash and cash equivalents				
- Placed	(440.80)		(492.47)	
- Matured	492.47		422.09	
Slump Sale Consideration Paid	-		(650.00)	
Interest received	17.60		25.63	
<b>Net cash from / (used) in investing activities (B)</b>		(646.93)		(738.28)

**Consolidated Cash Flow Statement for the year ended 31st March, 2022**

PARTICULARS	Year ended March 31, 2022		Year ended March 31, 2021	
	Amount	Amount	Amount	Amount
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest paid on Cash Credit	(45.57)		(59.19)	
Interest paid on Term Loan	(9.97)		(14.46)	
Credit Facility from Bank (Net)	-		(33.96)	
Term Loan from HDFC Bank	15.66		-	
Term Loan installment repaid to HDFC Bank	(40.04)		(40.05)	
	(C)	(79.92)		(147.66)
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>88.91</b>		(113.29)
Cash and cash equivalents at the beginning of the year		107.26		221.89
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		2.79		(1.34)
<b>Cash and cash equivalents at the end of the year *</b>		<b>198.96</b>		107.26
* Comprises:				
(a) Cash on hand	1.31		1.44	
(b) Balances with banks				
(i) In current accounts	59.56		92.89	
(ii) In EEFC accounts	138.09		12.93	
<b>Total</b>		<b>198.96</b>		107.26

Note:

Figures in brackets are outflows / deductions

In terms of our report attached  
For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
FRN. 003990S/S200018

**For and on Behalf of the Board of Directors**

**Ramanarayanan J**  
Partner  
Membership No. 220369  
Mumbai  
Date : 22nd July, 2022  
ICAI UDIN Ref. No.: 22220369ANMDNY6054

**Vinay Kshirsagar**  
Director  
**Arun Sharma**  
Chairman and Director  
Mumbai  
Date : 22nd July, 2022

# FORM AOC - I

(All amounts are in Rs. Lakhs unless specified otherwise)

## Form AOC - I

(Pursuant to first proviso to sub-section (3) of the section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 )  
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

### Part "A": Subsidiaries

Sr. No.	Name of the Subsidiary Company	Reporting Period	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Effective (%) Shareholding
1	Safess Quality Management Pvt Ltd	01-04-21 to 31-03-22	INR	4.20	526.57	1,029.60	498.83	0.27	954.92	(54.06)	1.45	(52.61)	-	100
2	Arun Abhyanthey Pvt Ltd	01-04-21 to 31-03-22	INR	1.00	171.23	175.93	3.70	-	-	2.49	0.65	1.84	-	100

Notes:

- Name of subsidiary which is yet to commence operations - Nil
- Name of subsidiary which has been sold / disposed off during the year - Nil

In terms of our report attached.

Chartered Accountants

Firm Registration No: 003990S/S2000018

**Ramanarayanan J**

Membership No.220369

Place : Mumbai

Date : 22nd July, 2022

ICAI UDIN Ref. No.: 22220369ANMDNY6054

**For and on behalf of the Board of Directors**

**Mr. Vinay Kshirsagar**  
Director

Place : Mumbai

Date : 22nd July, 2022

**Mr. Arun Sharma**  
Chairman and Director

**Part "B": Associated and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Sr. No	Name of Associates /Joint Venture	DCSPL Association with ISSPL
1	Latest Audited Balance Sheet Date	31-May-21
2	Shares of Associate/Joint Ventures held by the Company on the year end	-
	No. of Shares held	-
	Amount of Investment in Associate/Joint Venture (in Rupees)	144.46
	Extent of Holding (in %)	50%
3	Description of how there is significant influence	
4	Reason why the associate/joint venture is not consolidated	-
5	Networth as per latest audited Balance Sheet	272.34
6	Networth attributable to Shareholding as per latest audited Balance Sheet	136.17
7	Profit / Loss for the year	
	i. Considered in Consolidation	33.53

Notes:

- Names of associates and joint ventures which are yet to commence operations - NIL
- Names of associates and joint ventures which have been liquidated or sold during the year - M/s DCSPL ASSOCIATION WITH ISSPL

In terms of our report attached.  
Chartered Accountants  
Firm Registration No: 003990S/S200018

**For and on behalf of the Board of Directors**

**Ramanarayanan J**  
Membership No.220369  
Place : Mumbai  
Date : 22nd July, 2022  
ICAIUDINRef.No.:22220369ANMDNY6054

**Mr. Vinay Kshirsagar**  
Director  
Place : Mumbai  
Date : 22nd July, 2022

**Mr. Arun Sharma**  
Chairman and Director

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCLASS SYSTEMS AND SOLUTIONS PRIVATE LIMITED****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the standalone financial statements of **IRCLASS Systems and Solutions Private Limited** ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of Income and Expenditure and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and excess of income over expenditure and its cash flows for the year ended on that date.

**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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Standalone Financial Statements and Auditors' Report Thereon**

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Directors' report but does not include the standalone financial statements and our auditors' report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including

the accounting Standards (AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in

the standalone 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in clause 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Standalone Balance Sheet, the Standalone Statement of Income and Expenditure and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditors' 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:
    - i. the Company does not have any pending litigations as at 31 March 2022 which would impact its financial position;

- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022.
  - iv.
    - (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
    - (b) The management has represented that to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - (c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. As the Company is incorporated as private company limited by guarantee without share capital, no dividend can be declared. Accordingly, reporting on compliance requirements of section 123 of the Companies Act, 2013 is not applicable.
3. Since the Company is a private limited company, the provisions of Section 197 of the Companies Act, 2013 are not applicable to it. Accordingly, reporting on compliance with the provisions of Section 197 of the Act is not applicable.

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm's Registration No.003990S/S200018

Place of Signature: Mumbai  
Date: 22nd July, 2022  
UDIN : 22220369ANMDPC3155

**Ramanarayanan J**  
Partner  
Membership No. 220369

**Annexure A**

**Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of IRCLASS Systems and Solutions Private Limited ("the Company") on the standalone financial statements as of and for the year ended 31 March 2022.**

- (i) In respect of the Company's property, plant and equipment:
    - (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
    - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a regular programme of physical verification of its property, plant and equipment every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, property, plant and equipment were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the records examined by us, we report that, the title deeds, comprising all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements, are held in the name of the Company as at Balance Sheet date.
  - (d) The Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year and hence clause 3(i)(d) of the Order is not applicable to the Company.
  - (e) Based on our audit procedures and according to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The Company does not maintain any inventory in its books. Hence clause 3(ii)(a) of the Order is not applicable to the Company.
  - (b) Based on our audit procedures & according to the information and explanation given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The insignificant differences noticed between the quarterly return of net current assets submitted to bank and the books of account, did not affect the drawing power and the required security cover computed in accordance with the sanctioned terms.
  - (iii) Based on our audit procedures and according to the information and explanations given to us, during the year the company has not made any investments in companies, firms, Limited Liability Partnerships or any other parties. During the

year the Company has provided guarantees and advances in the nature of loans to companies, in respect of which the requisite information is as below:

- (a) Based on our audit procedures and according to the information and explanations given to us, the Company has provided advances in the nature of loans and stood guarantee to companies.
- (A) The aggregate amount of advances in the nature of loans given during the year, and balance outstanding at the balance sheet date with respect to such advances in nature of loan and guarantees to subsidiaries are given below:-

(Rs. in lakhs)

Particulars	Guarantees	Security	Loans	Advances in nature of loans
<b>Aggregate Amount granted/ provided during the year</b>				
- Subsidiaries	NIL	NIL	NIL	59.34
- Joint Ventures	NIL	NIL	NIL	NIL
- Associates	NIL	NIL	NIL	NIL
- Others	NIL	NIL	NIL	NIL
<b>Balance outstanding as at balance sheet date in respect of above cases</b>				
- Subsidiaries	400.00	NIL	NIL	119.01
- Joint Ventures	NIL	NIL	NIL	NIL
- Associates	NIL	NIL	NIL	NIL
- Others	NIL	NIL	NIL	NIL

- (B) The Company has not provided any guarantee, security, loans and advances in the nature of loans during the year to parties other than subsidiaries.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion, that the terms and conditions of such guarantees and advances in the nature of loans, given during the year are, prima facie, not prejudicial to the Company's interest.
- (c) Based on our audit procedures and according to the information and explanation given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and as the repayments are not yet due, reporting on regularity of repayments/receipts is not applicable for the year.
- (d) There are no amounts overdue for more than ninety days as at the balance sheet date. Accordingly reporting on clause 3(iii)(d) of the Order is not applicable.
- (e) Based on our audit procedures and according to the information and explanation given to us, as no loan or advance in the nature of loan granted has fallen due during the year, reporting on clause 3(iii)(e) of the Order is not applicable.

- (f) Based on our audit procedures and according to the information and explanation given to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment and hence the question of aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause 76 of section 2 of the Companies Act, 2013 does not arise. Accordingly, clause 3(iii)(f) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 186 of the Act in respect of grant of loans, making investments and providing guarantees, and securities, as applicable. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013.
- (v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.
- (vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and any other statutory dues as applicable with the appropriate authorities.
- According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and any other statutory dues were in arrears, as at 31 March 2022 for a period of more than six months from the date they became payable.
- (b) There are no dues relating to income tax / sales tax / service tax / duty of customs / duty of excise / value added tax, Goods and Services Tax (GST) which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures and as per the information and explanations given by the management, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, clause 3(viii) of the order is not applicable to the Company.
- (ix) (a) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or dues to debenture holders.

- (b) According to the information and explanations given to us, the Company is not a declared willful defaulter by any bank or financial institution or other lender. Accordingly, clause 3(ix)(b) of the Order is not applicable to the Company.
- (c) According to the information and explanations given to us and the records of the Company examined by us, term loans taken by the Company were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, have not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Accordingly, clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any loans on the pledge of securities held in its subsidiary during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year and hence the question of whether money raised were applied for the purposes for which those are raised does not arise. Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence the question of whether the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised does not arise. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) The Whistle Blower mechanism is not applicable to the Company as on Balance sheet date hence reporting under this clause is not required

- (xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause 3(xii) of the Order are not applicable.
- (xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of the Internal Auditors for the period under audit.
- (xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) (a) Based on our audit procedures and according to the information and explanations given to us, in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), of the Order is not applicable.
- (b) Based on our audit procedures and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) Based on our audit procedures and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on our audit procedures and according to the information and explanations given to us, none of the group companies are Core Investment Company (CIC) and hence the question of number of CICs which are part of the Group does not arise. Accordingly, clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) Based on our audit procedures and according to the information and explanations given to us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management

plans, we are of the opinion that no material uncertainty exists as on the date of the audit report of the Company's capability of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) Based on our audit procedures and according to the information and explanations given to us, there are no amounts remaining unspent with respect to Corporate Social Responsibility expenditure required to be spent for the year under section 135 of the Companies Act. Accordingly, clause 3(xx) of the Order is not applicable to the Company.

**For PKF Sridhar & Santhanam LLP**

Chartered Accountants  
Firm's Registration No.003990S/S200018

Place of Signature: Mumbai  
Date: 22nd July, 2022  
UDIN : 22220369ANMDPC3155

**Ramanarayanan J**  
Partner  
Membership No. 220369

**Annexure B**

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

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

We have audited the internal financial controls with reference to standalone financial statements of **IRCLASS Systems and Solutions Private Limited** ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management 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 Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone 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 standalone 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls, 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 standalone financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls with reference to standalone financial statements**

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

**Inherent Limitations of Internal Financial Controls with reference to standalone financial statements**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has maintained, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm's Registration No.003990S/S200018

Place of Signature: Mumbai  
Date: 22nd July, 2022  
UDIN : 22220369ANMDPC3155

**Ramanarayanan J**  
Partner  
Membership No. 220369

**Standalone Balance Sheet as at 31st March, 2022**

Particulars	Note No.	As at	As at
		March 31, 2022	March 31, 2021
		Amount	Amount
<b>A RESERVES AND LIABILITIES</b>			
<b>1 Reserves and Surplus</b>	4	7,127.47	6,329.02
<b>2 Non Current Liabilities</b>			
(a) Long Term Borrowings	5	50.05	90.10
(b) Other Long Term Liabilities		-	-
<b>3 Current liabilities</b>			
(a) Short Term Borrowings	6	633.77	704.59
(b) Trade Payables		-	-
Micro and Small Enterprises			
Others	7	528.45	436.75
(c) Other Current Liabilities	8	536.53	499.21
<b>Total</b>		<b>8,876.27</b>	<b>8,059.67</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment			
(i) Tangible assets	9	1,928.55	1,519.82
(ii) Intangible assets		146.22	12.13
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-Current Investments	10	1,603.50	1,603.50
(c) Deferred Tax Asset (Net)	11	112.08	84.34
(d) Long-term loans and advances	12	796.81	998.34
(e) Other Non-Current Assets		-	-
<b>2 Current assets</b>			
(a) Current Investments		-	-
(b) Trade receivables	13	2,960.26	2,704.41
(c) Cash and bank balances	14	515.20	383.54
(d) Short-term loans and advances	15	724.54	671.16
(e) Other current assets	16	89.11	82.43
<b>Total</b>		<b>8,876.27</b>	<b>8,059.67</b>
See accompanying notes forming part of the financial statements	1 to 33		

In terms of our report attached  
For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
FRN. 003990S/S200018

**Ramanarayanan J**  
Partner  
Membership No. 220369  
Mumbai  
Date : 22nd July, 2022

ICAI UDIN Ref. No: 22220369ANMDPC3155

**For and on Behalf of the Board of Directors**

**Vinay Kshirsagar**                      **Arun Sharma**  
Director    Chairman and Director

Mumbai  
Date : 22nd July, 2022

## Standalone Statement of Income And Expenditure for the year ended 31st March 2022

Particulars		Note No.	Year ended	Year ended
			March 31, 2022	March 31, 2021
			Amount	Amount
<b>A</b>	<b>Inspection and Certification Services</b>		<b>9,621.03</b>	8,320.16
<b>B</b>	<b>Other Income</b>	16	<b>143.03</b>	255.87
<b>C</b>	<b>Total Revenue (A+B)</b>		<b>9,764.06</b>	8,576.03
<b>D</b>	<b>Expenses:</b>			
	(a) Employee benefits expense	17	<b>4,801.30</b>	4,174.90
	(b) Finance Cost	18	<b>47.81</b>	73.64
	(c) Depreciation	8	<b>83.63</b>	68.70
	(d) Amortisation of Intangible assets	8	<b>7.62</b>	43.92
	(e) Other expenses	19	<b>3,713.01</b>	3,144.16
	<b>Total Expenses</b>		<b>8,653.37</b>	7,505.32
<b>E</b>	<b>Excess of Income over Expenditure before Tax, Exceptional items and prior period</b>		<b>1,110.69</b>	1,070.72
<b>F</b>	<b>Prior Period Items</b>			
	Prior Period Income		<b>(6.97)</b>	6.67
	Prior Period Expenses		<b>(4.94)</b>	(4.62)
<b>G</b>	<b>Excess of Income Over Expenditure before Tax</b>		<b>1,098.78</b>	1,072.76
<b>H</b>	<b>Less : Provision for Tax</b>			
	a) Current Tax			
	Current Year		<b>302.60</b>	248.21
	Previous periods		<b>25.47</b>	(24.19)
	b) Deferred Tax	11	<b>(27.74)</b>	27.01
<b>I</b>	<b>Excess of Income Over Expenditure after Tax</b>		<b>798.45</b>	821.73
<b>J</b>	<b>Excess of Income over Expenditure Transferred to Reserves &amp; Surplus</b>		<b>798.45</b>	821.73
	See accompanying notes forming part of the financial statements	1 to 33		

In terms of our report attached  
For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
FRN. 003990S/S200018

**For and on Behalf of the Board of Directors**

**Ramanarayanan J**  
Partner  
Membership No.220369  
Mumbai  
Date : 22nd July, 2022  
ICAI UDIN Ref. No: 22220369ANMDPC3155

**Vinay Kshirsagar**  
Director  
**Arun Sharma**  
Chairman and Director  
Mumbai  
Date : 22nd July, 2022

**Notes forming part of the Standalone financial statements as at and for the year ended 31st March 2022**

**1. Corporate Information**

IRCLASS Systems and Solutions Private Limited was incorporated on 11th March 2014 for providing services related to Land Based Inspection services and Quality Certification. IRCLASS provides professionally competent, completely independent and highly efficient Technical Inspection & Certification services all over the world against Technical Specification, QA Plan and National/International Standards.

**2. Significant Accounting Policies**

**A. Basis of Accounting**

The financial statements are prepared under the historical cost convention on an accrual basis and are in accordance with the requirements of the Companies Act, 2013 and comply with the Accounting Standards notified under the Companies (Accounts) Rules, 2014.

**B. Use of Estimates**

The preparation of financial statements requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) as of the date of financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

**C. Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost (net off grants, if any) which includes purchase price, installation and other incidental cost to bring the assets to its present location and working condition for its intended use.

Depreciation on property, plant and equipment is provided using the SLM method over their useful life as prescribed under Schedule II of the Companies Act 2013. Depreciation is charged on pro rata basis for assets purchased/sold during the year. Leasehold improvements are depreciated over the lease period of the underlying premises.

**D. Goodwill on acquisition**

Goodwill on acquisition represents excess of the Purchase Consideration paid over and above the value of net asset taken over at the time of acquisition of business. This is amortized over a period of 5 years from the date of acquisition in accordance with Accounting Standard 14 on Accounting for Amalgamations.

**Notes forming part of the Standalone financial statements as at and for the year ended 31st March 2022**

**E. Inspection and Certification Fees**

Fees for inspection of materials and components and for certification activities are recognized at the time of issuing the respective certificates.

**F. Investment Income**

Interest/Dividend Income on Investment is recognized on accrual basis when the right to receive the income is established.

**G. Investments**

- i) Non-current investments are stated at the cost of acquisition. A provision for diminution, if any, is made to recognize a decline, other than temporary, in the value of non-current investments.
- ii) Short-term investments are valued at lower of cost and fair value.

**H. Foreign Currency Transactions**

Transactions in foreign currencies are recorded at exchange rate that approximates the actual rate at the date of transaction. In respect of monetary items denominated in foreign currencies, exchange rate differences arising out of settlement or on conversion at the closing rate are recognized in the Income and Expenditure Account.

**I. Employee Benefits**

Employee benefits comprise provident fund, gratuity, compensated absences and superannuation.

Provident fund is a defined contribution scheme and the Company has no further obligation beyond the contributions made to the recognized fund, which is separately administered.

The gratuity liability and compensated absences are independently determined by actuary based on the projected unit credit method as at the yearend after considering discount rates, increase in compensation levels, etc. All actuarial gains/losses are immediately recognized in the Income and Expenditure account.

Also, eligible employees who have been confirmed in service are provided superannuation benefits through a policy with HDFC Life Insurance Company Ltd with defined contributions made by the Company, which are charged to the Income and Expenditure account.

**Notes forming part of the Standalone financial statements as at and for the year ended 31st March 2022**

**J. Operating Lease**

Operating lease payments are recognized as an expense in the income and expenditure account over the lease term.

**K. Income Tax**

Income tax comprises current tax and deferred tax. Provision for current income tax is made on assessable income at the rate applicable to the relevant assessment year. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted at the balance Sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realized. The carrying amounts of deferred tax assets/ liability are reviewed and adjusted at each Balance Sheet date.

**L. Corpus Fund**

Corpus fund received from Indian Register of Shipping is for the following purpose:

- a) **General Fund:** To invest the fund in capital infrastructure in terms of hardware and software and other capital expenses.
- b) **Specific Fund:** Acquisition of majority/entire stake in existing companies/ organizations for the activities related to Design House/Plan Approval/Oil and Gas Sector, Academic & Training Institutes, Software Development Company, utilization of funds for capital expenditure and for research and development in industries allied with maritime activities.

3. The Company is formed under section 12 of the Companies Act, 1956 (equivalent to section 3 of the Companies Act, 2013) having no share capital. The Company is prohibited from distributing its surplus to its members. Each ordinary member, while he is a member or within one year afterwards, undertakes to contribute an amount not exceeding rupees one thousand to the assets of the Company in the event of winding up. Any surplus upon winding up or dissolution of the Company shall be given or transferred to such other Company or Association having objects similar to the objects of the Company to be determined by the members of the Company at or before the time of dissolution or in default thereof, by the High Court of Judicature that has or may acquire jurisdiction in the matter.

Notes forming part of the Standalone financial statements as at and for the year ended 31st March 2022

#### 4. Reserves and Surplus

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Amount	Amount
<b>Corpus Fund from Indian Register of Shipping (IRS)</b> [Refer Note 2 (L)]		
<b>General Fund</b>	200.00	200.00
	200.00	200.00
<b>Specific Fund</b>		
Opening and Closing Balance	2,995.76	2,995.76
	2,995.76	2,995.76
<b>Total (Refer Foot Note Below)</b>	<b>3,195.76</b>	<b>3,195.76</b>
<b>Surplus in the Income and Expenditure account</b>		
Balance as per last balance sheet	3,133.26	2,311.53
Add : Surplus for the year	798.45	821.73
Less : <u>Appropriations</u>		
Transfer to contingency reserve	-	-
Transfer to research and development reserve	-	-
	3,931.71	3,133.26
<b>Total</b>	<b>7,127.47</b>	<b>6,329.02</b>

**Foot Note :** Closing Balance of 3195.76 as on 31st March 2022 represents the amount spent towards acquisition of business of Geological & Metallurgical Laboratories and Investment in Safess Quality Management Private Limited & Arun Abhiyantey Private Limited (Refer note 10)

#### 5. Long Term Borrowings

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Amount	Amount
Term Loan from HDFC Bank	90.10	130.15
Less: Amount Payable within next 12 months shown under Short term Borrowings (Secured by charge on the equipment acquired out of term loan carrying interest rate at 10% repayable over 60 installments, last installment due on 28th June 2024)	(40.05)	(40.05)
<b>Total</b>	<b>50.05</b>	<b>90.10</b>

Notes forming part of the Standalone financial statements as at and for the year ended 31st March 2022

## 6. Short Term Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
	Amount	Amount
Cash Credit Facilities from HDFC Bank  (Secured by charge against present and future receivables of the company and Lien of Fixed Deposit amounting to 185; Sanctioned Limit 750 repayable on demand carrying Interest rate of 9.10 % (Previous Year 10%)	<b>593.72</b>	664.54
Current Portion of Long - Term Borrowings (refer footnote below)	<b>40.05</b>	40.05
<b>Total</b>	<b>633.77</b>	704.59

**Footnote:** Current portion of long-term borrowings reclassified under short-term borrowings in line with amendment made to Schedule III Division I of the Companies Act, 2013

## 7 Trade payables - Others

Particulars	As at March 31, 2022	As at March 31, 2021
	Amount	Amount
Trade payables - Others	<b>528.45</b>	436.75
<b>Total</b>	<b>528.45</b>	436.75

There are no amounts due to the micro and small suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006. This information takes into account only those suppliers who have intimated in this regard.

**Notes forming part of the Standalone financial statements as at and for the year ended 31st March 2022**

**Trade Payables Ageing**

Particulars	As on 31st March, 2022					
	Unbilled	Less than 1 year	1-2 years	2- 3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	328.50	176.50	8.88	6.03	8.54	528.45
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>328.50</b>	<b>176.50</b>	<b>8.88</b>	<b>6.03</b>	<b>8.54</b>	<b>528.45</b>

Particulars	As on 31st March, 2021					
	Unbilled	Less than 1 year	1-2 years	2- 3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	289.97	122.32	7.05	13.59	3.82	436.75
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>289.97</b>	<b>122.32</b>	<b>7.05</b>	<b>13.59</b>	<b>3.82</b>	<b>436.75</b>

**8. Other current liabilities**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Amount	Amount
Creditors for capital expenditures	22.88	2.63
Security Deposit from Customers	9.33	7.46
Payable for statutory dues	350.29	348.36
Payable to Employees	62.43	46.74
Employees Related Fund Payable	43.51	40.68
Advance from customers	48.09	53.34
<b>Total</b>	<b>536.53</b>	<b>499.21</b>

# NOTES TO ACCOUNTS

(All amounts are in Rs. Lakhs unless specified otherwise)

Notes forming part of the Standalone financial statements for the year ended 31st March, 2022

## Note 9- Property, Plant and Equipment

Sr. No.	Particulars	Gross Block			Accumulated Depreciation			Net Block		
		Balance as at 1 April 2021	Addition during the year	Addition as per Acquisition of Business (*)	Disposal	Balance as at 31 March 2022	Charge for the year	On disposals	Balance as at 31 March 2022	Balance as at 31 March 2021
<b>A</b>	<b>Tangible Assets</b>									
1	Land	1,180.77	-	-	-	1,180.77	-	-	1,180.77	1,180.77
2	Building	15.00	-	-	-	15.00	0.25	-	13.40	13.65
3	Plant and Equipment	406.78	14.84	330.16	-	751.78	51.02	-	573.90	279.92
4	Furniture and Fixtures	40.31	3.31	20.32	-	63.94	4.63	-	33.45	11.48
5	Computer System	149.55	72.54	-	0.50	221.59	26.63	0.49	141.69	34.00
6	Vehicle	-	16.41	-	-	16.41	0.12	-	0.12	-
7	Lease hold improvements	-	-	34.78	-	34.78	0.98	-	0.98	-
		<b>1,792.41</b>	<b>107.10</b>	<b>385.26</b>	<b>0.50</b>	<b>2,284.27</b>	<b>83.63</b>	<b>0.49</b>	<b>1,928.55</b>	<b>1,519.82</b>
<b>B.</b>	<b>Intangible Asset</b>									
	Goodwill (On Purchase of Business)	345.09	-	141.71	-	486.81	3.96	-	349.06	-
	Software	18.30	-	-	-	18.30	3.66	-	8.47	12.13
		363.39	-	141.71	-	505.11	7.62	-	358.88	12.13
	<b>Total as on 31.03.2022</b>	<b>2,155.80</b>	<b>107.10</b>	<b>526.97</b>	<b>0.50</b>	<b>2,789.38</b>	<b>91.25</b>	<b>0.49</b>	<b>2,074.77</b>	<b>1,531.95</b>
	Total as on 31.03.2021	2,110.99	60.76	-	15.95	2,155.80	112.62	3.68	1,531.95	1,596.08

Refer Note 28 of the Standalone Financial Statement

Notes forming part of the Standalone financial statements as at and for the year ended 31st March 2022

**10. Non-Current Investment (At cost)**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Amount	Amount
<b>a. Investment in Wholly Owned Subsidiary Companies – Trade, Unquoted</b>		
Investment in Safess Quality Management Pvt Ltd (*) (42,000nos(P Y : 42,000) of Shares Face Value of Rs 10each)	<b>1,590.22</b>	1,590.22
Investment in Arun Abhiyantey Private Limited (*) (10,000 nos (P Y : 10,000) of Shares Face Value of Rs 10 each)	<b>9.78</b>	9.78
<b>b. Investment in Other Companies – Trade, Unquoted</b>		
Investment in PT IRCLASS Service Indonesia	<b>0.29</b>	0.29
Investment in Guangzhou Dazhong Certification	<b>3.21</b>	3.21
<b>Total</b>	<b>1,603.50</b>	1,603.50

Note:

\* Investment made out of corpus fund received from IRS

**11. Deferred Tax Asset (Net)**

Particulars	As at	As at	Movement for the year ended 31st March, 2022
	March 31, 2022	March 31, 2021	
	Amount	Amount	Amount
<b>Deferred Tax Asset Due to</b>			
Difference in Depreciation	<b>21.87</b>	26.98	(5.11)
Provision for Doubtful Debts	<b>87.94</b>	54.16	33.78
Profit/Loss on sale of fixed asset	<b>1.00</b>	1.04	(0.04)
Unrealised Foreign Exchange Loss / (Gain)	<b>1.27</b>	2.16	(0.89)
<b>Deferred Tax Liability Due to</b>	-	-	-
<b>Total</b>	<b>112.08</b>	84.34	27.74
Previous Year	<b>84.34</b>	111.35	(27.01)

Notes forming part of the Standalone financial statements as at and for the year ended 31st March 2022

## 12. Long Term Loans and Advances (unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2022	As at March 31, 2021
	Amount	Amount
Loans and advances to employees		
- Furniture loans	0.35	0.47
Loan given:		
- Related Parties (refer Note 21)	119.01	-
Security deposits	191.69	116.85
Prepaid expenses	0.75	1.35
Income tax recoverable (net of tax provisions)	485.01	879.67
<b>Total</b>	<b>796.81</b>	<b>998.34</b>

## 13. Trade Receivables (unsecured, unless stated otherwise)

Particulars	As at March 31, 2022	As at March 31, 2021
	Amount	Amount
Outstanding for a period exceeding six months from the date they are due for payment:		
Considered good	453.99	494.70
Considered doubtful	391.99	257.79
	<b>845.98</b>	<b>752.49</b>
Less: Provision for doubtful trade receivables (Refer footnote below)	<b>(391.99)</b>	<b>(257.79)</b>
	<b>453.99</b>	<b>494.70</b>
Others		
Considered good	2506.27	2,209.71
<b>Total</b>	<b>2,960.26</b>	<b>2,704.41</b>

### Footnote: Provision for doubtful trade receivable

Particulars	As at March 31, 2022	As at March 31, 2021
	Amount	Amount
<b>Opening Balance</b>	<b>257.79</b>	422.04
Additional Provision/ (Reversal) during the year	<b>134.20</b>	(164.25)
Adjustments	-	-
<b>Closing Balance</b>	<b>391.99</b>	257.79

Notes forming part of the Standalone financial statements as at and for the year ended 31st March 2022

**Trade receivables (including unbilled revenue)**

Particulars	As on 31st March, 2022						Total
	Unbilled Revenue	Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	87.44	2,506.27	321.18	81.58	50.51	0.71	3,047.70
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	5.83	7.98	44.78	192.50	251.09
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	20.40	120.42	140.81
<b>Total</b>	<b>87.44</b>	<b>2,506.27</b>	<b>327.02</b>	<b>89.56</b>	<b>115.69</b>	<b>313.63</b>	<b>3,439.61</b>

Notes forming part of the Standalone financial statements as at and for the year ended 31st March 2022

**Trade receivables (including unbilled revenue) (Contd.)**

Particulars	As on 31st March, 2021						Total
	Unbilled Dues	Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	80.49	2,209.71	139.43	208.87	47.32	99.08	2,784.90
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	4.53	24.47	155.22	184.22
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	73.57	73.57
<b>Total</b>	<b>80.49</b>	<b>2,209.71</b>	<b>139.43</b>	<b>213.40</b>	<b>71.79</b>	<b>327.87</b>	<b>3,042.69</b>

**14. Cash and Bank Balances**

Particulars	As at March 31, 2022	As at March 31, 2021
	Amount	Amount
<b>Cash and cash equivalents</b>		
Cash on hand	0.95	1.15
<b>Balance with banks</b>		
- In current accounts	51.08	44.65
- In EEFC accounts	138.09	12.93
	190.12	58.73
<b>Other bank balances</b>		
- In deposit accounts with banks with original maturity of more than 3months but not more than 12 months. (Including deposits pledged with bank of 185 (Previous Year 185) towards cash credit facilities)	325.08	324.81
<b>Total</b>	<b>515.20</b>	<b>383.54</b>

**Notes forming part of the Standalone financial statements as at and for the year ended 31st March 2022**

**15. Short Term Loans and Advances (unsecured, considered good unless stated otherwise)**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Amount	Amount
Loans given:		
- Related Parties (Refer Note 21)	-	59.68
Loans and advances to employees		
- Other Advances	8.50	17.52
Prepaid expenses	25.37	22.55
Advance to Creditors for expenses	23.96	12.64
Advance paid to third parties	2.25	1.77
Earnest Money Deposit	196.72	78.19
Surplus in Gratuity Fund (Refer note no – 25B)	31.96	98.85
Surplus in Leave Encashment Fund (Refer note no – 25C)	79.77	59.85
Balances with government authorities	356.01	320.11
<b>Total</b>	<b>724.54</b>	<b>671.16</b>

**16. Other Current Assets**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Amount	Amount
Interest accrued on deposits with banks	1.67	1.86
Unbilled Revenue	87.44	80.49
Other Receivables	-	0.08
<b>Total</b>	<b>89.11</b>	<b>82.43</b>

Notes forming part of the Standalone financial statements as at and for the year ended 31st March 2022

**17. Other Income**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Amount	Amount
<b>Interest from :</b>		
- Bank Deposits	<b>16.03</b>	18.82
- Inter Corporate Deposits	<b>8.87</b>	2.24
Profit on termination of AOP	<b>35.12</b>	-
Other Interest	<b>0.40</b>	0.05
Miscellaneous Income	-	0.01
Profit on sale of Fixed Assets	<b>0.18</b>	-
Interest on Income tax refund	<b>73.39</b>	35.76
Income From Gratuity Fund (Refer Note no – 25B)	-	34.74
Net Gain on Foreign Currency Transactions	<b>9.04</b>	-
Provision for doubtful debts written back	-	164.25
<b>Total</b>	<b>143.03</b>	255.87

**18. Employee Benefits Expense**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Amount	Amount
Salaries and wages	<b>4,058.95</b>	3,663.61
Contribution to Provident Fund	<b>225.10</b>	204.51
Contribution to Superannuation Fund	<b>43.39</b>	47.15
Gratuity (Refer note no – 25B)	<b>93.06</b>	-
Expenses for Compensated Absences	<b>66.30</b>	5.01
Contribution to ESIC	<b>13.82</b>	11.48
Contribution to GLWF	<b>0.02</b>	-
Staff welfare expenses	<b>300.66</b>	243.14
<b>Total</b>	<b>4,801.30</b>	4,174.90

**19. Finance Cost**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Amount	Amount
Interest Paid on Cash Credit Facility	<b>37.84</b>	59.19
Interest Paid on Term Loan	<b>9.97</b>	14.45
<b>Total</b>	<b>47.81</b>	73.64

**Notes forming part of the Standalone financial statements as at and for the year ended 31st March 2022**

**20. Other Expenses**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Amount	Amount
Rent	79.14	64.67
Rates and taxes	36.00	45.21
Repairs and maintenance for:		
- Building	81.59	63.55
- Equipment	41.97	48.78
Printing and stationery	34.71	20.04
Communication expenses	37.32	30.51
Insurance	43.26	42.27
Motor car expenses	77.78	60.70
Travelling and conveyance	775.31	653.09
Software expenses and computer consumables	137.64	121.41
External training expenses	12.01	8.56
Quality assurance system - audit and other expenses	90.23	78.34
Provision for Bad & Doubtful Debts	134.20	-
Technical and Professional Consultancy	1,551.94	1,309.25
Honorarium to external experts	208.25	161.68
Electricity	43.35	35.81
Remuneration to statutory auditors (excludes tax):		
- Audit fees	6.20	5.20
- Tax audit fees	0.80	0.80
- Reimbursement of expenses	0.10	-
Books and periodicals	6.42	0.64
Seminar and technical presentation expenses	1.91	2.86
TDS considered to be not recoverable written off	11.20	15.93
Advertisement Expenses	28.97	12.95
Loss on Sale of Fixed Assets	-	3.21
Director Fees	1.50	1.10
CSR Expenditure (Refer note 30)	16.56	16.14
Security/EMD Deposit written off	1.08	32.13
Bad Debts written off	42.74	213.79
Lab. Exp-Materials & consumables	105.80	20.96
Net Loss on Foreign Currency Transactions	-	14.37
General administration and other expenses	105.03	60.21
<b>Total</b>	<b>3,713.01</b>	<b>3,144.16</b>

**Notes forming part of the Standalone financial statements as at and for the year ended 31st March 2022**

**21. Related party disclosures:**

**(i) Name of related party and nature of related party relationship:**

**Subsidiary Companies:**

- a) Safess Quality Management Pvt. Ltd.
- b) Arun Abhiyantey Pvt. Ltd.

**Entity where joint control exists:**

- a) DCSPL Association with ISSPL (AOP) (upto 31st May, 2021)

**Key management personnel:**

- a) Mr. Arun Sharma, Chairman and Director
- b) Mr. Vinay Kshirsagar, Director

**(ii) Transactions with related companies/party:**

- a) Advance to Safess Quality Management Private Ltd : 59.34 (Previous Period : 59.68)
- b) Interest received on advance to Safess Quality Mgt. Pvt Ltd: 8.87 (Previous Period: 2.24)

Current account transactions and reimbursements have not been considered for the purpose of above reporting.

**(iii) Balances with related companies/party:**

Trade Receivables -DCSPL Association with ISSPL – NA (Previous Period 144.30)

Loan to Safess Quality Management Private Limited- 119.01 (Previous Period : 59.68)

**22. Segment Reporting**

**Information about Primary Segment**

Since the Company is engaged in one line of activity, viz. Technical Inspection and Certification, Accounting Standard 17 “Segment Reporting” is considered not applicable with respect to primary business segment.

**Information about Secondary Segments**

Geographical Segments considered for disclosures are:

- Services provided to customers within India (Indian)
- Services provided to customers outside India (Foreign)

Notes forming part of the Standalone financial statements as at and for the year ended 31st March 2022

## 22. Segment Reporting (Contd.)

Particulars	Indian	Foreign	Total
Segment Revenue	<b>8,879.78</b>	<b>741.25</b>	<b>9,621.03</b>
	(7,593.87)	(726.29)	(8,320.16)
Carrying amount of segment assets	<b>8,577.73</b>	<b>298.54</b>	<b>8,876.27</b>
	(7,844.65)	(215.02)	(8,059.67)
Addition to property, plant and equipment	<b>634.08</b>	-	<b>634.08</b>
	(60.75)	( - )	(60.75)

Figures in brackets indicate figures for previous year

## 23. Expenditure in foreign currency (on payment basis):

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Amount	Amount
(i) Quality assurance system – Audit and other expenses	<b>33.84</b>	33.71
(ii) Legal and technical consultancy expenses	<b>313.78</b>	490.51
(iii) Travelling Expenses	<b>8.72</b>	18.44
<b>Total</b>	<b>356.34</b>	542.66

## 24. Earnings in foreign exchange (on receipt basis):

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Amount	Amount
i) Inspection/Certification fees received from:		
Customers	<b>797.59</b>	1,040.39
Advance Received from customer	-	-
<b>Total</b>	<b>797.59</b>	<b>1,040.39</b>

Notes forming part of the Standalone financial statements as at and for the year ended 31st March 2022

**25. Employee benefits:**

Particulars		Year ended	Year ended
		March 31, 2022	March 31, 2021
		Amount	Amount
<b>A)</b>	<b>Defined Contribution Plans</b>		
	Contribution to Defined Contribution Plan, recognized in the Income and Expenditure account under employee benefits expense in Note 18 are as under:		
	Contribution to Provident Fund	<b>225.10</b>	204.51
	Contribution for Superannuation	<b>43.39</b>	47.15
		<b>268.49</b>	251.66
<b>B)</b>	<b>Defined Benefit Plans</b>		
	Gratuity (Funded) – As per actuarial valuation as at the Balance sheet date		
<b>(i)</b>	<b>Reconciliation of opening and closing balances of defined benefit obligation</b>		
	Present value of defined benefit obligation as at the beginning of the year	<b>606.94</b>	622.71
	Interest cost	<b>41.63</b>	42.53
	Current service cost	<b>61.99</b>	61.36
	Benefits paid	<b>(26.16)</b>	(131.05)
	Net actuarial (gain)/loss	<b>30.74</b>	11.39
	Present value of defined benefit obligation as at the end of the year	<b>715.14</b>	606.94
<b>(ii)</b>	<b>Reconciliation of fair value of plan assets</b>		
	Fair value of Plan Assets as at the beginning of the year	<b>705.79</b>	555.76
	Expected return on plan assets	<b>48.42</b>	37.96
	Contributions by the Employer	-	78.40
	Benefit Paid	-	(78.39)
	Net actuarial (loss)/gain	<b>(7.11)</b>	112.06
	Fair value of plan assets as at the end of the year	<b>747.10</b>	705.79

Notes forming part of the Standalone financial statements as at and for the year ended 31st March 2022

**25. Employee benefits: (Contd.)**

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
		Amount	Amount
<b>(iii)</b>	<b>Net assets/(liabilities) recognised in the Balance Sheet</b>		
	Fair value of plan assets	<b>747.10</b>	705.79
	Present value of defined benefit obligation	<b>(715.14)</b>	(606.94)
	Net assets/ (liabilities) recognised in the Balance Sheet	<b>31.96</b>	98.85
<b>(iv)</b>	<b>Components of employer's expenses</b>		
	Interest cost	<b>41.64</b>	42.53
	Current service cost	<b>61.99</b>	61.35
	Actuarial (gain)/ loss recognized	<b>37.85</b>	(100.67)
	Expected return on plan assets	<b>(48.42)</b>	(37.95)
	Asset transferred on acquisition (Prior Period Adjustment)	-	-
	Total expenses/(income) recognized in the Income and Expenditure account	<b>93.06</b>	(34.74)
<b>(v)</b>	Actual return on plan assets	<b>41.31</b>	150.01
<b>(vi)</b>	Principal assumptions used in actuarial valuation	<b>Assured Lives</b>	Assured Lives
	Mortality table	<b>Mortality</b>	Mortality
		<b>(2006-08)</b>	(2006-08)
		<b>Ultimate</b>	Ultimate
	Discount rate	<b>7.23%</b>	6.83%
	Salary escalation rate	<b>6.00%</b>	5.00%
	Withdrawal rate		
	For Service 4 years and below	<b>5.00%</b>	5.00%
	For Service 5 years and above	<b>5.00%</b>	5.00%

Notes forming part of the Standalone financial statements as at and for the year ended 31st March 2022

**25. Employee benefits: (Contd.)**

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
		Amount	Amount
(vii)	Expected contribution for the next year <b>40.76</b> (Previous Year: NIL).		
(viii)	The Company manages gratuity fund with an insurance company.		
(ix)	The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
	Debt	<b>82.59%</b>	85.36%
	Equity	<b>17.41%</b>	14.64%
	<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

**(x) Experience adjustment arising on :**

Particulars	31st March 2022	31st March, 2021	31st March 2020	31st March 2019	31st March 2018
	Amount	Amount	Amount	Amount	Amount
1) Plan Liability (Gain) /Loss on obligation	<b>1.52</b>	7.33	11.68	(14.97)	(8.96)
2) Plan Liability (Gain) /Loss on plan asset	<b>7.11</b>	(112.06)	7.05	6.81	0.20

**25 C) Leave Encashment**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Amount	Amount
Closing Liability/(Asset) Defined Benefit Obligation	<b>(79.77)</b>	(59.85)
Less : Opening Liability/(Asset) Defined Benefit Obligation	<b>(59.85)</b>	13.38
Movement in Leave Encashment	<b>19.92</b>	73.24

**Notes forming part of the Standalone financial statements as at and for the year ended 31st March 2022**

**26. Foreign currency exposures:**

The period-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Amounts receivable in foreign currency:

Currency	As at March 31, 2022		As at March 31, 2021	
	FCY	Equivalent	FCY	Equivalent
USD	<b>3,92,100</b>	<b>295.64</b>	2,91,392	213.42
AED	<b>419</b>	<b>0.09</b>	4,600	0.92
SLR	<b>2,871</b>	<b>0.01</b>	1,90,000	0.68
AUD	<b>1,241</b>	<b>0.70</b>	-	-
EUR	<b>2,500</b>	<b>2.10</b>	-	-
<b>Total</b>		<b>298.54</b>		215.02

Amounts payable in foreign currency: Nil (P Y NIL.)

There are no derivatives held by the company.

- 27.** During the financial year 2015-16, the Company acquired the business of Geological Metallurgical Laboratories a partnership firm on 31st October 2015 whereby all the assets and liabilities were purchased at book value excluding Land & Building which was purchased at Market Value totaling to 1,595.77 (including stamp duty and registration fees paid on property of 145.77) out of the Corpus funds. The Company has recognized goodwill of 345.09 being the excess of purchase consideration over the value of net asset acquired. As at March 31, 2022, the entire goodwill has been fully amortized in accordance with the accounting policy of the Company as disclosed in note 2D.
- 28.** During the financial year 2021-22, the Company acquired a Division from CEG Test House and Research Centre(P) Limited for testing in the field of food and agriculture, drugs and pharmaceutical, water, environment monitoring and testing of Ayush and Herbal products on 09th February, 2022 whereby all the assets and liabilities were purchased at a lumpsum consideration of 600 (Six Hundred lakhs only) as a going concern on lumpsum basis. The Company has recognized goodwill of 141.71 being the excess of purchase consideration over the value of net asset acquired. As at March 31, 2022, goodwill has been amortized in accordance with the accounting policy of the Company as disclosed in note 2D.

**Notes forming part of the Standalone financial statements as at and for the year ended 31st March 2022**

**28. Details of assets and liabilities taken over are as follows:**

Particulars	Amount
<b>Assets</b>	
Property, Plant and Equipment	385.27
Goodwill	141.71
Lab. Exp-Materials & Consumable	72.12
Books and Periodicals	5.00
Trade Receivable	5.03
Total Asset	609.13
<b>Liabilities</b>	
Trade Payable	4.00
Employee Expense Payable	5.13
Total Liabilities	9.13
Net Consideration	600.00

**29. Lease Charges:**

The Company has taken buildings on operating lease with lock-in period of 3 years. The total lease rent paid on the same amounting to 8.48 (P.Y. 6.77) is included under Rent forming part of other expenses.

**Obligations towards Minimum Lease payments**

Particulars	31st March 2022	31st March 2021
Not later than One year	<b>60.50</b>	6.49
Later than one year but not later than five years	<b>118.65</b>	-
Later than five years	-	-
<b>Total</b>	<b>179.15</b>	6.49

**30. CSR Expenditure:**

- (a) Gross amount required to be spent by the company during the year is 16.43 (P. Y. 16.05)  
(b) Amount spent during the year on:

	CSR activities	In Cash	Yet to be paid in cash	Total (Rs.)
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	16.56	-	16.56

**31. Contingent Liability:**

Corporate Guarantee on behalf of Safess Quality Management Private Limited is 400 (P.Y. 400)

Notes forming part of the Standalone financial statements as at and for the year ended 31st March 2022

**32. Financial Ratios:**

S. No.	Ratio	Numerator	Denominator	31st March, 2022	31st March, 2021	% Variance
a)	Current Ratio	Total Current Assets	Total Current Liabilities	<b>2.52</b>	2.34	8%
b)	Debt-Equity Ratio	Total Debts consists of Non current and Current Borrowings	Shareholder's Equity	<b>0.10</b>	0.13	-24%
c)	Debt Service Coverage Ratio	Earnings available for Debt Service = Net Profit after Tax + Non cash operating expenses + Interest + Other non cash adjustments	Debt Service = Interest and Lease Payments + term loan principal repayments	<b>26.64</b>	24.57	8%
d)	Return on Equity Ratio	Net Profit after Tax	Average Shareholders' Equity	<b>0.12</b>	0.14	-15%
e)	Inventory turnover ratio	Revenue from Operations	Average Inventory	<b>Not Applicable as the Company does not maintain inventory</b>		
f)	Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables	<b>3.40</b>	3.13	9%
g)	Trade payables turnover ratio	Total Expenses - Depreciation - Interest - Employee Benefit Expenses	Average Trade Payables	<b>7.69</b>	6.82	13%
h)	Net capital turnover ratio	Revenue from Operations	Average Working Capital = Average Current Assets - Average Current Liabilities	<b>4.02</b>	5.10	-21%
i)	Net profit ratio	Net Profit after Tax	Revenue from Operation	<b>0.08</b>	0.10	-16%
j)	Return on Capital employed	Earnings before Interest and Taxes	Capital Employed = Average Equity + Average Debts + Average Lease Liabilities	<b>0.16</b>	0.17	-9%
k)	Return on investment	Dividend income from Non current Investments	Non current Investments	-	-	-

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

Signatures to Notes 1 to 33

**For and on behalf of the Board**

Mumbai  
Date: 22nd July, 2022

**Vinay Kshirsagar**  
Director

**Arun Sharma**  
Chairman and Director

## CASH FLOW STATEMENT

## Standalone Cash Flow Statement for the year ended 31st March, 2022

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Amount	Amount	Amount	Amount
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Excess of income over expenditure before tax		<b>1,110.69</b>		1,070.72
Adjustments for:				
Depreciation on tangible assets	<b>83.63</b>		68.70	
Amortisation of goodwill on acquisition	<b>3.96</b>		40.26	
Amortisation of software	<b>3.66</b>		3.66	
Share of profit of AOP	<b>(35.12)</b>		-	
Lab. Exp-Materials & consumab. taken over on acquisition of business debited to P&L account	<b>72.12</b>		-	
Books and periodicals taken over on acquisition of business debited to P&L account	<b>5.00</b>		-	
Loss / (Gain) on sale / write off of fixed assets (net)	<b>(0.18)</b>		3.21	
Security/EMD Deposit Written off	<b>1.08</b>		32.13	
Interest income	<b>(25.30)</b>		(21.11)	
Interest on IT Refund	<b>(73.39)</b>		(35.76)	
Net unrealised exchange loss/(gain) on foreign currency translations	<b>(3.52)</b>		12.66	
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	<b>(2.79)</b>		1.34	
Interest paid on Cash credit facility	<b>37.84</b>		59.19	
Interest paid on Term Loan	<b>9.97</b>		14.46	
Provision for doubtful trade receivables (net)	<b>134.20</b>		(164.25)	
Bad Debts Written off	<b>42.74</b>		213.79	
TDS not recoverable written off	<b>11.20</b>		15.93	
		<b>265.10</b>		244.21
<b>Operating surplus before working capital changes</b>		<b>1,375.79</b>		1,314.93
Adjustments for (increase) /decrease in operating assets:				
Trade receivables	<b>(401.05)</b>		(151.51)	
Short-term loans and advances	<b>(114.14)</b>		(231.98)	
Long-term loans and advances	<b>(74.12)</b>		9.93	
Other Current assets	<b>(6.88)</b>		19.49	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	<b>87.71</b>		(61.37)	
Other current liabilities	<b>11.94</b>		38.23	
Short Term Provisions	<b>-</b>		(80.33)	
		<b>(496.54)</b>		(457.54)
Cash generated from operations		<b>879.25</b>		857.39
Direct taxes paid (Tax deducted at source)		<b>128.78</b>		(80.13)
<b>Net cash from operating activities (A)</b>		<b>1,008.03</b>		777.26

## Standalone Cash Flow Statement for the year ended 31st March, 2022

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Amount	Amount	Amount	Amount
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment (including capital advances)	(86.67)		(37.28)	
Addition of Fixed assets on acquisition of business	(600.00)		-	
Proceeds from Sale of Property, plant and equipment	-		9.05	
Bank balances not considered as Cash and cash equivalents				
- Placed	(325.08)		(324.81)	
- Matured	324.81		319.09	
Loan to Subsidiary Company	(59.33)		(59.68)	
Interest received	25.50		21.61	
Slump Sale consideration Paid	-		(650.00)	
		(720.77)		(722.02)
<b>Net cash used in investing activities (B)</b>		(720.77)		(722.02)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest paid on CC	(37.84)		(59.19)	
Interest paid on Term Loan	(9.97)		(14.46)	
Cash credit Facility from HDFC Bank (Net)	(70.82)		(33.97)	
Term Loan Installment repaid to HDFC Bank	(40.04)		(40.05)	
		(158.67)		(147.67)
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		128.61		(92.43)
Cash and cash equivalents at the beginning of the year		58.73		152.50
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		2.78		(1.34)
<b>Cash and cash equivalents at the end of the year *</b>		190.12		58.73
* Comprises:				
(a) Cash on hand		0.95		1.15
(b) Balances with banks				
(i) In current accounts		51.08		44.65
(ii) In EEFC accounts		138.09		12.93
<b>Total</b>		190.12		58.73

Note:

- (a) The above Cash flow statement has been prepared under Indirect method in accordance with AS 3 Cash Flow Statement
- (b) Figures in brackets are outflows/deductions

In terms of our report attached

**For and on Behalf of the Board of Directors**

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
FRN. 003990S/S200018

**Ramanarayanan J.**  
Partner  
Membership no. 220369  
Mumbai  
Date : 22nd July, 2022  
ICAI UDIN Ref. No: 22220369ANMDPC3155

**Vinay Kshirsagar**  
Director  
Mumbai  
Date : 22nd July, 2022

**Arun Sharma**  
Chairman and Director

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAFESS QUALITY MANAGEMENT PVT. LTD.****Report on the Financial Statements****Opinion**

We have audited the accompanying financial statements of M/s. Safess Quality Management Pvt. Ltd. ("the Company") which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and loss, and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report the fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, prescribed under section 133 of the Act.. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the company's financial reporting process

**Auditor's Responsibilities for the Audit of Financial Statement.**

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

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

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

expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), 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, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) Pursuant to MCA notification dated 13th June 2017, reporting on adequacy of the internal financial controls over financial reporting is exempted for the company.
- (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 best of our information and according to the explanation given to us:
- a) The Company does not have any pending litigations which would impact its financial positions.
- b) The Company did not have any long term contracts including derivative contracts as at 31st March, 2022 for which there were any material foreseeable losses.
- c) There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Company.
- d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall;
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
  - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall;
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion, the limit prescribed by section 197 for maximum permissible managerial remuneration is not applicable to a the company.

**For Sanjay & Snehal**  
Chartered Accountants  
Firm Reg. No. 118160W

**Place:** Mumbai  
**Date:** 20th July, 2022  
UDIN: 22049623ANUESJ2223

**Sanjay T. Tupe**  
Partner  
Membership No. 49623

### Annexure 1 to Independent Auditors Report

Referred to in paragraph 1 under Report on other Legal and Regulatory Requirements in the independent Auditor's Report of even date to the members of Safess Quality Management Pvt. Ltd. on the Standalone financial statements as of and for the year ended 31st March 2022.

- (i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The company is maintaining proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment have been physically verified by the management at reasonable intervals; and as per the information and explanations given to us, there were no material discrepancies noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) (d) (e) of the Order are not applicable.
- (ii) (a) As inform to us, the inventories were physically verified during the year by the Management at reasonable intervals and in our opinion, the coverage and procedure of such verification by the management is appropriate; and there were no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) During any point of time of the year, the company has not been sanctioned any working capital from banks or financial institutions on the basis of security of current assets therefore related compliances were not applicable.
- (iii) As per the information and explanations give to us, during the year the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore the sub-clauses (b),(c),(d),(e),(f) to the said clause are at present not applicable to the Company.
- (iv) The Company has not granted any loans, made an investment, provided guarantees, and security, therefore provisions of sections 185 and 186 of the Companies Act is at present not applicable to the Company.
- (v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31st March, 2022 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- (vi) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under subsection (1) of section 148 of the Companies Act.
- (vii) (a) The company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and there are no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.

- (b) As per the information and explanations give to us there are no disputed, statutory dues outstanding as on the last day of the financial year.
- (viii) There are no unrecorded transactions in the books of Account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The company has not been declared as a wilful defaulter by any bank or financial institution or other lender.
- (c) During the year the company has not availed any term loan. Therefore, the provisions of the clause 3 (ix)(c) of the Order is not applicable to the Company.
- (d) On the overall examination of the financial statements of the Company, the funds raised on short term basis have not been utilised for long term purposes.
- (e) The company have no subsidiaries, associates, or joint ventures and therefore, the provisions of the clause 3 (ix)(e) and (f) of the Order are not applicable to the Company
- (x) (a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x) (b) of the Order is not applicable to the Company.
- (xi) (a) As informed to us, there was no incidence of any fraud by the company or any fraud on the company has been noticed or reported during the year.
- (xii) (a) the Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the said clause is at present not applicable to the Company.
- (xiii) As per the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards.
- (xiv) (a) The company is not required to have an independent internal audit system.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, the requirement to report on clause (xvi) (a) of the Order is not applicable to the Company.
- (b) The company has not conducted any Non-Banking Financial or Housing Finance

activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;

- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, also the company is not a part of any "group" as defined under the applicable regulations.
- (xvii) The company has incurred cash losses of Rs 34,91,805 in the financial year and in the immediately preceding financial year there was no cash losses incurred by the Company.
- (xviii) There has been no resignation of the statutory auditors during the year.
- (xix) on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, in our opinion, no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) The Company's net worth, turnover and net profit falls below the threshold limits prescribed by Schedule VII and the provisions of section 135 of the Companies Act, 2013 therefore the provisions are at present not applicable to the Company.
- (xxi) The company is not having any subsidiary company/companies, hence this clause is not applicable.

**For Sanjay & Snehal**  
Chartered Accountants  
Firm Reg. No. 118160W

**Place:** Mumbai  
**Date:** 20th July, 2022  
UDIN: 22049623ANUESJ2223

**Sanjay T. Tupe**  
Partner  
Membership No. 49623

**SAFESS QUALITY MANAGEMENT PRIVATE LIMITED (Wholly owned subsidiary of IRCLASS Systems and Solutions Private Limited)**

**Balance Sheet as at 31st March, 2022**

Particulars		Note No.	As at	As at
			March 31, 2022	March 31, 2021
			Amount (Rs.)	Amount (Rs.)
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders's funds</b>			
	(a) Share Capital	3	4,20,000	4,20,000
	(b) Reserves and surplus	4	5,26,57,179	5,79,17,854
<b>2</b>	<b>Current Liabilities</b>			
	(a) Short Term Borrowings	5	2,48,61,574	99,29,594
	(b) Trade payables Micro and Small Enterprises Others	6	1,95,05,706	1,73,59,245
	(c) Other Current Liabilities	7	39,88,626	36,60,433
	(d) Short-term provisions		15,27,174	1,11,583
	<b>Total</b>		<b>10,29,60,260</b>	<b>8,93,98,710</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets	8	85,03,271	91,98,391
	(b) Non-current investments	9	26,680	26,680
	(c) Deferred tax assets (net)		5,62,860	4,17,786
	(d) Long Term Loans and Advances	10	2,99,95,144	2,32,80,357
<b>2</b>	<b>Current assets</b>			
	(a) Inventories		53,36,640	50,99,709
	(b) Trade receivables	11	3,68,77,521	2,33,69,170
	(c) Cash and cash equivalents	12	1,18,68,951	1,99,08,099
	(d) Short-term loans and advances	13	88,27,996	76,79,027
	(e) Other Current Asset	14	9,61,194	4,19,491
	<b>Total</b>		<b>10,29,60,260</b>	<b>8,93,98,710</b>
	The notes form the integral part of these financial statements	1 to 24		

As per our attached report of even date

For on behalf of the Board of Directors

**For and on behalf of  
Sanjay & Snehal**

Chartered Accountants  
Firm Registration No 118160W

**Sanjay T .Tupe**  
Partner  
Membership No. 49623  
Mumbai

Date : 20th July, 2022  
ICAI UDIN Ref. No: 22049623ANUESJ2223

**Vinay Kshirsagar**  
Director

Mumbai  
Date : 20th July, 2022

**Naresh Gupta**  
Director

**SAFESS QUALITY MANAGEMENT PRIVATE LIMITED (Wholly owned subsidiary of IRCLASS Systems and Solutions Private Limited)**

**Income And Expenditure for the year ended 31st March, 2022**

Particulars		Note No.	Year ended March 31, 2022 Amount (Rs.)	Year ended March 31, 2021 Amount (Rs.)
<b>I</b>	<b>Revenue from Operations</b>	15	<b>9,54,91,867</b>	7,38,86,267
<b>II</b>	<b>Other Income</b>	16	<b>7,53,720</b>	11,33,966
<b>III</b>	<b>Total Revenue (I+II)</b>	a	<b>9,62,45,587</b>	7,50,20,233
<b>IV</b>	<b>Expenses:</b>			
	(a) Cost of purchases		<b>1,99,06,576</b>	78,46,121
	(b) Changes in Inventory		<b>(2,36,931)</b>	(26,36,629)
	(c) Employee Benefit Expenses	17	<b>2,36,00,912</b>	2,17,94,480
	(e) Depreciation	8	<b>16,23,795</b>	17,91,238
	(f) Finance Cost	18	<b>20,50,105</b>	2,90,904
	(g) Contract Labour		<b>2,92,04,480</b>	2,06,98,312
	(h) Other Expenses	19	<b>2,55,02,399</b>	2,21,16,789
	<b>Total Expenses</b>		<b>10,16,51,336</b>	7,19,01,215
<b>V</b>	<b>Profit before tax</b>		<b>(54,05,749)</b>	31,19,018
<b>VI</b>	<b>Tax Expense:</b>			
	(1) Current Tax		-	-
	a) Current Year		-	8,00,000
	b) Previous Period		-	63,494
	(2) Deferred Tax		<b>1,45,074</b>	9,524
	<b>Profit for the year</b>		<b>(52,60,675)</b>	22,65,049
<b>VII</b>	<b>Prior Period Adjustment</b>		-	-
<b>VIII</b>	<b>Profit after prior period adjustment</b>		<b>(52,60,675)</b>	22,65,049
	The notes form the integral part of these financial statements	1 to 24		

As per our attached report of even date

For on behalf of the Board of Directors

**For and on behalf of  
Sanjay & Snehal**

Chartered Accountants  
Firm Registration No 118160W

**Sanjay T .Tupe**  
Partner  
Membership No. 49623  
Mumbai  
Date : 20th July, 2022  
ICAI UDIN Ref. No: 22049623ANUESJ2223

**Vinay Kshirsagar**  
Director  
Mumbai  
Date : 20th July, 2022

**Naresh Gupta**  
Director

**Notes forming part of the financial statements as at and for the year ended 31st March 2022 (SAFESS)**

**1. Corporate Information:**

Safess Quality Management Pvt. Ltd. (“the Company”) was incorporated on 21st October, 1993 and is in business of providing engineering services all over India. The company is Quality Control & Quality Assurance Engineering organisation, with focal interest in inspection, testing & certification of plant, equipment & machinery. Services cover mechanical, electrical, structural and civil engineering, with mechanical being the main and the others as related.

**2. Significant Accounting Policies:**

**(I) Basis of preparation of financial statements:**

- a. These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company’s operating cycle and other criteria set out in the Revised Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current-non-current classification of assets and liabilities.

All other assets are considered as non-current assets

A liability is classified as current when:

- a) Expected to be settled in normal operating cycle.
- b) Held primarily for the purpose of trading.
- c) It is due to be settled on demand or within 12 months of the reporting period
- d) There is no unconditional right to defer the settlement of the liability for at least 12 months of the reporting period.

The company classifies all other liabilities as non-current. Deferred tax assets and liabilities are considered as non-current assets and liabilities

**Notes forming part of the financial statements as at and for the year ended 31st March 2022  
(SAFESS)**

- b. The preparation of accounting statements in conformity with GAAP requires the Management to make assumption and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the amounts of income and expenses during the period reported under the financial statements. Any revision to the accounting estimates are recognized prospectively when revised.

**(II) Revenue Recognition:**

- a. Revenue is inclusive of Excise Duty (up to the applicable date), reduced for customer discounts, rebates granted, other similar allowances, sales taxes (up to the applicable date), Goods and Services Tax (GST) and duties collected on behalf of third parties. **Revenue from sale of goods** is recognized when the following conditions are satisfied.
- i) the Company has transferred the significant risks and rewards of ownership of the goods to the buyer which generally coincides when the goods are dispatched in accordance with the terms of sale;
  - ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
  - iii) the amount of revenue can be measured reliably;
  - iv) it is probable that the economic benefits associated with the transaction will flow to the Company;
  - v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- b. **Service income** is recognized, net of Goods and Services Tax (GST), when the related services are provided. The revenue is measured using the proportionate completion method.
- c. **Other Income**
- i) Dividend income from investments is recognized when the shareholder's right to receive payment has been established.
  - ii) Interest income is recognized on the time proportion basis, by reference to the principal outstanding and the interest rate applicable.
  - iii) Insurance and other claims are accounted as and when unconditionally admitted by the appropriate authorities (if any).

**(III) Use of Estimates and Judgments:**

The preparation of financial statements in accordance with Accounting Standards requires the management to use of critical accounting estimates and assumptions. It

**Notes forming part of the financial statements as at and for the year ended 31st March 2022  
(SAFESS)**

also requires management to exercise judgment in the process of applying accounting policies. Actual results could differ from those estimates. These estimates, judgments, assumptions affect application of the accounting policies and the reported amounts of assets, liabilities, revenue, expenditure, contingent liabilities etc.

The estimates and underlying assumptions are reviewed on an ongoing basis and changes are made as management becomes aware of changes in the circumstances surrounding the estimates. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the company and they are believed to be reasonable under circumstances.

**(IV) Property, Plant and Equipment:**

Property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognized as asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Gains or Losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

The management's estimate of useful lives is in accordance with Schedule II to the Companies Act, 2013. Depreciation is provided on pro-rata basis on the Written down Value method over the useful life of assets. The useful life, residual value and the depreciation method are reviewed at least at each financial year end and adjusted prospectively.

Spares in the nature of capital spares/insurance spares are added to the cost of the assets. The total cost of such spares is depreciated over a period not exceeding the useful life of the asset to which they relate.

**(V) Inventories:**

Raw materials and components, stock in process, finished goods are valued at cost or net realizable value whichever is lower. Stores, spares and consumables are valued at cost except certain spares are valued at cost or its fair value whichever is lower. Works in Progress are valued at cost. Goods / Materials in transit are valued at cost to Date. Goods / Materials in transit are valued at cost to date. Cost comprises cost of purchase, cost of conversion and other cost incurred in bringing the inventory to present location and condition. Cost is arrived at on weighted average basis. Stock for demonstration lying with third parties (if any) at sites is valued at the estimated value of its useful life in relation to its original cost at the time of transfer to the third party.

**Notes forming part of the financial statements as at and for the year ended 31st March 2022  
(SAFESS)****(VI) Employee Benefits:****Short Term Employee Benefits**

All employee benefits payable within twelve months of rendering the service are recognized in the period in which the employee renders the related service.

**Retirement benefits** in the form of provident fund which are defined contributions plans, is accounted on accrual basis and charged to the statement of profit and loss of the year.

**Provident Fund:** Contribution towards provident fund for employees is made to the regulatory authorities where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

**Gratuity:** The Company provides for gratuity, a defined benefits plan (the “Gratuity Plan”) covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment. The Company’s liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The fair value of the plan assets of the trust administered by the Company is deducted from the gross obligation. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

**Termination Benefits:** Termination benefits in the nature of voluntary retirement benefits are recognized in the Statement of Profit and Loss as and when incurred.

**(VII) Borrowing Costs:**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as an expense in the period in which they are incurred.

**(VIII) Foreign currency transactions:****a. Initial Recognition:**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**b. Subsequent Recognition:**

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All monetary assets and

**Notes forming part of the financial statements as at and for the year ended 31st March 2022  
(SAFESS)**

liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of all monetary items are recognized in the Statement of Profit and Loss.

**(IX) Current and Deferred Tax:**

Income-tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the taxable income at the tax rate applicable to the relevant assessment year.

The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets on account of timing differences are recognized only to the extent there is a reasonable certainty of its realization. In case of carried forward losses and unabsorbed depreciation under tax laws, deferred tax assets are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure realization.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**(X) Provisions, Contingent Liabilities and Contingent Asset:**

**Provisions:** Provisions are recognized when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from

**Notes forming part of the financial statements as at and for the year ended 31st March 2022 (SAFESS)**

past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**(XI) Earnings per Share :**

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to the equity shareholders of the Company by weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit after tax for the year attributable to the equity shareholders of the Company by weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities

**3. Share Capital**

**3.a. The Number and amount of shares Authorised, issued, subscribed & fully paid up:-**

Share Capital	As at	As at	As at	As at
	March 31, 2022	March 31, 2022	March 31, 2021	March 31, 2021
	Number	Amount (Rs.)	Number	Amount (Rs.)
<b>Authorised</b>				
Equity Shares of Rs.10/- each	<b>10,00,00</b>	<b>10,00,000</b>	1,00,000	10,00,000
<b>Issued</b>				
Equity Shares of Rs.10/- each	<b>42,000</b>	<b>4,20,000</b>	42,000	4,20,000
<b>Subscribed &amp; Fully Paid up</b>				
Equity Shares of Rs.10/- each fully Paid	<b>42,000</b>	<b>4,20,000</b>	42,000	4,20,000
<b>Total</b>	<b>42,000</b>	<b>4,20,000</b>	42,000	4,20,000

**3.b. Reconciliation of shares outstanding at beginning and at the end of reporting period**

Particulars	Equity Shares	
	Number	Amount (Rs.)
Shares outstanding at the beginning of the year	42,000	4,20,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>42,000</b>	<b>4,20,000</b>

**3.c. Shareholders holding more than 5% of shares**

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IRClass Systems & Solutions Pvt. Ltd	<b>41,999</b>	<b>99.99%</b>	41,999	99.99%

**Notes forming part of the financial statements as at and for the year ended 31st March 2022 (SAFESS)**

**4. Reserves And Surplus**

Particulars	As at March 31, 2022	As at March 31, 2021
	Amount (Rs.)	Amount (Rs.)
a. <b>Other Reserves</b>		
Opening Balance	5,79,17,854	5,56,52,805
b. <b>Surplus</b>		
(+) Net Profit For the current year	(52,60,675)	22,65,049
<b>Total</b>	<b>5,26,57,179</b>	<b>5,79,17,854</b>

**5. Short Term Borrowings**

Particulars	As at March 31, 2022	As at March 31, 2021
	Amount (Rs.)	Amount (Rs.)
Borrowings from related parties		
IRCLASS Systems and Solutions Private Limited	1,19,00,879	59,67,708
Arun Abhiyantey Private Limited	43,12,886	39,61,886
Cash Credit Facilities from HDFC Bank (Secured by charge against present and future receivables of the Company)	86,47,810	-
<b>Total</b>	<b>2,48,61,574</b>	<b>99,29,594</b>

**6. Trade Payables- Others**

Particulars	As at March 31, 2022	As at March 31, 2021
	Amount (Rs.)	Amount (Rs.)
Trade Payable-Others	1,95,05,706	1,73,59,245
<b>Total</b>	<b>1,95,05,706</b>	<b>1,73,59,245</b>

Notes forming part of the financial statements as at and for the year ended 31st March 2022 (SAFESS)

**Trade Payables Ageing**

Particulars	As on 31st March, 2022						
	Unbilled	Not Due	Less than 1 year	1-2 years	2- 3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	57,88,363	12,01,757	3,92,694	1,21,22,892	-	1,95,05,706
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	-	<b>57,88,363</b>	<b>12,01,757</b>	<b>3,92,694</b>	<b>1,21,22,892</b>	-	<b>1,95,05,706</b>

Particulars	As on 31st March, 2021						
	Unbilled	Not Due	Less than 1 year	1-2 years	2- 3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	39,90,191	11,72,805	1,21,23,178	73,071	-	1,73,59,245
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	-	<b>39,90,191</b>	<b>11,72,805</b>	<b>1,21,23,178</b>	<b>73,071</b>	-	<b>1,73,59,245</b>

**7. Other Current Liabilities**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Amount (Rs.)	Amount (Rs.)
Payable for statutory dues	<b>23,01,813</b>	18,98,572
Employee related fund payable	<b>2,34,820</b>	2,24,580
Payable to employees/labours	<b>14,51,994</b>	15,37,282
<b>Total</b>	<b>39,88,626</b>	36,60,433

**8. Fixed Assets**

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	Opening Balance	Additions	Closing Balance	Opening Balance	For the year	Closing Balance	Balance as on 31.03.2022	Balance as on 31.03.2021
Plant & Machinery	1,47,21,498	8,19,175	1,55,40,673	57,77,097	15,65,142	73,42,239	81,98,434	89,44,401
Computers	11,88,378	1,09,500	12,97,878	9,34,388	58,653	9,93,041	3,04,837	2,53,990
<b>31.03.2022</b>	<b>1,59,09,876</b>	<b>9,28,675</b>	<b>1,68,38,551</b>	<b>67,11,485</b>	<b>16,23,795</b>	<b>83,35,280</b>	<b>85,03,271</b>	<b>91,98,391</b>
31.03.2021	1,42,81,531	16,28,345	1,59,09,876	49,20,247	17,91,238	67,11,485	91,98,391	91,98,391

Notes forming part of the financial statements as at and for the year ended 31st March 2022  
(SAFESS)

**9. Non Current Investments**

Particulars	As at March 31, 2022	As at March 31, 2021
	Amount (Rs.)	Amount (Rs.)
Unquoted Investments		
1. Linking Shares of Jankalyan Sahakari bank	26,680	26,680
<b>Total</b>	<b>26,680</b>	<b>26,680</b>

**10. Long Term Loans And Advances**

Particulars	As at March 31, 2022	As at March 31, 2021
	Amount (Rs.)	Amount (Rs.)
Sundry Deposits (net)	76,34,660	66,03,338
Retention Money Receivable	1,03,46,82	81,72,570
Income Tax Recoverable (Net of Provision)	1,20,13,642	85,04,449
Advance to Creditor for Capital Expenditure	-	-
<b>Total</b>	<b>2,99,95,144</b>	<b>2,32,80,357</b>

**11. Trade Receivables**

Particulars	As at March 31, 2022	As at March 31, 2021
	Amount (Rs.)	Amount (Rs.)
Debts outstanding for a period exceeding six months		
Considered Good	19,17,350	19,57,601
Considered Doubtful	5,45,159	4,24,906
	<b>24,62,509</b>	23,82,507
Less : Provision for doubtful trade receivable	5,45,159	4,24,906
Debts outstanding for a period exceeding six months	19,17,350	19,57,601
Debts outstanding for a period not exceeding six month (considered good)	3,49,60,171	2,14,11,569
<b>Total</b>	<b>3,68,77,521</b>	<b>2,33,69,170</b>

Notes forming part of the financial statements as at and for the year ended 31st March 2022 (SAFESS)

**Trade Receivables Ageing**

Particulars	As on 31st March, 2022						
	Unbilled Revenue	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	-	3,49,60,171	6,62,413	8,48,403	4,06,534	-	3,68,77,521
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	5,45,159	5,45,159
<b>Total</b>	-	<b>3,49,60,171</b>	<b>6,62,413</b>	<b>8,48,403</b>	<b>4,06,534</b>	<b>5,45,159</b>	<b>3,74,22,680</b>

**Trade Receivables Ageing**

Particulars	As on 31st March, 2021						
	Unbilled Revenue	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	-	2,14,11,569	6,87,916	8,44,779	4,24,906	-	2,33,69,170
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	<b>2,14,11,569</b>	<b>6,87,916</b>	<b>8,44,779</b>	<b>4,24,906</b>	-	<b>2,33,69,170</b>

Notes forming part of the financial statements as at and for the year ended 31st March 2022 (SAFESS)

## 12. Cash And Cash Equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
	Amount (Rs.)	Amount (Rs.)
a. Balances with banks		
This includes:		
In current Account	2,67,522	35,19,190
b. Cash on hand	30,302	23,416
c. Fixed Deposit with Bank	1,15,71,127	1,63,65,493
<b>Total</b>	<b>1,18,68,951</b>	<b>1,99,08,099</b>

## 13. Short Term Loans And Advances

Particulars	As at March 31, 2022	As at March 31, 2021
	Amount (Rs.)	Amount (Rs.)
Balance with Government Authorities	53,89,946	43,10,077
Advance to Employee for site	1,59,608	9,63,488
Prepaid Expenses	2,97,097	2,26,768
Advance to Creditor for Expenses	22,64,251	12,57,284
Surplus in Gratuity Fund	7,17,093	9,21,410
<b>Total</b>	<b>88,27,996</b>	<b>76,79,027</b>

## 14. Other Current Assets

Particulars	As at March 31, 2022	As at March 31, 2021
	Amount (Rs.)	Amount (Rs.)
Interest Accrued on Fixed Deposit	9,61,194	4,19,491
<b>Total</b>	<b>9,61,194</b>	<b>4,19,491</b>

Notes forming part of the financial statements as at and for the year ended 31st March 2022 (SAFESS)

### 15. Revenue From Operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Amount (Rs.)	Amount (Rs.)
Professional fees	9,54,91,867	7,38,86,267
Contracting Income	-	-
<b>Total</b>	<b>9,54,91,867</b>	<b>7,38,86,267</b>

### 16. Other Income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Amount (Rs.)	Amount (Rs.)
Interest Received on fixed deposits with Banks	6,73,328	4,01,858
Interest on IT Refund	75,533	1,04,617
Earlier Income Recover in This year	4,859	20,000
Surplus in Gratuity Fund	-	6,07,491
<b>Total</b>	<b>7,53,720</b>	<b>11,33,966</b>

### 17. Employee Cost

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Amount (Rs.)	Amount (Rs.)
(a) Salaries and incentives	2,03,82,141	1,88,57,932
(b) Contributions to -		
Provident Fund	24,98,741	25,22,596
Employees State Insurance Corporation	4,86,846	4,13,952
Gratuity	2,33,184	-
<b>Total</b>	<b>2,36,00,912</b>	<b>2,17,94,480</b>

### 18. Finance Cost

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Amount (Rs.)	Amount (Rs.)
Interest on CC facility from Bank	7,73,105	-
Interest paid to Inter Corporate Deposit	12,77,000	2,90,904
<b>Total</b>	<b>20,50,105</b>	<b>2,90,904</b>

**Notes forming part of the financial statements as at and for the year ended 31st March 2022 (SAFESS)**

**19. Other Expenses**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Amount (Rs.)	Amount (Rs.)
Site expenses	<b>42,93,615</b>	52,01,551
Inspection charges	<b>8,70,660</b>	18,33,626
Rent	<b>25,73,679</b>	34,30,947
Travelling & Conveyance Expenses	<b>85,61,388</b>	57,66,859
Electricity Charges	<b>1,08,257</b>	12,347
Transportation	<b>22,79,592</b>	5,89,700
Legal & professional fees	<b>36,94,719</b>	17,31,453
Bad debts written off	<b>4,24,906</b>	-
Telephone, postage & telegram	<b>1,70,834</b>	1,17,747
Audit Fees	<b>1,00,000</b>	2,50,000
Administration Expenses	<b>22,31,790</b>	11,65,747
Bank Charges	<b>72,705</b>	5,20,476
Debit Balance Written off	-	6,67,128
TDS not Recoverable Written off	-	8,29,208
Provision For Bad Debts	<b>1,20,253</b>	-
<b>Total</b>	<b>2,55,02,399</b>	2,21,16,789

Notes forming part of the financial statements as at and for the year ended 31st March 2022 (SAFESS)

**20. Disclosure Pursuant To Accounting Standard 15 - Employee Benefit**

Particulars	Gratuity	
	Year ended March 31, 2022	Year ended March 31, 2021
	Amount (Rs.)	Amount (Rs.)
<b>Defined Contribution Plans</b>		
The Company has recognized the following amounts in the Statement of Profit and Loss for the year :		
Contribution to Gratuity Fund	-	(6,07,491)
<b>Defined Benefit Plan</b>		
Actuarial assumption:		
Discount rate	7%	6.75%
Expected rate of return on plan assets		
The estimates of future salary increases, considered in Actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the Employment market	7%	7%
Retirement Age (years)	58	58

**21. Related Party Disclosure As Required By The Accounting Standards 18 (As-18)**

**Key Management Personnel**

1. Mr. Vinay S. Kshirsagar
2. Mr. Naresh Gupta

**Companies / Firms in which Director, Director's relatives are Director / Partner**

1. Arun Abhiyantey Pvt Ltd

**Transactions**

Related Party	Nature	CY 2021-22	PY 2020-21
1. IRCLASS Systems and Solutions Pvt Ltd	Inter Corporate Deposit	1,19,00,879	59,67,708
1. Arun Abhiyantey Pvt Ltd	Inter Corporate Deposit	43,12,886	39,61,886
2. Arun Abhiyantey Pvt Ltd	Labour Expense	-	-
<b>Balance with related companies/parties</b>		<b>CY 2021-22</b>	<b>PY 2020-21</b>
1. Arun Abiyantey Private Limited		1,20,36,699	1,20,41,349

Notes forming part of the financial statements as at and for the year ended 31st March 2022 (SAFESS)

**22. Earnings Per Share(Eps) ( As Per As -20)**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Amount (Rs.)	Amount (Rs.)
1. Profit/Loss after tax for the year(Rs.)	<b>(52,60,675)</b>	22,65,049
2. Weighted average number of Equity shares for basic EarningsPer Share (nos.)	<b>42,000</b>	42,000
3. Earnings per share(Rs.)	<b>(125)</b>	54
4. Weighted average number of Equity shares for diluted Earnings Per Share(nos.)	<b>42,000</b>	42,000
5. Diluted Earnings Per Share	<b>(125)</b>	54

**23. Deferred Tax Assets**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Amount (Rs.)	Amount (Rs.)
Deferred tax asset at the beginning of the year	<b>4,17,786</b>	<b>4,08,262</b>
Deferred tax asset at the end of the year	<b>5,62,860</b>	<b>4,17,786</b>
Deferred tax income for the year (reversal of liability)	<b>(1,45,074)</b>	<b>(9,524)</b>

24. Comparative previous year's figures have been reworked, regrouped and reclassified to the extent possible, wherever necessary to conform to current year's classification and presentation.

As per our attached report of even date

**Onbehalf of the Board of Directors**

**For and on behalf of  
Sanjay & Snehal**

Chartered Accountants  
Firm Registration No 118160W

**Sanjay T .Tupe**  
Partner  
Membership No. 49623  
Mumbai  
Date : 20th July, 2022  
ICAI UDIN Ref. No: 22049623ANUESJ2223

**Vinay Kshirsagar**  
Director

**Naresh Gupta**  
Director

### Cash Flow Statement for the year ended 31st March, 2022 (SAFESS)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Amount (Rs.)	Amount (Rs.)
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES</b>		
Net profit after tax as per profit And Loss Account	(54,05,749)	31,19,019
Adjustments for:		
Depreciation	16,23,795	17,91,238
Interest and Finance Charges	20,50,105	2,90,904
Interest Received on FD	(6,73,328)	(4,01,858)
Interest on IT Refund	(75,533)	(1,04,617)
<b>Operating Profit before working capital changes</b>	<b>(24,80,710)</b>	46,94,686
Changes in operating assets and liabilities:		
Adjustments for (increase)/decrease in operating assets		
Inventories	(2,36,931)	(26,36,629)
Long Term Loans and Advances	(32,05,594)	(27,84,456)
Trade Receivable	(1,35,08,351)	(28,74,640)
Short Term Loans and Advances	(11,48,969)	(9,94,665)
Other Current Assets	(5,41,704)	(11,130)
Adjustments for increase/(decrease) in operating liabilities:		
Current Liabilities	3,28,193	14,14,173
Trade Payable	21,46,461	18,25,074
Short Term Provisions	14,15,591	(1,52,489)
<b>Net Cash used in Operating Activities</b>	<b>(1,72,32,013)</b>	(15,20,076)
Less : Taxes Paid	(35,09,191)	6,34,390
<b>Net Cash used in Operating Activities (A)</b>	<b>(2,07,41,205)</b>	(8,85,686)
<b>B. CASH FLOW ARISING FROM INVESTING ACTIVITIES</b>		
Fixed Deposit taken	47,94,366	(1,05,91,494)
Interest on Investment	6,73,328	4,01,858
Interest on IT Refund	75,533	1,04,617
Purchase of Fixed Assets	(9,28,677)	(16,28,345)
<b>Net cash used in investing activities (B)</b>	<b>46,14,550</b>	(1,17,13,364)
<b>C. CASH FLOW ARISING FROM FINANCING ACTIVITIES</b>		
Short Term Borrowings from related parties	62,84,171	99,29,594
Credit Facility from Bank	86,47,810	-
Interest and Finance Charges	(20,50,105)	(2,90,904)
<b>Net cash provided by financing activities (C)</b>	<b>1,28,81,875</b>	96,38,690
<b>Net decrease in cash and bank balances (A+B+C)</b>	<b>(32,44,780)</b>	(29,60,360)
Add : Balance at the beginning of the year	35,42,606	65,02,966
<b>Cash and bank balances, end of the year</b>	<b>2,97,824</b>	35,42,606
Represented by		
Cash balances	30,302	23,416
Bank Balance	2,67,522	35,19,190

As per our attached report of even date

**For on behalf of**

**Sanjay & Snehal**

Chartered Accountants

Firm Registration No 118160W

**Sanjay T .Tupe**  
Partner Director  
Membership No. 49623  
Mumbai

Date : 20th July, 2022

ICAI UDIN Ref. No: 22049623ANUESJ2223

**Mr.Vinay Kshirsagar**

**Mr.Naresh Gupta**  
Director

**On behalf of the Board of Directors**

<b>HEAD OFFICE</b>	
52A, Adi Shankaracharya Marg, Opp. Powai Lake, Powai, Mumbai – 400 072. India. Phone : +91 22 30519 400 Fax : +91 22 25703611	
<b>BRANCHES</b>	
<b>BANGALORE</b>	<b>BARODA</b>
105x,3Main,3Cross,StageII,Goraguntepalya Yeshwanthpur Industrial Suburb, Bangalore- 560 022. Phone : +91-80-23578658/23578659 Fax : +91-80-23578655	Office no. 710-711, Neptune Edge, Neptune Campus, Dr. Vikram Sarabhai Marg, Vadiwadi, Vadodara – 390 007.Gujarat. Phone: 0265-4004363
<b>BHOPAL</b>	<b>CHENNAI</b>
2nd Floor, House No.277, Suresh Santosh Bhawan, Bharat Nagar,Narela Sankri Bhopal – 462022 Phone : +91 755 2601184/4034526	6th Floor, B Wing, KGN Towers, No.62, Ethiraj Salai, Egmore Chennai – 600 008. Phone: 91-44-28254615/28254973 Fax: 91-44-28283439
<b>HYDERABAD</b>	<b>MUMBAI</b>
House#1-2-48/1, C-7A First Floor Street no.03, Kakatiyanagar, Habsiguda, Hyderabad – 500007. Phone: 91-40-27152110 Fax: 91-40-29565201	6th Floor, 52A, Adi Shankaracharya Marg, Opp. Powai Lake, Powai, Mumbai – 400 072. India. Phone : +91 22 30519800
<b>KOLKATA</b>	<b>NEW DELHI</b>
Diamond Heritage, Unit 710 & 711, 7th Floor,16, Strand Road, Kolkata – 700 001. Phone: 91-33-40705183/184/185 Fax: 91-33-40034728	104, Copia Corporate Suites, District Centre, Jasola, New Delhi – 110025 Phone: 91-11-49845600 Fax: 91-11-49845632
<b>PUNE</b>	<b>VISAKHAPATNAM</b>
A-503, 5th Floor, Mayfair Tower No.1, Old Mumbai Pune Road, Wakdewadi, Shivajinagar, Pune – 411 005. Phone: 91-20-66003236/66003260 Fax: 91-20-66003240	D.No.7-18-1, Kirlampudi Layout, Waltair Uplands, VISAKHAPATNAM – 530017 Phone: 91-891-2704319/2523878/877 Fax: 91-891-2754662
<b>ODISHA</b>	<b>RAJASTHAN</b>
Plot No-A-35, PS- Airfield, Palashpalli, Bhubaneswar, Khordha, Odisha, 751020 Phone: +91 674 3585481	1st And 2nd Floor, B-11g, Ceg Tower, Industrial Area, Malviya Nagar, Jaipur, Jaipur, Rajasthan, 302017 Phone: 014 14805672



**Training on Contractor's Safety Management at Hindalco Industries Ltd., Hirakud, Odisha**



**North Zone Consultant Meet**



**ISO 9001 Lead Auditor Classroom Training Program**

