



ANNUAL REPORT 2023-24



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Inauguration of ISSPL Digital Security trainin



Mr. Karun Bansal IFS (First Secretary) Development Partnership & Reconstruction Embassy of India with ISSPL Director Mr. Vinay S Kshirsagar, Mr. Pradeep Kavtekar (B&I Head), Mr. Abhishek Singh (B&I Lead) & Mr. Ajay Hazarika (Project Manager) at Indian Embassy in Kathmandu (Nepal)

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Board of Directors***Chairman:***

Mr. Arun Sharma

Directors

Mr. Ashokkumar Srivastava

Mr. Gautam Chatterjee

Mrs. Lekha Kumar (Aug 22, 2023 onwards)

Mr. Ramamirtham Kannan (Aug 1, 2024 onwards)

Ms. S. Priya

Mr. Hrishikesh Joshi

Mr. Vinay Kshirsagar

Senior Management Team

Mr. S. N. Mishra, Sr. Vice President - IRQS

Mr. Sunit Mittal, Sr. Vice President – Industrial Services (May 21, 2024 onwards)

Mr. Paulson N Chakkunny, Vice President (upto Sep 05, 2023)

Mr. Deepak Patel, Associate General Manager - Finance

Ms. Sugandha Vaidya, Company Secretary (Apr 22, 2024 onwards)

Auditors

PKF Sridhar & Santhanam LLP, Chartered Accountants

Bankers

Bank of Baroda, HDFC Bank

Registered & Head Office

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

Survey Stations (India)

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

Survey Stations (Overseas)

Abu Dhabi, Doha

Corporate Identity Number

U74120MH2014PTC254091

Subsidiaries

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

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

Your Directors have pleasure in presenting the Eleventh Annual Report together with audited statement of accounts for the financial year ended March 31, 2024.

1. Financial Results:

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
	(Rs in Lakhs)		(Rs in Lakhs)	
Total Revenue:				
Survey Fees:				
Industrial Division	10,399.33	7,370.59	10,399.33	7,370.59
IRQS Division	4,134.80	3,151.42	4,134.80	3,151.42
Others	1,032.64	572.59	2,252.08	1,296.65
	15,566.77	11,094.60	16,786.21	11,818.66
Other Income	69.76	131.13	65.94	77.73
Total Revenue	15,636.53	11,225.73	16,852.15	11,896.39
Total Expenditure:				
Employee Cost	6,777.54	5,535.33	6,928.65	5,740.57
Other Cost	7,041.78	4,634.26	8,036.63	5,207.50
Finance Cost	148.77	116.95	157.74	123.09
Depreciation & Amortisaation	297.10	250.94	313.10	263.81
Total Expenditure.. ..	14,265.19	10,537.48	15,436.12	11,334.97
SURPLUS... ..	1,371.34	688.26	1,416.03	561.42

In the current year, the total Standalone revenue has increased from Rs. 110.95 crores to Rs. 155.67 crores and the net surplus has increased from Rs. 6.88 crores to Rs.13.71 crores.

The total consolidated revenue has increased from Rs. 118.19 crore to Rs. 167.86 crore as compared to the previous year. The net surplus has increased from Rs. 5.61 crore to Rs. 14.16 crore. All the divisions as well as subsidiaries have performed well in the current year in terms of revenue and surplus except for Testing services division in Jaipur in terms of revenue and surplus.

2. Transfer to Reserve:

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

3. Industrial Services

Industrial Services had grown by 41.09 % from INR 7,370.60 Lakhs in FY2022-23 to INR 10,399.33 Lakhs in FY2023-24.

With a resource strength of 966 out of which 894 are Engineers of various discipline catering to Oil & Gas – Upstream, Midstream and Downstream, Infrastructure Projects, Power and Process Industries, Defense Sector and Renewable Sector.

Registrations and Empanelment

Registration of ISSPL in Abu Dhabi and ISO 9001 Certification is completed.

Empanelment

Sr. No.	Client	Subject
1	Indore Development Authority	Empanelment of Consultants and Architects for various works of IDA
2	DRDL – Defense Research & Development Laboratory, Hyderabad	Service providers for QA/QC Services
3	ONGC, Mumbai	Third Party Inspection Agencies for Onshore Offshore LSTK Projects
4	IOCL (Pipeline Division), Noida	Third Party Inspection Agencies for authentication of documents submitted by bidders in various tenders floated by IOCL.

Client Appreciation

Sr. No.	Client	Project	Name of Engineer
1	BHEL, Hyderabad	Naphtha Cracker Expansion	Mr. G. S. Vishal
2	Govt. of West Bengal	JJM Project	Mr. Mithun Kumar, Mr. Shankar Chandra Mistry, Mr. Soumyadeep Das, Mr. Tanmoy Sarkar, Mr. Dibyendu Das, Mr. Akshay Das & Mr. Ayan Ray, Mr. Aritra Gosh, Mrs. Anuradha Nandy
3	M/s. Adani Power	Kutch Copper	Mr. Shubham Roychowdhury, Mr. Akash Patel, Mr. Vijay Malusare & Mr. Tejas Soni
4	IOCL, Balasore	TPI of ST Plant at Balasore Bottling Plant	Mr. Rajkumar Rong
5	M/s. L&T Defense	L&T Defence projects for Indian Navy	Mr. Sameer Mahavale
6	Petrofac Engineering & Construction	Petrofac Project	Mr. Balkrishna Hemchandra Rajadhyax
7	IOCL Silchar	LPG bottling plant project	Mr. Bachchan Bandury
8	M/s. L&T	L&T Defense	Mr. Rahul Salunke
9	M/s. Blupine Energy	HT panel inspection.	Mr. Balkrishna Hemchandra Rajadhyax
10	Pristine Commercials Pvt. Ltd	-	Mr. Harsha H N / Mr. Mayur S A / Mr. Sunny Sapar
11	HAL Lucknow	-	Mr. Prakash Nayal & HAL Lucknow Team

QHSE (Quality, Health, Safety and Environment) Highlights of FY2023-24:

- Providing excellence in quality is one of the TOP priorities for Industrial Services. One of the steps to achieve the same is various Certification & Accreditations. In FY2023-24, Industrial Services underwent Re-Accreditation Assessment by NABCB and got Re-Accredited as “Type A – Inspection Body under ISO 17020:2012”.
- Also, our Abu Dhabi Branch got included in ISO 9001:2015 Certificate after successful completion of Extension of Scope Audit by BSI at Abu Dhabi.
- In order to provide and maintain Safe & Healthy Workplace, Industrial Services had initiated various activities as listed below.

a) First Aid Training for employees:

First Aid training by MediHSE was conducted in Head office for 30 employees on November 24, 2023.

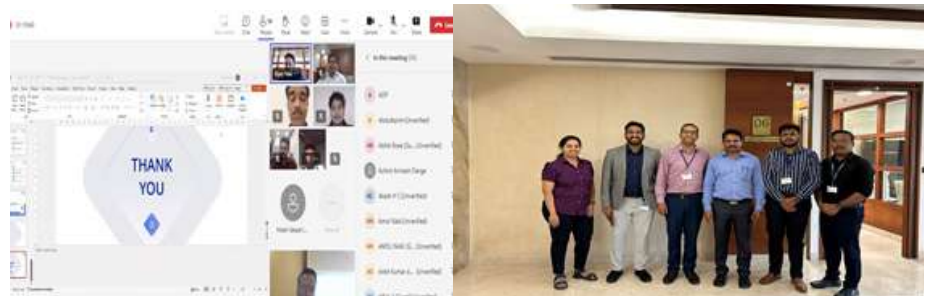


b) Celebration of Road Safety Month:

We celebrated Road Safety Month from 18th Jan to 17th Feb, 2024 in which we conducted road safety awareness training for all our employees across Industrial Services, GML & SAFESS.

c) Celebration of National Safety Week:

We celebrated National Safety Week from 4th March to 10th March, 2024 in which we had various activities like Spot the Hazard Challenge, Safety Quiz and Awareness training by an expert on ESG which was the theme for National Safety week 2024.

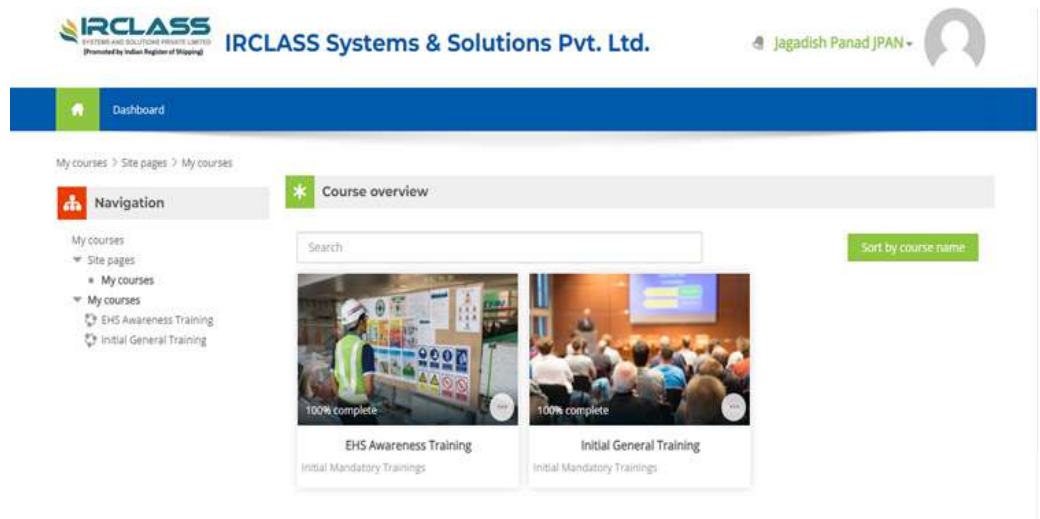


d) Health Awareness Series:

As a part of our commitment to promote health within and beyond our workplace, we have decided to create the awareness on various Health Issues. In this series we conducted our first awareness session on Breast Cancer which was conducted by Breast Surgical Oncology consultant of Nanavati Max Institute of Cancer Care. The session was extended to the family members of all our employees.



- As a commitment towards continual improvement with the help of new technologies, we have implemented stage 1 of LMS which takes care of Initial Mandatory Trainings of new joiners with the help of Online Modules and questionnaires.



Some Key Projects completed/ under execution during the year:

Project Design & Project Management for CSIR- Central Building Research Institute's International Project

The Government of India funded reconstruction of various Health and Education Buildings under the post 2015 earthquake reconstruction programme in Nepal. 71 Education projects, including Tribhuvan University New Central Library, Kathmandu and 50 Health projects were inaugurated in various districts of Nepal.



Inauguration Ceremony By Hon'ble Minister of External Affairs Mr. S. Jaishankar with Nepal Minister of External Affairs Mr. Narayan Prakash Saud & Prof. Dr. Shiva Lal Bhusal (VC, Tribhuvan University)

High-temperature PAUT for crack monitoring observed on Coke Drum weld joints.

Client: - Bharat Oman Refineries Limited, Bina, Madhya Pradesh.

Service Performer: - IRCLASS Systems & Solutions Pvt Limited.

Duration: - Nov'23 to March'24.

Performed High-temperature PAUT/ ToFD testing on weld joints of Coke Drum A during the cooling /cutting cycle (150-250 'Deg).

IRCLASS noticed the unexpected defects i.e. crack/ pits on the shell near the weld joints of the coke drum and monitored thoroughly to find out the propagation speed of the crack.

IRCLASS deployed high-end PAUT equipment (module- OmniScan MX2, make-Olympus, Canada) and ASNT PAUT Level-II certified engineers.

BORL appreciated the work done carried out by IRCLASS team to contribute to the health assessment check of Coke drum A.

Plantwide Structural integrity assessment of entire smelter and refinery for PASAR, Philippines



Client: - PASAR - Philippines Associated Smelter And Refinery Corporation, Isabel, Leyte Industrial area, Philippines.

Service Performer: - CNDT division of IRCLASS Systems & Solutions Pvt Limited.

Duration: - April 23 to September 23.

Project Fees - USD 638,805

Job description: - PASAR Corporation, Philippines is a Glencore- managed company that processes and exports copper and precious metal of international standards. The smelter and refinery structures are almost 40 years old. Hence PASAR management decided to perform Extensive Structural Integrity of entire plant having almost 250+ structures. IRCLASS systems and solutions Pvt Ltd won this project in International competition.

We deputed almost 20 Engineers and technicians with back office support from India by structural engineers and draftsman. The project scope was rigorous visual inspection, Civil NDT, Mechanical NDT, Drawing verifications, as built drawing preparation, Structural adequacy checking as per current Philippines codal provisions, Repair and Strengthening suggestions. The project was completed in 6 months as per stipulated time in contract maintaining all international legal, financial and contractual compliances.

Work completion is received from the PASAR and IRCLASS is looking forward to support client for other service portfolio as well.

Steel Authority of India Limited (SAIL)



Contract Agreement signed in presence of Executive director Mr. P. K Sahoo and other senior officials of SAIL - RSP & IRCLASS team members Mr. Ayan Saha, Mr. Soumesh Dutta & Mr. Somanth Das

Steel Authority of India Limited (SAIL), Rourkela Steel Plant (RSP), hereinafter referred to as SAIL/RSP is in the process of installing a 4th Slab Caster with Ladle Furnace at its plant located at Rourkela in Sundergarh District in the state of Odisha, India along with required ancillary facilities to meet intended quality parameters of finished products from the said Mill.

ISSPL was appointment as a Third Party Inspection Agency (TPIA) for Installation of 4th Slab Caster and Ladle Furnace with associated facilities including enabling work at SMS-II of Rourkela Steel Plant (Package-II). The order value was Rs. 98, 00,000/-.

Thrissur Corporation Electricity Department (TCED)



Letter of Award signed in the presence of Assistant Secretary & Mayor of TCED

Government of India has launched Revamped Reforms Based and Results Linked Distribution Sector Scheme to improve the operational efficiencies and financial sustainability of the DISCOMs by providing financial assistance for strengthening of supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks in reforms.

The objective of the scheme is to provide 24x7 uninterrupted, quality, reliable and affordable power supply.

ISSPL has been appointed as a consultant for assisting and supporting in project Management to TCED under “Revamped Reforms-Linked Results - bases Distribution Sector Scheme” on DISCOM’s requirement to cover different phases of the project”. The order value was Rs. 1,93,50,000/-.

TCED is one of the Electricity Distribution companies currently functioning in the state of Kerala.

Lender’s Advisor for refinance transaction of about INR 6,000 crores

National Bank for Financing Infrastructure and Development (NaBFID) - the principal Development Financial Institution (DFI) for infrastructure financing in India, appointed IRCLASS as a Lender’s Advisor for a refinance transaction in a Roads & Highways sector project. NaBFID was evaluating refinance of about INR 6,000 crores debt to IRB Infrastructure Trust, which is a “Private Trust”, registered under the Indian Trusts Act 1882 and SEBI’s Infrastructure Investment Trusts Regulations 2014. The Trust is held by the IRB Infrastructure Developers Ltd. as Sponsors with stake of 51% and 49% by GIC (formerly known as Government of Singapore Investment Corporation). The assignment scope included due diligence of 10 National Highway assets across various Indian states. IRCLASS completed this assignment in a challenging timeline of 3 weeks and to the satisfaction of the Client, thus assisting the lenders in timely concluding the refinance transaction.



4. IRQS Activities

From innovative initiatives to sustainable growth, this report encapsulates commitment of IRQS to excellence, transparency and enduring value creation. Through strategic investments, operational efficiencies and customer-centric approach IRQS has navigated challenges and capitalized on opportunities, resulting in significant milestones and accomplishments. Sensing the opportunities in the market, IRQS decided to venture into Sustainability thereby establishing a new profit center. Under Sustainability, several services including assurance, certification and training services were launched which are expected to yield results in the upcoming financial year.



Launching of Sustainability Services by Mr. Vinay Kshirsagar and Mr. S N Mishra along with team IRQS

Certification

IRQS is delighted to highlight the consistent growth in the number of certificates awarded by IRQS, which increased from 3158 to 3784 nos. IRQS has been continuously focusing on increasing its presence in international market for which several initiatives were taken. Some of the prominent initiative included participation in National Safety Congress for Health and Safety – Russia, wherein IRQS was invited as one of the prominent members on Dias. The event was attended by approx. 7500 members which included top political and corporate dignitaries from Russia.



Mr. S N Mishra addressing at National Safety Congress for Health and Safety – Russia

Business Excellence Magazine which is one of the oldest publication in Russia, covered an interview of Mr. S N Mishra on the topic ***New Horizons of International Standardization and Certification, An Indian Perspective*** which garnered a huge response on social media and gave IRQS excellent visibility in the international market.



Business Excellence Magazine – Jan 2024 edition

IRQS International Footprints:

Through its aggressive penetration strategy, IRQS has seen 183% growth in its international clientele in which Taiwan continued to dominate in automobile certifications. Russia and Africa were new territories which showed a great demand for certifications such as IATF, ISO 9001, ISO 14001, ISO 45001 & ISO 27001.

Country	No of Clients	Country	No of Clients	Country	No of Clients
Taiwan	121	Egypt	7	Germany	1
Africa	31	Vietnam	6	Hong Kong	1
USA	27	United Kingdom	4	Ireland	1
Korea	24	Australia	3	Jordan	1
Turkey	24	Kenya	3	Kingdom Of Bahrain.	1
Afghanistan	19	Europe	2	Liberia	1
Sri Lanka	19	Greece	2	Mongolia	1
Kuwait	11	London	2	Myanmar	1
Bangladesh	10	Saudi Arabia	2	Netherlands	1
Dubai	10	Andaman & Nicobar Islands	1	Philippines	1
Qatar	10	Cambodia	1	Seychelles	1
Singapore	9	Canada	1	Uganda	1
Russia	8	France	1		

Some of the key project executed by IRQS in FY 23-24 include:

- Several Russian entities were certified against different standards viz.
 - Alexey Ugarov OEMK certified for ISO 9001, ISO 14001, ISO 45001 and ISO 50001 requirements

- Federal State-Financed Educational Institution of Higher Education Admiral Ushakov Maritime State University» certified for ISO 21001(Education management System)
- Selectel Group in Russia was certified against Information Security (ISO 27001) requirements
- LLC Standardplast and NLMK were audited against IATF 16949 automotive requirements
- Thiruvananthapuram Regional Co-operative Milk Producers' Union Ltd. (TRCMPU Ltd.), Thiruvananthapuram certified for FSMS certification
- Assessments on the SBM ODF Protocols (ODF/ODF+/ODF++/Water Plus) and Star rating Protocol-Garbage Free Cities (GFC) for QCI
- Megha Fruits Processing certified against FAMI-QS requirements
- Indian Oil Corporation Ltd - Aviation Fuel Station, Ambala certified for ISO 9001, ISO 14001 & ISO 45001 requirements
- B2X Care Solutions GmbH in Germany certified for ISO 27001
- Green, Energy and Environmental audit was conducted for Shri Ramdeobaba College of Engineering and Management
- ElSewedy Cables at Egypt certified for IATF 16949
- ISO 50001(Energy Management) & ISO 55001(Asset Management) certification at Rudra Green
- Bunts Sangha S M Shetty High School and Junior College certified for ISO 21001(Education Management System)
- Nandan Petrochemicals Limited certified against IATF 16949 requirements
- Hindustan Colas Pvt Ltd certified against IMS requirements
- Mother Dairy certified for ISO 14001 & ISO 45001 standards
- Kerry Indev Logistics Pvt Ltd certified for ISO 9001, ISO 14001, ISO 45001, ISO 26000 & ISO 27001 standards
- TAJSAITS were audited against FSSAI requirements

Ship Recycling

With 36 yards now certified for HKC (Hong Kong Convention) and 10 yards for EU (European Union), it is evident that there is a growing demand for environmentally responsible ship recycling practices. The certification of Drydocks World in Dubai FZCO for both HKC and EU standards underscores their commitment to meeting international regulations. Additionally, the certification of MAK Corporation and KR Ship Recycling Yard in Bangladesh for HKC further highlights IRQS's global reach and contribution to promoting sustainable ship recycling practices beyond India.

Coal Division

ISSPL's achievements in FY 2023-24 demonstrated their continued dedication to providing high-quality third-party inspection and testing services in the coal industry. Here are the highlights:

- Sampling approximately 454 lakh metric tonnes of coal marks a significant milestone, representing the highest volume sampled since 2018. This indicates ISSPL's growing role in ensuring the quality and compliance of coal across various locations.
- Secured three major work orders for coal sampling from prominent entities like Rajasthan Rajya Vidyut Utpadan Nigam Ltd, JSW Energy (Barmer) Limited and Western Coalfields Limited which showcases ISSPL's reputation and reliability in the industry.
- Building a team of over 450 experts in sampling and testing reflects ISSPL's proactive approach to meeting increasing demands and maintaining service quality.
- Testing over 22,000 coal samples represents a significant increase and underscores ISSPL's efficiency and capacity to handle large volumes of testing requirements.
- Setting up the first NABL accredited coal testing laboratory in Bhubaneshwar demonstrates ISSPL's commitment to adhering to international standards and ensuring accurate and reliable testing results. Testing over 9,400 samples in this lab by March 2024 highlights its operational effectiveness
- Extension of scope of coal testing in Jaipur laboratory in January 2024 to cater the increasing demand wherein 2700+ samples were tested in FY 2023-24



Coal Testing being carried out at Bhubaneshwar Lab

Trainings:

In FY 2023-24, a total of 385 training sessions were conducted, demonstrating a commitment to enhancing knowledge and skills in various areas. Here's a breakdown of the training activities:

- **Delivery Modes:** Out of the total, 220 training sessions were conducted on-site, providing hands-on learning experiences for participants. Additionally, 165 training sessions were delivered online reflecting the adaptation to virtual platforms for remote learning, especially relevant in times of global challenges like pandemic
- **New Courses Introduction:** Emphasizing sustainability, 13 new courses were introduced during this period. These courses cover a range of topics crucial for addressing environmental concerns and promoting sustainable practices. Some of the noteworthy courses include:

- **Life Cycle Assessment:** Understanding the environmental impacts of products or services throughout their entire life cycle
- **Carbon Footprint Management:** Strategies for measuring, reducing and offsetting carbon emissions within organizations
- **BRSR (Business Responsibility and Sustainability Reporting):** Guidelines and best practices for transparent and comprehensive reporting on sustainability initiatives
- **Carbon Border Adjustment Mechanism (CBAM):** Exploring the implications and compliance requirements of this mechanism aimed at addressing carbon leakage in international trade
- **GHG (Greenhouse Gas) Verification and Validation:** Techniques and protocols for ensuring the accuracy and reliability of greenhouse gas emissions data

By introducing these new courses, the training division demonstrates a forward-thinking approach to addressing sustainability challenges and equipping participants with knowledge and skills needed to navigate an increasingly environmentally conscious world.

Lead Auditor Training Standard Wise		Training	Number of Delegates
Lead Auditor	Counts	Lead auditor	2069
BCMS LA	4	AW	401
EMS LA	35	IA	1626
ISMS LA	25	Total	4096
OHSMS LA	39		
QMS LA	98		
Total	201		

Accreditations:

Sr. No.	Particulars		Details	
01)	Accreditation Audits FY : 2023-2024	A. NABCB	A1	Witness Assessment at Engineering Staff College of India for EMS and OHS : IAF 34, 37 on 11 th and 12 th May 2023
			A2	Office Assessment Transition to ISO/IEC 27001:2022 (On-site) for all Accredited sectors on 25 th May 2023
			A3	Witness Assessment at Adani Ennore container terminal private limited for EnMS : Industry-Light to Medium on 16 th and 17 th Aug. 2023
			A4	Witness Assessment at Sami-Sabinsa Group Limited for FAMI- QS code of Practice Ver 6 Category K from 21 st to 25 th Aug 2023
			A5	Office Assessment for BRCGS scheme on 11 th Sept. 2023
			A6	Witness Assessment at B. K. Dehy Foods for BRCGS I Scope extension : BRC Site Code: 4012673 from 21 st to 23 rd Sept. 2023
			A7	Office Assessment Scope Extension for MDQMS : TA A 1.1 (Non-active implants), A 1.5 and A 1.7 MDQMS TA A 1.1 (Non-active implants), A 1.5 and A 1.7 on 31 st Oct. 2023
			A8	Office Assessment for QMS, EMS, OHS, ISMS, EnMS, Ayush and EOMS Scheme(s) on 5 th to 7 th December 2023
			A9	Witness Assessment at Manorama Industries Limited, Birkoni for FSSC 22000 Version 5.1 Category C Subcategory CIV on 20 th and 21 st Dec. 2023
			A10	Witness audit at Quality Exports, Goa, Food Category 4 for BRCGS from 10 th to 12 th Jan 2024
			A11	Amogh Pharmaceuticals Pvt. Ltd. for Ayush Standard Mark Ayurvedic on 8 th and 9 th Feb. 2024
			A12	Witness Assessment at Pran Medsystems LLP, Kochi for MDQMS : TA A 1.5 – Part 1 on 22 nd and 23 rd Feb. 2024
			A13	Witness Assessment at Suyog Medical Pvt Ltd. for MDQMS : TA A 1.7 – Distribution on 29 th Feb. and 1 st March 2024.
		B. RvA	B1	Witness Assessment at Inergy Infra Private Limited for QMS, EMS & OHS : IAF 28 and 34 on 17 th & 18 th April 2023
			B2	Witness Assessment at PS Mission Hospital for QMS : IAF 38 on 20 th & 21 st April 2023
			B3	Witness Assessment at Best Western Ramachandra, A Unit of Sri Ram Exterprises for FSMS : Category – E ; Sub Category – E1(REV), E2(REV) on 3 rd May 2023
			B4	Witness Assessment at Asoj Soft Caps Pvt Ltd for FSMS : Category – C, Sub Category –C4.I(REV) on 4 th & 5 th May 2023

Sr. No.	Particulars	Details									
02)	New accreditation	B5	Office Assessment for Transition to ISO/IEC 27001:2022 (off-site) for All Accredited sectors on 11 th May 2023								
		B6	Office Assessment for QMS, EMS, OHS, FSMS and ISMS Scheme(s) on 11 th to 20 th Dec. 2023								
		C1	Office Assessment: Annual Surveillance Assessment for SCSMS / SRSMS on 31 st July and 1 st Aug 2023								
		C2	Witness Assessment at Cargosol Logistics Pvt. Ltd. – HO at Mumbai and Site at Kalamboli for Assessment SCSMS scheme on 2 nd to 4 th August 2023								
		D1	Office Assessment for IATF 16949 on 24 th and 25 th April 2023								
		D2	Witness assessment at Yung Chieh Precision Co, Taiwan for IATF on 15 th to 16 th May 2023								
		D3	Witness assessment at Tokman, Turkey for IATF on 24 th to 26 th July 2023								
		D4	Witness assessment at TECHNOEDGE for IATF on 15 th and 16 th December 2023								
		D5	Witness assessment at G Moulding Solutions for IATF on 11 th to 12 th March 2024								
		2.1	NABCB Re-accreditation granted QMS, MDQMS, EOMS Scheme(s).								
		2.2	NABCB Accreditation granted for ISO 50001:2018 as per ISO 50003:2021								
		2.3	NABCB Accreditation granted for Transition to ISO / IEC 27001:2022 – ISMS Scheme.								
		2.4	NABCB Accreditation granted for FAMI-QS under FSMS Scheme								
		2.5	NABCB Accreditation granted for BRCGS under Product Certification								
		2.6	NABCB Accreditation granted for FSSC 22000 Ver 6 as per ISO 22003-1:2022.								
		2.7	RvA Re-accreditation granted for QMS, EMS, OHS, FSMS and ISMS Scheme(s).								
		2.8	RvA Accreditation granted for transition to ISO / IEC 27001:2022 – ISMS Scheme.								
2.9	ANAB Accreditation granted for transition to ISO 28000 : 2022 SRSMS Scheme										
03)	Auditor Qualification Process	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">3.1</td> <td>No. of New empanelment completed</td> <td style="text-align: center;">117</td> </tr> <tr> <td></td> <td>No. of Upgradation completed</td> <td style="text-align: center;">35</td> </tr> <tr> <td></td> <td>No. of Enhancement completed</td> <td style="text-align: center;">180</td> </tr> </table>	3.1	No. of New empanelment completed	117		No. of Upgradation completed	35		No. of Enhancement completed	180
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	No. of Enhancement completed	180									

ISSPL LAB:

ISSPL Lab has been on a remarkable growth trajectory, especially in penetrating new markets and expanding its revenue streams. Achieving a 165% growth in revenue compared to the previous fiscal year has been an impressive feat, indicating successful strategies and market demand. The emphasis on the environment, food and pharma sectors shows a strategic focus on areas that are increasingly important globally. These sectors often require stringent testing and quality assurance measures, making ISSPL's services invaluable.

The success in capturing new opportunities and strengthening position in North India demonstrates effective market penetration strategies and a strong competitive edge. Furthermore, the focus on streamlining processes, enhancing scope and accreditations, and optimizing resource allocation speaks to ISSPL's commitment to operational excellence and continuous improvement.

Few of the scope enhancement activities include:

- FDCA approval for Drug
- Enlisted for Fortified Rice analysis
- ETO analysis in Spice
- Enlisted as APEDA approved laboratory for Organic product analysis and spice product

Some prominent clients added during this period Reliance, Adani, ERM, Parle, Haldiram, Westin Hotel, Bureau Veritas, MNG Shipping, PRS Lab, Ashiana Maintenance, Taj Group Hotel, Dev Milk, Kalyani Mines, Shyamdhani, Rapid Organic, Barmalting India etc.



10th Annual Food Quality & Safety Congress India 2024

Digital Marketing:

ISSPL has made significant strides in its digital marketing efforts, resulting in improved lead quality and conversion rates compared to the previous financial year. Here's a breakdown of the key initiatives and achievements:

- **Website Enhancement:** The addition of a dedicated section for company news and industry updates demonstrates ISSPL's commitment to providing valuable content to its audience. Updating website forms to comply with the latest IT guidelines ensures a smooth user experience and regulatory compliance.
- **Webinars:** Webinars were conducted on ISO 27001:2022 latest version requirements and FSSC 22000 version 6 requirements. In addition to these webinars were conducted to introduce new products viz. BRCGS, FAMI-QS etc.
- **Email Marketing:** New tools were tested to enhance the outcome of email marketing campaigns and the same were deployed successfully.
- **Database improvement:** Consistent efforts were put on database enhancement through trade-fairs, lead generation, social media campaigns and through constant interactions with auditors and business development team.
- **Social Media Campaigns:** The timely execution of social media campaigns has proven successful in increasing subscribers, as evidenced by reaching a milestone of 10,000 LinkedIn subscribers for IRQS. This demonstrates ISSPL's ability to engage its audience effectively on social platforms and build a strong online presence.

The launch of new services in Sustainability marks a strategic move by ISSPL to expand its offerings and address growing market demands for sustainability-related solutions. Here's how the initiatives undertaken align with this launch:

- **Web Page Development:** Created dedicated web pages for the new sustainability services thus providing a platform to showcase these offerings in detail. These pages highlight the benefits, features and impact of the sustainability services helping to attract and inform potential clients.
- **New Brochure Design and Development:** Designing new brochures specifically focused on sustainability services enables ISSPL to effectively communicate its value proposition to clients. These brochures highlight the key elements of Assurance, Certification and Training services provided under Sustainability by ISSPL.
- **Lead Generation Mechanism:** Implementing a lead generation mechanism tailored to the new sustainability services ensures that ISSPL can efficiently identify and nurture potential leads interested in these offerings. This could involve targeted marketing campaigns, website forms, landing pages and other strategies to capture and qualify leads interested in sustainability solutions.

By undertaking these initiatives, ISSPL demonstrates its commitment to meeting the evolving needs of clients in sustainability. The focus on web development, brochure design and lead generation specifically tailored to these services is likely to enhance visibility, attract clients and drive growth in this segment.

5. **Cyber Security | Artificial Intelligence Digital Forensic | IOT/OT Testing Lab**

The Company launched a Digital Centre offering a wide range of technology solutions. The Digital Centre will provide a comprehensive suite of services to help organizations navigate the digital landscape across maritime and non-maritime sectors.

The company's new cybersecurity services offer tailored solutions to safeguard organizations from evolving cyber threats which include vulnerability scanning and penetration testing. The center also includes an Internet of Things (IoT)/ Operational Technology (OT) testing lab and will offer services like digital forensics, AI, ML, and blockchain.



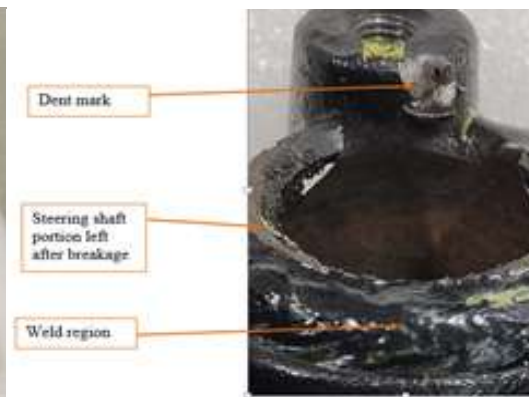
6. GML - A Division Of ISSPL

GML - Metallurgical Failure investigation – Magnus HS Lower Bracket & Steering shaft assembly

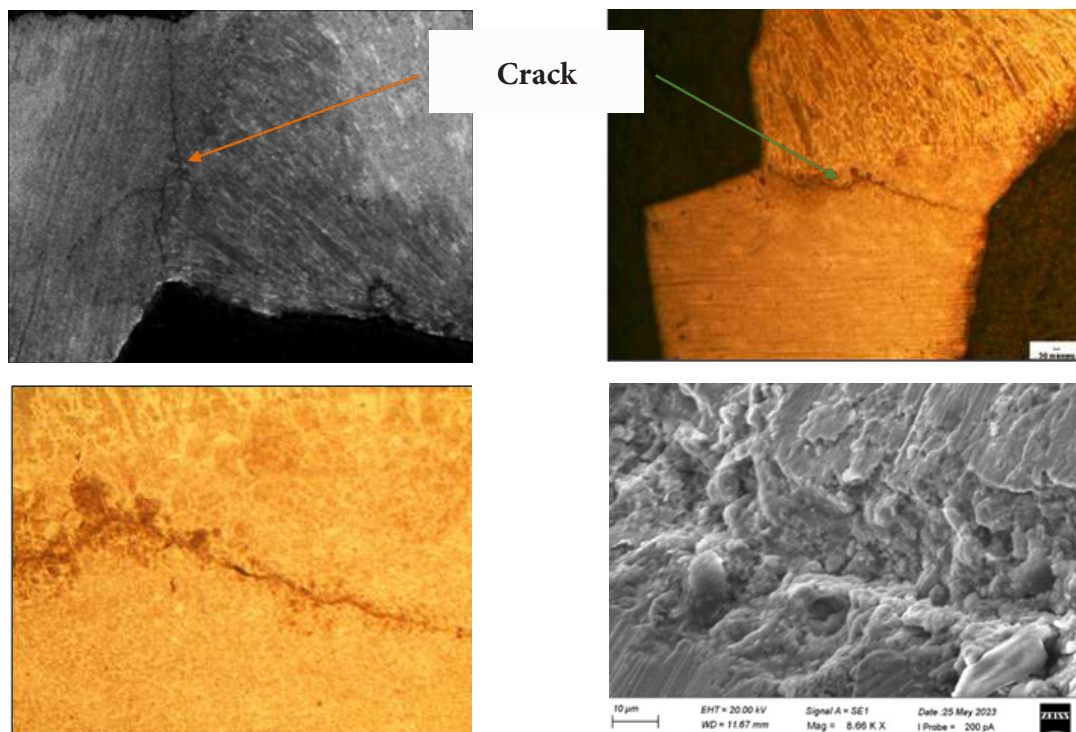
Background: Customer (Kaj Jay Forging) has submitted a failed Magnus HS Lower Bracket & Steering shaft assembly sample for failure analysis. The reason for the failure needed to be evaluated.



Failed Bracket shaft assembly



Failed Region



Microphotograph of Failed location.

Fracture/crack region at SEM image.

Macro examination of failed bracket shaft assembly shows microcrack in the fusion line of the weld. The crack observed in the fusion line act as a weakened zone of the assembly.

Conclusion:

Based on the outcome of metallurgical analysis, which includes macro, microstructure evaluations, SEM & EDAX analysis and conclude that failure of the tube possibly excess load or sudden impact load applied on the shaft / Bracket. The failure possibly happened when sudden or excessive loading at the weld region.

7. Safess Quality Management Pvt. Ltd. (SAFESS) - A wholly owned subsidiary of ISSPL

Highlights during the year include

1. SAFESS successfully driven new initiative business of EPC and Asset Integrity.
2. Successfully completed ISO 9001:2015 and EHS Audit of ISO 14001: 2015 and ISO 45001:2018
3. PESO recognition under SMPV (U) & Petroleum Rules renewed.
4. Under Asset Integrity and Health assessment projects SAFESS successfully executed RLA of heat Exchangers at DFPCL Dahej Plant.

Significant contracts won include:

1. BPCL Bina –

SAFESS received a contract from BPCL Bina refinery for corrosion mapping of Mounded storage vessels including Mechanical work and statutory testing as per SMPV RULE.

- 2. Daynite Engineers and Contracts Pvt. Ltd. for BPCL Mumbai refinery (shutdown)**
 Comprehensive NDT and ANDT contract of various equipments at BPCL refinery
- 3. Total Energies Mangalore:**
 Scope of contract is Statutory Periodic Inspection and Certification of 02 Nos Horton Spheres as per Total Stand and as per PESO's SMPV (U) Rule 19.
- 4. Deepak Fertilizers and Petrochemical Ltd.**
 Scope of work is RLA of equipment (Heat Exchangers)
- 5. Thyssenkrupp Pune (Uniteam Infra. Mumbai)**
 Material supply, Fabrication of MS and low alloy Boiler ducting for JKCL Mudhol cement plant.

Major Projects Completed:

1. HPCL Mumbai refinery – Statutory testing of MSV as per SMPV Rule.
2. Total Energies Mangalore – Statutory testing of Horton Spheres under SMPV Rule 19
3. Thyssenkrupp Industries (UNITEAM Infra) – Boiler ducting fabrication and supply.
4. Daynite engineers and Contractors Pvt. Ltd. – NDT and ANDT Services for BPCL Mumbai refinery during annual turnaround.

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. Internal auditor training of ISO 14001: 2015 and ISO 45001:2018.

Achievement and Recognition: Total Energies

Successfully completed EPC SBUs Equipment's and Ducting during FY 2023-24
 Client is Thyssenkrupp Industries Ltd and Epsilon Carbon Pvt Ltd (Uniteam Infra)



8. Arun Abhiyantey Pvt. Ltd. (AAPL) (A wholly owned subsidiary of ISSPL)

It was engaged in execution of Statutory Job and Modification work in Petrochemical Industry. Currently, there are no operations carried out through this Company.

9. Particulars Regarding Foreign Exchange Earnings & Expenditure And Conservation Of Energy & Technology Absorption

The Company is not into manufacturing activities and hence no expenditure was incurred on the conservation of energy and therefore the efforts to disclose are not relevant for the Company.

Foreign exchange earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows are as follows:

With regard to foreign exchange earnings and outgo for the financial year 2023-24, the position is as under:

Particulars	2023-24 (Rs. in Lakhs)	2022-23 (Rs. in Lakhs)
Income in foreign currency	1,316.25	942.46
Expenditure in foreign currency	552.31	490.41

10. Meetings Of The Board

The Board of Directors met 4 times during the financial year ended March 31, 2024 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 with by the company, during the financial year.

11. 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.

12. Explanation Or Comments By The Board On Every Qualification, Reservation Or Adverse Remarks Made, If Any, By The Statutory Auditor

There are no adverse qualifications, reservations or remarks or disclaimers made by the Statutory Auditors in their report on the Financial Statement of the Company for the financial year ended March 31, 2024 except for the audit trail at database level. Your Company has Implemented the audit trail on transaction level for the books of accounts however, database level is not implemented. The maintenance and management of extensive log data will add complexity to the Company's database administration tasks. Further, it will impact the overall efficiency level of the system and not only slow down the system, but it also involves substantial additional costs. The Company is of the view that there is no impact of this on the financial statements.

13. Statutory Auditors

PKF Sridhar & Santhanam LLP, Chartered Accountants, (FRN: 003990S/S200018) were appointed as the Statutory Auditors of the Company at the 6th Annual General meeting of the Company held on September 19, 2019, for a period of five years to hold office till the conclusion of the 11th Annual General Meeting of the Company to be held in the year 2024. The Board recommends to the members, re-appointment of PKF Sridhar & Santhanam LLP, Chartered Accountants, (FRN: 003990S/S200018) as the statutory auditors of the Company for a term five years to hold office from the conclusion of this annual general meeting till the conclusion of the 16th Annual General Meeting to be held in the year 2029, on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors. PKF Sridhar & Santhanam

LLP, Chartered Accountants, (Registration no.003990S/S200018), have confirmed their eligibility to continue as the Statutory Auditors of the Company. No fraud has been reported by the auditors during the financial year.

14. 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.

In terms of the applicable provisions of the Companies Act, 2013 the Company is not mandatorily required to appoint any whole time Key Management Personnel(s). However, the Board of Directors at its meeting held on April 8, 2024 appointed Ms. Sugandha Vaidya as the whole-time Company secretary with effect from April 22, 2024.

Mrs. Lekha Kumar, IRS (DIN: 10288446), was appointed as an additional Director of the Company by the Board of Directors at their meeting held on July 27, 2023. The member of the Company at their 10th Annual General Meeting held on September 22, 2023, appointed Mrs. Lekha Kumar, IRS, as a Director of the Company.

The Board of Directors of the Company at their meeting held on August 1, 2024, appointed Mr. Kannan Ramamirtham (DIN: 00227980), as an Additional Director of the Company with effect from the same date, to hold office as a non-executive, non-independent Director till the ensuing Annual General Meeting. The Board recommends appointment of Mr. Kannan Ramamirtham, as a Director of the Company, liable to retire by rotation at the ensuing annual general meeting.

15. Declaration Given By Independent Director

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

16. Public Deposits

During the financial year, 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.

17. Loans From Directors

The Company has not borrowed any loans from its Directors during the financial year 2023-24.

18. Particulars Of Loan, Guarantee And Investment

The Company has not subscribed or acquired securities of any Body Corporate during the financial year 2023-24 as per section 186 of the Companies Act, 2013, however the balances of the existing Investments are as reflected in note no.7 of the Financial Statements.

19. 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.

20. Policy For Prevention Of Sexual Harassment

The Company has been employing female 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 2023-24 and hence no complaint is outstanding as on March 31, 2024 for redressal.

21. Internal Financials Control Systems And Their Adequacy

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal and statutory auditors, and the reviews performed by the management, the Board is of the opinion, that the Company's internal financial controls were adequate and effective.

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed. The Company's internal financial control systems are commensurate with the nature of its business, the size and complexity of its operations.

22. Particulars Of Contract And Arrangement Under Section 188

No contract or arrangement was entered with related parties by the Company during the financial year. All the transactions/ arrangements/ contracts with related parties entered by the Company were in ordinary course of business and at arm's length basis.

23. 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.

24. 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 your Company and hence the Company has not documented any policy relating to matters as provided under Section 178 of the Companies Act, 2013.

25. Subsidiary, Joint Ventures And Associate Companies

The Company does not have any Joint Venture or Associate Companies. However below mentioned are the Subsidiary Companies of your Company, details of which are reflected in Form AOC-1 appended with the financial statements:

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%

26. **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, 2024 and the date of this report.

27. **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 your 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.

28. **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. 19.04 lakhs on CSR for the financial year ended March 31, 2024. On recommendation of the CSR committee and with the approval of the Board of Directors, the Company expended an amount of Rs. 19.19 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 CSR policy, is in compliance with CSR objectives and policy of your company.

29. **Annual Return**

Pursuant to Section 134 (3) (a) and Section 92 (3) of the Companies Act, 2013, read with relevant Rules framed thereunder, the annual return of the Company is available on the website of the Company at www.irclass.org.

30. **Directors' Responsibility Statement**

In accordance with the provisions of 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 March 31, 2024 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.
31. No disclosures are required in respect of sub rule xi & xii of Rule 8(5) of The Companies (Accounts) Rules, 2014 read with Section 134(3)(q) as the same is not applicable to the Company during the financial year.

32. **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,

Place: Mumbai	Vinay Kshirsagar Director	Arun Sharma Chairman and Director
Date: August 1, 2024	DIN: 07029212	DIN: 02503165

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

In pursuance of the CSR 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's 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- www.irclass.org
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub rule (3) of rule 8, if applicable **NA**
5. (a) Average net profit of the company as per section 135(5) INR 951.95 Lakhs
- (b) Two percent of average net profit of the company as per section 135(5) INR 19.04 Lakhs
- (c) Surplus arising out of the CSR projects or programmes or Activities of the previous financial years NIL
- (d) Amount required to be set off for the financial year, if any INR 1.13 Lakhs
- (e) Total CSR obligation for the financial year (5b+5c-5d) **INR 17.91 Lakhs**

6. (a) Amount spent on CSR Projects (Both Ongoing Project and other than ongoing Project) – **INR 19.19 Lakhs**

a) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (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												

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)		
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.lakhs).	Mode of implementation- Direct (Yes/No).	Mode of implementation – Through implementing agency.		
				State.	District.			Name.	CSR registration number.	
1	Shri Gadge Maharaj Mission	Promoting education, including vocational training upto Std.X / XII, to students from the less privileged sections of society	Yes	Maharashtra	Nashik	13.37	Yes	-	-	
2	ABM Samaj Prabodhan Sanstha		Yes	Maharashtra	Dhamangaon	3.50	Yes	-	-	
3	Shri Naresh Raut Foundation		Yes	Maharashtra	Palghar	2.33	Yes	-	-	
TOTAL						19.19				
(b) Amount spent in Administrative overheads							NIL			
(c) Amount spent on Impact Assessment, if applicable							NIL			
(d) Total amount spent for the Financial Year (6a+6b+6c)							INR 19.19 Lakhs			

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

Amount Unspent (Rs. in Lakhs)					
Total Amount Spent for the Financial Year. (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.
19.19	NIL	NA	NA	NIL	NA

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs. in lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	19.04
(ii)	Total amount spent for the Financial Year	19.19
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.15
	Excess amount available for set off of preceding FY-2021-22 upto FY-2024-25	0.12
	Excess amount available for set off of preceding FY-2022-23 upto FY-2025-26	0.86
	Total	1.13
(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)]	1.13

7 (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Sl. No.	Preceding Financial Year(s).	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Balance Amount in Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the Financial Year (in Rs.).	Amount transferred to a Fund as specified under Schedule VII as per section 135(5), if any.		Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Amount (in Rs).	Date of transfer.		
1	FY-1							
2	FY-2							
3	FY-3							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year. – **No**

If yes, enter the Number of capital Assets created / Acquired: **Not Applicable**

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

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Regd. address

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

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sub-section (5) of section 135 – **Not Applicable**

For and on behalf of the Board,

<p>Place: Mumbai</p> <p>Date: August 1, 2024</p>	<p>Vinay Kshirsagar Director DIN: 07029212</p>	<p>Arun Sharma Chairman and Director DIN: 02503165</p>
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCLASS SYSTEMS AND SOLUTIONS PRIVATE LIMITED

Report on the Audit of the Standalone Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of **IRCLASS Systems and Solutions Private Limited** ("the Company"), which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of Income and Expenditure (including Other Comprehensive Income), the standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of material 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 2024, and excess of income over expenditure and other comprehensive income, changes in equity 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 Ind AS 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 Ind AS 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 Ind AS financial statements and our auditors' report thereon.

Our opinion on the standalone Ind AS 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 Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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.

Other Matter

The financial information of the Company for the year ended March 31, 2023 and the transition date opening balance sheet as at April 1, 2022 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2023 and March 31, 2022 respectively, prepared in accordance with the Companies (Accounting Standards) Rules, 2021 (as amended) which were audited by us, on which we expressed an unmodified opinion dated July 27, 2023 and July 22, 2022 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of these matters.

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 except for the matter stated in the paragraph h(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - (c) The Standalone Balance Sheet, the Standalone Statement of Income and Expenditure (including other comprehensive income), the Standalone Statement of Changes in Equity 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 Indian 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 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under

Section 143(3)(b) and paragraph h(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014

- (g) With respect to the adequacy of the internal financial controls with reference to the standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (h) 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 2024 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;
 - 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 2024.
 - 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.

- vi. Relying on the representations/ explanations from the Company and based on our examination which included test checks on the software applications, the Company, in respect of Financial year commencing on 1 April 2023, has used software applications for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software applications. The feature of recording audit trail (edit log) at the database level to log any direct data changes could not be verified.
- Further, to the extent and for the periods where audit trail (edit log) facility was enabled for the respective software, we did not come across any instance of the audit trail feature being tampered with.
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: Daman
Date: 01st August, 2024
ICAI UDIN Ref. No. 24220369BKCESI5193

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 Ind AS financial statements as of and for the year ended 31 March 2024.

- (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 and 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. Quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- (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
Aggregate Amount granted/ provided during the year				
- Subsidiaries	NIL	NIL	NIL	74.44
- Joint Ventures	NIL	NIL	NIL	NIL
- Associates	NIL	NIL	NIL	NIL
- Others	NIL	NIL	NIL	NIL
Balance outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	400.00	NIL	NIL	174.44
- 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 2024 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, the Company has not defaulted in repayment of loans and borrowings to a financial institution, banks, government or dues to debenture holders.
- (ix) 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.
- (x) (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.
- (xi) (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.
- (xii) (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
- (xiii) 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.
- (xiv) 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 Ind AS 24 Related Party Disclosures (the applicable accounting standard).
- (xv) (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.
- (xvi) 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.

- (xvii) (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.
- (xviii) 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.
- (xix) 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.
- (xx) 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.
- (xxi) 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: Daman
Date: 01st August, 2024
ICAI UDIN Ref. No. 24220369BKCESI5193

Ramanarayanan J
Partner
Membership No. 220369

Annexure B

Referred to in paragraph 2(g) 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 Ind AS financial statements of **IRCLASS Systems and Solutions Private Limited** ("the Company") as of 31 March 2024 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements

Because of the inherent limitations of internal financial controls with reference to standalone Ind AS 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 Ind AS 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 Ind AS financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to standalone Ind AS 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: Daman
Date: 01st August, 2024
ICAI UDIN Ref. No. 24220369BKCESI5193

Ramanarayanan J
Partner
Membership No. 220369

Standalone Balance Sheet as at 31st March, 2024

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
ASSETS				
Non Current assets				
(a) Property, Plant and Equipment				
(i) Tangible assets	5	2,321.83	2,346.70	1,928.55
(ii) Intangible assets		140.07	142.57	146.22
(b) Right-of-use assets	6	46.09	101.39	156.69
(c) Financial Assets				
(i) Investments	7	1,603.50	1,603.50	1,603.50
(ii) Loans	8	174.44	100.01	119.01
(iii) Other financial assets	9	236.21	179.98	161.34
(d) Deferred Tax Asset	10	238.08	109.85	108.27
(e) Other Non-Current Assets	11	1,074.98	869.67	485.76
Total non-current assets		5,835.20	5,453.67	4,709.34
Current assets				
(a) Inventories		-	-	-
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables	12	3,563.56	3,016.98	2,891.10
(iii) Cash and bank balances	13	1,148.46	519.76	515.20
(iv) Other financial assets	9	644.04	525.07	316.54
(c) Other current assets	11	938.19	901.12	527.82
Total current assets		6,294.25	4,962.93	4,250.66
Total assets		12,129.46	10,416.60	8,960.00
EQUITY AND LIABILITIES				
Equity				
(a) Other Equity	14	8,470.00	7,467.78	6,932.38
Equity attributable to owners of the Company		8,470.00	7,467.78	6,932.38
Total Equity		8,470.00	7,467.78	6,932.38
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	225.00	325.01	50.06
(ii) Lease Liability	16	-	53.20	156.69
Total non current liabilities		225.00	378.21	206.75
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	1,789.84	861.17	633.77
(ii) Lease Liability	16	53.20	55.72	-
(iii) Trade payables Micro and Small Enterprises Others	17	-	-	-
		668.56	731.59	528.46
(iv) Other financial assets	18	278.38	391.37	260.27
(b) Other current liabilities	19	644.46	530.76	398.37
Total current liabilities		3,434.45	2,570.61	1,820.87
Total Liabilities		3,659.45	2,948.81	2,027.62
Total Equity And Liabilities		12,129.46	10,416.60	8,960.00

See accompanying notes forming part of the financial statements

In terms of our report attached

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants
FRN. 003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369
Place: Daman
Date : 01st August, 2024

For and on Behalf of the Board of Directors

Vinay Kshirsagar
Director
DIN no.: 07029212

Arun Sharma
Chairman and Director
DIN no.: 02503165

Sugandha Vaidya
Company Secretary

Deepak Patel
Associate General Manager

Place: Mumbai
Date : 01st August, 2024

Standalone Statement of Income and Expenditure for the year ended 31st March, 2024

Particulars	Note No.	Year ended 31st March, 2024	Year ended 31st March , 2023
I Revenue from operations	20	15,566.77	11,094.60
II Other income	21	69.76	131.13
III Total Income (I + II)		15,636.53	11,225.73
Expenses			
(a) Employee benefits expense	22	6,777.54	5,535.33
(b) Finance Cost	23	148.77	116.95
(c) Depreciation and amortization expense	24	297.10	250.94
(d) Other expenses	25	7,022.59	4,613.27
(e) CSR Expenditure	36	19.19	20.99
IV Total Expenses		14,265.19	10,537.48
V Excess of Income Over Expenditure before exceptional items and tax (III-IV)		1,371.34	688.26
VI Exceptional Item		-	-
VII Excess of Income Over Expenditure before tax(V-VI)		1,371.34	688.26
VIII Tax expense:			
1) Current Tax			
Current Year		477.84	176.32
Previous Year		12.92	8.92
2) Deferred Tax Liability / (Asset)	10	(126.58)	(9.33)
IX Excess of Income Over Expenditure (VII-VIII)		1,007.16	512.35
X Other comprehensive income			
A Items that will not be reclassified to Income and Expenditure			
(a) Remeasurements of the defined benefit plans		(6.59)	30.80
(b) Income Tax on above	11	1.66	(7.75)
B Items that will be reclassified to Income and Expenditure		-	-
XI Total other comprehensive income for the period (A+ B)		(4.93)	23.05
XII Total comprehensive income for the period (IX+XI)		1,002.22	535.40

See accompanying notes forming part of the financial statements

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

Vinay Kshirsagar
Director
DIN no.: 07029212

Arun Sharma
Chairman and Director
DIN no.: 02503165

Ramanarayanan J
Partner
Membership No. 220369
Place: Daman
Date : 01st August, 2024

Sugandha Vaidya
Company Secretary
Place: Mumbai
Date : 01st August, 2024

Deepak Patel
Associate General Manager

STATEMENT OF CHANGES IN EQUITY

Standalone Statement of changes in equity for the year ended 31st March, 2024

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

Particulars	Capital Reserve	General Fund	Specific Fund	Surplus in the income and expenditure account	Other Comprehensive Income	Total
Opening As at 1st April, 2022	-	200.00	2,995.76	3,736.61	-	6,932.38
Changes in accounting policy on prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current report period	-	200.00	2,995.76	3,736.61	-	6,932.38
Surplus for the year	-	-	-	512.35	-	512.35
Actuarial Gains/Losses on defined benefit obligation	-	-	-	-	23.05	23.05
Transfer to Capital Reserve	3,195.76	(200.00)	(2,995.76)	-	-	-
Closing As at 31st March, 2023	3,195.76	-	-	4,248.97	23.05	7,467.78
Changes in accounting policy on prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current report period	-	-	-	4,248.97	23.05	7,467.78
Surplus for the year	-	-	-	1,007.16	-	1,007.16
Actuarial gains/losses on defined benefit obligation	-	-	-	-	(4.93)	(4.93)
Closing As at 31st March, 2024	3,195.76	-	-	5,256.13	18.11	8,470.00

Nature and Purpose of Reserves :

- Capital Reserve**
Capital Reserve is created by transfer of amount from Corpus Fund on fulfillment of Fund objective
- General Fund and Specific Fund**
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 7)

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

Ramanarayanan J
Partner
Membership No. 220369
Daman
Date: 01st August, 2024

For and on Behalf of the Board of Directors

Vinay Kshirsagar
Director
DIN no.: 07029212

Arun Sharma
Chairman and Director
DIN no.: 02503165

Sugandha Vaidya
Company Secretary
Mumbai

Deepak Patel
Associate General Manager

Date: 01st August, 2024

CASH FLOW STATEMENT

IRCLASS
Systems and Solutions Private Limited
(Company Limited by Guarantee & Not having Share Capital)
CIN U74120MH2014PTC254091
(All amounts are in Rs. Lakhs unless specified otherwise)

Standalone Cash Flow Statement for the year ended 31st March 2024

Particulars	Year ended 31st March, 2024		Year ended 31st March , 2023	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Excess of income over expenditure before Tax		1,371.34		688.26
Adjustments for:				
Depreciation on tangible assets	237.96		191.98	
Amortisation of software	3.83		3.66	
Depreciation on ROU Asset	55.30		55.30	
Interest on Lease liability	7.55		12.47	
Loss / (Gain) on sale / write off of fixed assets (net)	0.25		(0.17)	
Security/EMD Deposit Written off	2.59		0.43	
Interest income on Deposit	(41.15)		(32.23)	
Interest on IT Refund	(28.44)		(19.80)	
Net unrealised exchange loss/(gain) on foreign currency translations	8.19		(5.23)	
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	6.15		(4.79)	
Interest paid on Cash credit facility	98.21		79.49	
Interest paid on Term Loan	43.01		24.99	
Provision for doubtful trade receivables (net)	506.02		(2.23)	
Bad debts written off	1.93		95.73	
Bad debts written off of earlier years now recovered	-		(1.00)	
Provision for PLI	(16.29)		10.43	
TDS not recoverable written off	6.64		25.63	
Dividend from Domestic Companies	-		(50.00)	
		891.75		384.65
Operating surplus before working capital changes		2,263.09		1,072.91
Adjustments for (increase)/ decrease in operating assets:				
Trade receivables	(1,062.72)		(182.34)	
Other Non Current Loan (Deposit)	(2.59)		(0.43)	
Other Current Financial Asset	(117.86)		(207.50)	
Other Current assets	(43.66)		(373.31)	
Other Non Current Financial Asset	(56.23)		(18.63)	
Other Non Current Asset	(5.01)		0.60	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(63.03)		203.13	
Other current liabilities	113.70		132.38	
Short Term Provisions	(44.93)		80.91	
		(1,282.32)		(365.20)
Cash generated from operations		980.77		707.71
Direct taxes paid (Tax deducted at source)		(669.27)		(575.57)
Netcash from operating activities (A)		311.50		132.14

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

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 Technical Inspection & Certification services all over the world against Technical Specification, QA Plan and National/International Standards.

2. Applicability of new and revised Ind AS:

a. New Standards/Amendments notified but not yet effective:

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

3. Summary of Material Accounting Policies

The material accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements and in preparing the opening Ind AS Balance Sheet as at April 1, 2022 for the purpose of transition to Ind AS, unless otherwise indicated.

3.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015, pursuant to voluntary adoption by the Company. The accounting policies as set out below have been applied consistently to all the years presented in these financial statements.

For all periods up to and including the year ended March 31, 2023, the Company prepared its financial statements in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2021. The financial statements for the year ended March 31, 2024 are the first financial statements prepared in accordance with Ind AS. The date of transition to Ind AS is April 1, 2022.

The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position and financial performance of the Company is provided in Note 31. This note includes reconciliations of equity and total comprehensive income for comparative years under Indian GAAP to those reported for those years under Ind AS.

Refer Note 31 for the details of first-time adoption exemptions availed by the Company.

3.2 Basis of Preparation & Presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments and long-term employee benefits that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in Ind AS-1 ‘Presentation of

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

Financial Statements' and Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The Financial Statements comprising Balance Sheet, Statement of Income and Expenditure, Statement of Change in Equity, Cash Flow Statements together with the Notes for the year ended March 31, 2024 have been prepared in accordance with Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

3.3 Functional and presentation currency

The functional and presentation currency of the Company is Indian Rupee which represents the currency of the primary economic environment in which it operates.

3.4 Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, commitments, and contingencies.

3.5 Property, plant, and equipment (PPE)

PPE are carried at cost less accumulated depreciation and impairment losses, if any. The cost of PPE comprises the purchase price net of any trade discounts and rebates, freight, any import duties and other taxes (other than those subsequently recoverable) and includes interest on borrowings attributable to acquisition of qualifying PPE up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

PPE retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately. When assets are retired or otherwise disposed off, the cost of such assets and related accumulated depreciation are removed from the accounts. Any income and expenses on retirement or other disposal is reflected in the Statement of Income and Expenditure.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2022 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.6 Depreciation

Depreciation for the year has been provided using the Straight-Line method (SLM) over their useful lives and residual value as prescribed in Schedule II. Leasehold improvements are depreciated over the lease period of the underlying premises.

3.7 Asset Impairment

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

have not been adjusted. An impairment loss is recognised in the statement of Income and Expenditure as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of Income and Expenditure immediately.

3.8 Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement, and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Company as lessee-

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease

incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove, or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in statement of income and expenditure.

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

3.9 Inspection and Certification Fees

- Industrial Services revenue is recognized as specified under the contract which shall be based on man-day, man-month or percentage of completion of services.
- IRQS services revenue is recognized after the completion of audit and issuance of final report.
- Testing Laboratory services revenue is recognized after the completion of testing of product and issuance of final report.

3.10 Foreign Currency Transactions and Balances

Transactions in foreign currencies are recorded at standard exchange rates prevailing on the date of relevant transactions. The realized exchange gains or losses are recognized in the statement of Income and Expenditure.

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported in the functional currency, using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported in functional currency using the exchange rates that existed when the fair value measured. All monetary assets and liabilities in foreign currency are restated at the end of accounting period

3.11 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 recognised fund which is charged to statement of Income and Expenditure. The same is separately administered as the Company is not covered under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952.

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. Actuarial gains / losses comprise experience adjustments and the effect of changes in actuarial assumptions are recognised in the statement of Other comprehensive income in the period in which they occur in case of post-employment benefits and in the Statement of Income and Expenditure in case of other long-term employee benefits.

Employees who have completed five years of service are provided superannuation benefits through a policy with the insurance companies with defined contributions made by the Company, which are charged to the Statement of Income and Expenditure.

Any other termination benefits are recognised as expenses immediately on the basis of actual expenses.

3.12 Capital Reserve

Capital reserve has been created by transferring the amount from Corpus fund on fulfilment of Fund objective.

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

3.13 Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of past events where it is probable that there will be outflow of resource required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. When any such present obligation cannot be measured or where a realistic estimate of the obligation cannot be made, contingent liabilities are disclosed.

Contingent liabilities are also disclosed when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more future events not wholly within the control of the company.

3.14 Segments Reporting

The Company is engaged mainly in one line of activity consisting of Technical Inspection and Certification. These in the context of Ind AS 108 - operating segments reporting are considered to constitute one reportable segment.

3.15 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

3.16 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. The carrying amount of the goodwill as on transition date considered as deemed cost and its tested for impairment annually and measured in accordance with Note 3.7 Asset Impairment.

3.17 Investment Income

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

3.18 Investments

- i) Subsidiaries recognized at cost and subsequently measured at cost, less impairment losses, if any in the value of investments.
- ii) Other than Subsidiaries recognized initially at fair value and subsequently measured at fair value through other comprehensive Income.

3.19 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. The carrying amounts of deferred tax assets/ liability are reviewed and adjusted at each Balance Sheet date.

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

3.20 Financial Instruments

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value (excluding trade receivables which do not contain a significant financing component, being measured at transaction price). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through income and expenditure) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through income and expenditure are recognised immediately in the Statement of Income and Expenditure.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

A. Financial Assets

(i) Cash and Cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial Assets at amortized cost

Financial assets are subsequently measured at amortized cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iv) Financial assets at fair value through income and expenditure

Financial assets are measured at fair value through income and expenditure unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition.

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

(v) Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

(vi) De-recognition of financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset in its entirety (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the Statement of Income and Expenditure.

B. Financial Liabilities

(i) Financial Liabilities at Amortized Cost

Financial liabilities are measured at amortised cost using the effective interest method.

(ii) De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Income and Expenditure.

3.21 First-time adoption-mandatory exceptions, optional exemptions

Overall Principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2022 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

Business combination

The company has elected not to apply IND AS 103 retrospectively to past business combinations that occurred before 01st April, 2022 (the transition date).

De-recognition of financial assets and liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2022 (the transition date).

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Deemed cost for PPE, investment property and intangible assets

The Company has elected to continue with the carrying value of all of its Property, Plant and Equipment, and intangible assets recognised as of April 1, 2023 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.

Right of use Assets

The Company has applied the IND AS 116 requirements only to contracts existing at the date of transition to IND AS and measured the right of use assets at an amount equal to the lease liability as on the transition date.

- 3.22** 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.

4. Critical Accounting Assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

4.1 Revenue Recognition

- Industrial Services revenue is recognized based on fulfilment of man-day, man-month or percentage of completion of services as specified under the contract.
- IRQS services revenue is recognized only on completion of audit and issuance of final report.
- Testing Laboratory services revenue is recognized only on completion of testing of product and issuance of final report.

4.2 Useful lives of property, plant, and equipment

The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Depreciation on Property Plant and Equipment is provided pro-rata for the periods of use on straight line method (SLM) on the basis of useful life of the assets mandated by Part C of Schedule II of the Companies Act, 2013.

4.3 Provision for Doubtful Debts

The Company assesses its doubtful debt provision at each reporting date. Provisions are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Key assumptions applied are experience (including comparisons of the relative age of accounts and consideration of actual write-off history), customer creditworthiness, current economic trends, changes in customer payment terms, the estimated debt recovery rates and future market conditions that could affect the recovery.

4.4 Employee Benefits - Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

4.5 Impairment of tangible assets and goodwill on business acquisition

Property, plant and equipment and goodwill on business acquisition are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

At each Balance Sheet date, consideration is given to determine whether there is any indication of impairment of the carrying amount of the Company's assets. If any indication exists, estimation is made for the asset's recoverable amount, which is the greater of the net selling price and the value in use. An impairment loss, if any, is recognized whenever the carrying amount of an asset exceeds the recoverable amount.

Impairment losses of continuing operations, if any, are recognized in income and expenses section of the statement of Income and Expenditure.

4.6 Contingent liabilities

Management applies its judgement to advice it receives from its attorneys, advocates, and other advisers in assessing if an obligation is probable, more likely than not, or remote. This judgement is used to determine if the obligation is recognised as a liability in the form of a provision or disclosed as a contingent liability.

NOTES TO ACCOUNTS

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

Notes Forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

5. Property, Plant and Equipment

Particulars	Land	Building	Plant and Equipment	Furniture and Fixtures	Computer System	Vehicle improvements	Lease hold improvements	Total Tangible Assets	Goodwill (On Purchase of Business)	Software	Total Intangible Assets	Grand total
Cost or deemed cost												
Balance as at April 1, 2022	1,180.77	13.40	573.91	30.48	79.90	16.29	33.80	1,928.55	137.75	8.47	146.22	2,074.78
Additions	-	-	499.35	17.20	93.58	-	-	610.12	-	-	-	610.12
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2023	1,180.77	13.40	1,073.26	47.68	173.48	16.29	33.80	2,538.68	137.75	8.47	146.22	2,684.90
Additions	-	-	118.86	0.51	76.26	-	18.22	213.85	-	1.33	1.33	215.19
Disposals	-	-	(0.86)	-	-	-	-	(0.86)	-	-	-	(0.86)
Balance as at 31st March 2024	1,180.77	13.40	1,191.26	48.19	249.74	16.29	52.02	2,751.67	137.75	9.81	147.56	2,899.23
Accumulated Depreciation and impairment												
Balance as at April 1, 2022	-	-	-	-	-	-	-	-	-	-	-	-
Elimination on disposals of assets	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	0.25	112.16	21.14	49.43	2.05	6.95	191.98	-	3.66	3.66	195.63
Balance as at 31st March 2023	-	0.25	112.16	21.14	49.43	2.05	6.95	191.98	-	3.66	3.66	195.63
Elimination on disposals of assets	-	-	(0.10)	-	-	-	-	(0.10)	-	-	-	(0.10)
Depreciation expense	-	0.25	149.37	4.09	72.74	2.06	9.46	237.96	-	3.83	3.83	241.79
Balance as at 31st March 2024	-	0.50	261.43	25.22	122.16	4.11	16.41	429.84	-	7.48	7.48	437.33
Carrying amount												
Balance as at April 1, 2022	1,180.77	13.40	573.91	30.48	79.90	16.29	33.80	1,928.55	137.75	8.47	146.22	2,074.78
Balance as at 31st March 2023	1,180.77	13.15	961.09	26.54	124.05	14.24	26.85	2,346.70	137.75	4.82	142.57	2,489.27
Balance as at 31st March 2024	1,180.77	12.90	929.83	22.97	127.57	12.18	35.61	2,321.83	137.75	2.32	140.07	2,461.90
Gross Block												
Accumulated Depreciation	1,180.77	15.00	751.78	63.94	221.59	16.41	34.78	2,284.27	486.80	18.30	505.10	2,789.38
Net Block Treated at Deemed Cost												
Accumulated Depreciation	-	1.60	177.88	33.46	141.69	0.12	0.97	355.72	349.05	9.82	358.88	714.60
Net Block Treated at Deemed Cost	1,180.77	13.40	573.91	30.48	79.90	16.29	33.80	1,928.55	137.75	8.47	146.22	2,074.78

NOTES:

- Buildings (cost) pertains towards acquisition of premises of M/S Geological & Metallurgical Laboratories at Bangalore
- The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition i.e. 1 April 2022 and hence the carrying amount (net block) as per previous GAAP on that date has been considered as gross block. (Refer note below for the gross block value and the accumulated depreciation on 1 April 2022 under previous GAAP).

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

6. Right of use assets- Properties

Particulars	Amount
Gross carrying amount	
As at 1 April 2022	156.69
Additions during the year	-
Less: Disposals / adjustments during the year	-
As at 31 March 2023	156.69
Additions during the year	-
Less: Disposals / adjustments during the year	-
As at 31 March 2024	156.69
Accumulated depreciation and impairment	
As at 1 April 2022	-
Depreciation for the year	55.30
Less: Disposals / adjustments during the year	-
As at 31 March 2023	55.30
Depreciation for the year	55.30
Less: Disposals / adjustments during the year	-
As at 31 March 2024	110.60
Net carrying amount	
As at 1 April 2022	156.69
As at 31 March 2023	101.39
As at 31 March 2024	46.09

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

7. Investments (Non-Trade, Quoted)

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Investment in Companies (Refer table below)	1,603.50	1,603.50	1,603.50
Total Investments	1,603.50	1,603.50	1,603.50

Particulars	As at 31st March, 2024		As at 31st March, 2023		As at 01st April, 2022	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
Non-Current						
A. Investment in Subsidiary Companies - Trade, Unquoted						
Investment in Safess Quality Management Pvt. Ltd.	42,000	1,590.22	42,000	1,590.22	42,000	1,590.22
Investment in Arun Abhiyantey Pvt. Ltd.	1,000	9.78	1,000	9.78	1,000	9.78
Total A		1,600.00		1,600.00		1,600.00
B. Investment in Other Companies - Trade, Unquoted (Refer footnote below)						
Investment in PT IRCLASS Service Indonesia		0.29		0.29		0.29
Investment in IRS Malaysia		0.00		0.00		0.00
Investment in Guangzhou Dazhong Certification		3.21		3.21		3.21
Total B		3.50		3.50		3.50
Total Other Investments (A)+(B)		1,603.50		1,603.50		1,603.50

Footnote: As fair value of these investments not expected to be materially different from their carrying amounts, carrying cost considered as fair value as at each reporting date

8. Loans

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Non-Current			
Loans to Related Parties (unsecured, considered good)			
Loan to Safess Quality Management Pvt Ltd	174.44	100.01	119.01
	174.44	100.01	119.01
Non-current	174.44	100.01	119.01
Current	-	-	-
Total	174.44	100.01	119.01

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

9. Other financial assets

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Non-Current			
Loan & Advance to employees	0.15	0.25	0.35
Security Deposit	236.06	179.73	160.99
	236.21	179.98	161.34
Current	174.44	100.01	161.34
Unbilled Revenue	243.32	154.91	87.44
Security Deposit	397.29	367.46	227.42
Other receivables	-	0.38	-
Interest accrued on deposits with banks	3.42	2.32	1.67
	644.04	525.07	316.54
Total	880.25	705.05	477.88
Non Current	236.21	179.98	161.34
Current	644.04	525.07	316.54
Total	880.25	705.05	477.88

10. Deferred tax assets / (liability)

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Deferred tax assets (net)	238.08	109.85	108.27
Total	238.08	109.85	108.27

The details of the deferred tax asset/ (liability) are given below:

i) Deferred tax assets/(liabilities) as at 31 March 2024

S.N	Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
(A)	Deferred tax liability			
(i)	Related to Tangible assets	7.07	7.47	6.85
(ii)	Related to Intangible assets	-	0.51	0.96
(iii)	Related to Right-of-use assets	11.60	25.52	39.44
	Total deferred tax Liabilities	18.67	33.50	47.25
(B)	Deferred tax assets			
(i)	Related to Intangible assets	0.07	-	-
(ii)	Related to Trade receivables	243.30	115.93	116.07
(iii)	Related to Lease Liabilities	13.39	27.41	39.44
	Total deferred tax assets	256.76	143.35	155.51

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

10. Deferred tax assets / (liability) (Contd.)

ii) Deferred tax asset / liabilities recognized in the books:

S.N	Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
(A)	Deferred tax liabilities	18.67	33.50	47.25
(B)	Deferred tax assets	256.76	143.35	155.51
	Net deferred tax asset/(liability) (B - A)	238.08	109.85	108.27

iii) Movement Deferred tax asset / liabilities recognized in the books:

S.N	Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
(A)	Deferred tax liabilities	(14.83)	(13.74)
(B)	Deferred tax assets	113.41	(12.16)
	Movement in net deferred tax asset/(liability) (B - A)	128.24	1.58
	Recognised in Income and Expenditure Account	126.58	9.33
	Recognised in Other Comprehensive Income	1.66	(7.75)

Reconciliation of effective tax rate

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
	Rate %	Amount	Rate %	Amount
Profit/ (Loss) as per the statement of profit and loss		1,371.34		688.26
Applicable Tax rate	25.17%		25.17%	
Tax expense for the year		345.17		173.22
a) Deferred tax asset not recognised on above				
b) Set-off of brought forward losses and unabsorbed depreciation				
c) Effect of expenses that are not deductible in determining taxable profit		4.82		5.28
d) Effect of expenses recognised in other comprehensive income		1.66		(7.75)
e) Others		(2.05)		3.99
Tax credit/ (charge) for the year recognised in statement of income and expenditure		349.60		174.74

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

11 .Other Assets

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Non-Current			
Prepaid Expenses	5.16	0.15	0.75
Income Tax Recoverable	1,069.82	869.52	485.01
	1,074.98	869.67	485.76
Current			
Advances to employees	53.23	44.96	8.50
Prepaid Expenses	35.39	28.29	25.37
Balances with government authorities:			
VAT & GST	504.38	514.82	356.01
Surplus in Gratuity Fund	137.13	144.74	31.96
Surplus in Leave Encashment	166.92	136.53	79.77
Advance to Supplier	40.83	28.12	23.96
Advance paid to third parties	0.30	3.66	2.25
	938.19	901.12	527.82
Total	2,013.17	1,770.79	1,013.58
Non Current	1,074.98	869.67	485.76
Current	938.19	901.12	527.82
Total	2,013.17	1,770.79	1,013.58

12 . Trade Receivable

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Non-Current	-	-	-
Current			
Unsecured :			
Considered good	3,715.52	3,087.83	2,960.26
Less : Provision for credit risk (refer note 12.3)	(151.96)	(70.85)	(69.16)
	3,563.56	3,016.98	2,891.10
Considered doubtful	814.67	389.75	391.99
Less : Provision for bad and doubtful receivables (refer note 12.2)	(814.67)	(389.75)	(391.99)
	-	-	-
Total	3,563.56	3,016.98	2,891.10

12.1 Trade Receivables

The average credit period on sale is 30 days.

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

12 . Trade Receivable (Contd.)

12.2 Movement of Impairment for doubtful receivables

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Balance at beginning of the year	389.75	391.99	257.79
Add : Provision during the year (net of bad debts)	424.91	(2.23)	134.20
Balance at end of the year	814.67	389.75	391.99

Note:

Major customers, being govt. promoted entities and private companies having highest credit ratings, carry negligible credit risk. Concentration of credit risk to any private counterparty did not exceed 5% of total debtors at any time during the year.

12.3 Movement of Provision for credit risk

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Balance at beginning of the year	70.85	69.16	-
Add : Provision/(Reversal) during the year	81.10	1.69	69.16
Balance at end of the year	151.96	70.85	69.16

12.4 For impairment of trade receivables and significant increase in credit risk refer note 30.5.2

12.5 Trade Receivable ageing (including unbilled revenue)

Particulars	As at 31st March, 2024						Total
	Unbilled	Less than 6 year	6 months - 1 year	1-2 years	2- 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	243.32	2,828.33	446.15	345.77	91.16	4.12	3,958.84
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.53	20.37	75.63	672.52	769.05
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0.00	45.62	45.62
Total	243.32	2,828.33	446.68	366.13	166.78	722.26	4,773.51

Particulars	As at 31st March, 2023						Total
	Unbilled	Less than 1 year	6 months - 1 year	1-2 years	2- 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	154.91	2,237.71	284.50	171.91	26.09	367.62	3,242.74
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	6.50	41.00	24.09	276.90	348.49
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	41.26	41.26
Total	154.91	2,237.71	291.00	212.91	50.18	685.79	3,632.50

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

12 . Trade Receivable (Contd.)

12.5 Trade Receivable ageing (including unbilled revenue)

Particulars	As at 01st April, 2022						Total
	Unbilled	Less than 1 year	6 months - 1 year	1-2 years	2- 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	87.44	2,130.50	321.18	81.58	47.56	379.43	3,047.70
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	5.83	7.98	64.05	173.31	251.17
(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	140.82
Total	87.44	2,130.50	327.01	89.56	132.01	673.16	3,439.69

13. Cash and Bank Balances

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Cash and cash equivalents			
Balances with banks			
In Current Accounts (Domestic)	589.75	88.36	51.08
In Current Accounts (Overseas)	64.35	33.00	138.09
In deposit accounts with banks with original maturity less 3 months	-	-	-
Cash on hand	1.64	1.04	0.95
	655.75	122.40	190.12
Other bank balances			
(a) in deposit accounts with banks with maturity less than 12 months.	492.71	397.36	325.08
(b) in deposit accounts with banks with maturity of more than 12 months.	-	-	-
Total	1,148.46	519.76	515.20

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

14. Other equity

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Surplus in the Income and Expenditure account			
Balance at the beginning of the year	4,248.97	3,736.61	
Transferred from Statement of Income and Expenditure	1,007.16	512.35	
Balance at the end of the year	5,256.12	4,248.97	3,736.61
Other comprehensive income			
Balance at the beginning of the year	23.05	-	
Transferred from statement of income and expenditure	(4.93)	23.05	
Balance at the end of the year	18.11	23.05	-
Total	5,274.24	4,272.02	3,736.61
Corpus Fund from Indian Register of Shipping (IRS)			
General Fund		200.00	
Less : Transfer to Capital Reserve		(200.00)	
	-	-	200.00
Specific Fund			
Opening and Closing Balance	-	2,995.76	
Less : Transfer to Capital Reserve	-	(2,995.76)	
	-	-	2,995.76
Total (Refer Foot Note Below)	-	-	3,195.76
Capital Reserve			
Opening Balance	3,195.76	-	
Add : Addition during the year (Refer foot note below)	-	3,195.76	
Closing Balance	3,195.76	3,195.76	-
Total	8,470.00	7,467.78	6,932.38

Foot Note : Corpus Fund transfer to Capital Reserve on fulfillment of Fund objective (pursuant to Board Approval)

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

15. Borrowings

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Non-current Borrowings			
Secured - at amortised cost			
Term Loan from HDFC Bank	315.00	405.00	-
Less : Amount Payable within next 12 months shown under Short Term Borrowings (Secured by charge on the current assets, equipment acquired out of term loan and exclusive charge on Lien of Fixed Deposit amounting 186 carrying interest rate at 9.85% repayable over 60 installments, last installment due on 28th September 2027)	(90.00)	(90.00)	-
	225.00	315.00	-
Term Loan from HDFC Bank	10.01	50.06	90.10
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% p.a. repayable over 60 installments, last installment due on 28th June 2024)	(10.01)	(40.05)	(40.05)
	-	10.01	50.06
Total non-current borrowings	225.00	325.01	50.06
Current Borrowings			
Secured - at amortised cost			
Current portion of Term Loan from HDFC Bank	100.01	130.05	40.05
	100.01	130.05	40.05
Cash Credit Facilities from HDFC Bank (Secured by charge against present and future receivables of the company and mortgage of property at Bangalore; Sanctioned Limit 1750 (Previous Year 1250) repayable on demand carrying interest rate of 9.42 % (Previous Year 9 %))	1,689.83	731.12	593.72
Total Current Borrowings	1,789.84	861.17	633.77

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

16. Lease Liability

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Non-Current			
Lease Liabilities	53.20	108.91	156.69
Less : Current Portion of Lease Liabilities	53.20	55.72	-
	-	53.19	156.69
Current			
Current Portion of Lease Liabilities	53.20	55.72	-
	53.20	55.72	-
Non Current	-	53.19	156.69
Current	53.20	55.72	-
Total	53.20	108.91	156.69

Lease Liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Maturity Analysis of Contractual Undiscounted Cash Flows			
Less than one year	55.13	63.52	60.50
One to five years	-	55.13	118.65

Amount recognized in Statement of Profit and Loss Account and Net Impact of IND AS 116

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest on Lease Liabilities in Finance Costs	7.55	12.47
Depreciation on ROU Asset	55.30	55.30
Total Amount Recognized in Statement of Profit and Loss	62.85	67.77

The Company has recognised an expense of **364.98** (Previous Year 103.61) on account of short term leases.

17. Trade Payables

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Micro and Small Enterprises	-	-	-
Others	668.56	731.59	528.46
Total	668.56	731.59	528.46

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

17. Trade Payables (Contd.)

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 responded to the enquiries made by the Company for this purpose.

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in **note 30 Financial Instruments**

17.1 Trade Payables agein

Particulars	As at 31st March, 2024					
	Unbilled	Less than 1 year	1-2 years	2- 3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	428.82	225.73	6.63	-	7.38	668.56
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	428.82	225.73	6.63	-	7.38	668.56

Particulars	As at 31st March, 2023					
	Unbilled	Less than 1 year	1-2 years	2- 3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	366.55	334.20	16.79	7.28	6.77	731.59
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	366.55	334.20	16.79	7.28	6.77	731.59

Particulars	As at 01st April, 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	8.55	528.46
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	328.50	176.50	8.88	6.03	8.55	528.46

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

18. Other Financial Liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Non-Current	-	-	-
	-	-	-
Current			
Creditors for capital expenditures	10.87	62.63	22.88
Payable to Related parties	-	5.00	-
Security Deposit - Customers	9.33	9.33	9.33
Payable to Employees	195.31	265.93	184.55
Employee Related Fund Payable	62.87	48.47	43.51
Total	278.38	391.37	260.27
Non Current	-	-	-
Current	278.38	391.37	260.27
Total	278.38	391.37	260.27

19. Other Current liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Advance from Customers	98.54	87.21	48.09
Statutory Liabilities	545.92	443.55	350.28
Total	644.46	530.76	398.37

20. Revenue from Operations

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Inspection, Testing and Certification services	15,566.77	11,094.60
Total	15,566.77	11,094.60

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

20. Revenue from Operations (Contd.)

Additional Disclosures relating to revenue:

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
1. Contract with Customers		
Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Income and Expenditure.		
Revenue from operations		
Revenue from contract with customers		
Inspection, Testing and Certification Fees	15,566.77	11,094.60
2. Disaggregate Revenue		
The following table presents Company's revenue disaggregated by type of revenue stream		
Revenue based on services		
Revenue from contract with customers		
a) Inspection Fees	10,425.63	7,353.95
b) Certification Fees	4,104.57	3,165.26
c) Testing Services	1,036.56	575.39
3. Contract balances		
Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes prepaid income received from the customer towards Inspection, testing and certification fees. Revenue is recognised once the performance obligation is met i.e. execution of contract/services	-	-
At April	87.21	48.09
At March	98.54	87.21

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

21. Other Income

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest from :		
- Bank Deposits	28.60	18.10
- Inter Corporate Deposits	10.48	12.59
- Security Deposits	2.07	1.55
Profit on sale of Property, Plant and Equipment	-	0.17
Interest on Income tax refund	28.44	19.80
Dividend Received from Arun Abhiyantey	-	50.00
Net Gain on Foreign Currency Transactions	-	21.30
Bad debts written off of earlier years now recovered	-	1.00
Provision for doubtful debts written back	-	2.24
Miscellaneous Income	0.17	4.38
Total	69.76	131.13

22. Employee Benefit expense

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Salaries and wages	5,888.46	4,754.92
Contribution to Provident Fund	309.52	253.67
Contribution to Superannuation Fund	34.80	40.10
Gratuity (Refer note no – 29)	54.91	84.28
Expenses for Compensated Absences	42.14	46.86
Contribution to other funds	22.82	15.87
Staff welfare expenses	424.89	339.63
Total	6,777.54	5,535.33

23. Finance Cost

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest Paid on Cash Credit Facility	98.21	79.49
Interest Paid on Term Loan	43.01	24.99
Interest on Lease Liability	7.55	12.47
Total	148.77	116.95

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

24. Depreciation and amortization expense

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Depreciation on Property, Plant and Equipment	237.96	191.98
Right of Use Asset	55.30	55.30
Amortisation of Intangible Asset	3.83	3.66
Total	297.10	250.94

25. Other Expenses

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Rent	364.98	103.61
Rates & Taxes	28.86	56.09
Repairs and maintenance:		
- To building	111.38	145.07
- To equipment	120.05	94.65
Printing and stationery	48.45	43.29
Communication expenses	49.58	38.89
Insurance	52.80	50.92
Motor Car expenses	91.23	98.25
Travelling and conveyance	1,502.64	974.37
Software development and computer consumables	126.40	140.00
External training expenses	13.24	10.18
Quality assurance system - Audit and other expenses	148.78	119.02
Provision for Bad & Doubtful Debts	506.02	1.69
Technical and Professional Consultancy	2,878.29	1,910.19
Honorarium Fees for external experts	458.57	273.89
Electricity	70.28	67.15
Remuneration to auditors (excludes tax):		
- Statutory Audit Fees	6.20	6.20
- Tax Audit Fees	0.80	0.80
- Other Services	1.08	1.55
- Reimbursement of expenses	0.10	-
Books and periodicals	1.88	4.70
Seminar and technical presentation expenses	10.81	2.93
TDS Considered to be not recoverable written off	6.64	25.63
Advertisement Expenses	69.97	58.48
Loss on Sale of Fixed Asset	0.25	-
Director Fees	2.80	1.50
Security/EMD Deposit written off	2.59	0.43
Bad Debts written off	1.93	95.73
Lab. Exp-Materials & consumable	176.47	133.44
Net Loss on Foreign Currency Transactions	2.96	-
Statutory Expenses	47.88	32.34
General administration and other expenses	118.73	122.29
Total	7,022.59	4,613.27

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

26. Estimated amounts of contracts remaining to be executed on capital account not provided for (net of advances) **NIL** (31st March, 2023: NIL, 01st April 2022: NIL)
27. Contingent liability in respect of claims against the Company not acknowledged as debts **NIL** (31st March, 2023: NIL, 01st April 2022: NIL) and in respect of Corporate guarantee given on behalf of subsidiary Safess Quality Management Private Limited **400** (31st March, 2023: 400, 01st April 2022: 400). Future cash flows in respect of contingent liability are determinable only on settlement of disputes.

28. Segment Information

Information about Primary Segment

Since the Company is engaged in one line of activity, viz. Technical Inspection, Testing and Certification, “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)

The Company has identified and reported segments taking into account the different risks and returns, the organization structure and the internal reporting systems. Accordingly, the Company has identified following geographical segments as reportable segments.

1. Within India
2. Outside India

28.1 Segment information

Particulars	Year ended 31st March, 2024			Year ended 31st March, 2023		
	Indian	Foreign	Total	Indian	Foreign	Total
Segment revenue	14,237.48	1,329.29	15,566.77	10,500.79	593.81	11,094.60
Carrying amount of segment assets	11,903.57	225.89	12,129.46	10,222.21	194.39	10,416.60
Addition to property, plant & equipment (excluding rights to use)	215.19	-	215.19	610.12	-	610.12

28.1.2 Revenue of **1120.90** (Previous Year 590.84) is derived from a single external customer.

29. Employee benefit plan

29.1 Defined Contribution plan

The Company makes Provident Fund and Superannuation contributions which are defined contribution plans, for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

The Company recognised the following amounts in the Statement of Income and Expenditure.

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Contribution to Provident Fund	309.52	253.67
Contribution for Superannuation	34.80	40.10
Total	344.32	293.77

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

29.2 Defined Benefit Plans

The Company provides for gratuity a defined benefit retirement plan covering eligible employees. Gratuity plan provides for a lump sum payment to employees on retirement, death, incapacitation, termination of employment, of amounts that are based on salaries and tenure of the employees.

The Company manages gratuity fund with an insurance company.

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

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has upto 82% investment in debt securities. Due to the long-term nature of the plan liabilities, the board of the Fund considers upto 18% of the plan assets should be invested in equity securities to leverage the return generated by the Fund.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

29.2 Defined Benefit Plans (Contd.)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31st March, 2024	31st March, 2023
Discount rate(s)	7.23%	7.50%
Expected rate(s) of salary increase	5.00%	5.00%
Rate of Employee Turnover	5.00%	10.00%
Sensitivity analysis of significant actuarial assumption		

	31st March, 2024		31st March, 2023	
	Increase	Decrease	Increase	Decrease
discount rate (-/+ 1%) (% change compared to base due to sensitivity)	(53.89)	61.27	(45.93)	52.20
salary growth rate (-/+ 1%) (% change compared to base due to sensitivity)	62.03	(55.46)	52.99	(47.38)
Employee Turnover rate (-/+ 1%) (% change compared to base due to sensitivity)	7.72	(8.88)	8.08	(9.22)

Amounts recognised in statement of Income and Expenditure in respect of this defined benefits plan are as follows

	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest cost	(10.86)	(2.31)
Current service cost	65.77	72.72
Past Service Cost	-	13.87
Components of defined benefit costs recognised in Income and Expenditure	54.91	84.28
Remeasurement on the net defined benefit liability :		
Actuarial (gain)/ loss recognized	44.10	(56.77)
Expected return on plan assets	(37.50)	25.97
Components of defined benefit costs recognised in other comprehensive income	6.59	(30.80)
Total	61.51	53.48

The current service cost and the net interest expense for the year are included in the “Employee benefits expense” line item in the statement of Income and Expenditure

The remeasurement of the net defined liability is included in other comprehensive income

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Fair value of plan assets	870.78	775.14	747.10
Present value of funded defined benefit obligation	733.65	630.40	715.14
Funded status	(137.13)	(144.74)	(31.96)

Movements in the present value of the defined benefit obligations are as follows:

	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Opening defined benefit obligations	630.40	715.14	606.94
Interest cost	47.28	51.70	41.63
Current service cost	65.77	72.72	61.99
Past service cost	-	13.87	-
Benefits paid	(53.89)	(166.26)	(26.16)
Net actuarial (gain)/loss	44.10	(56.77)	30.74
Closing defined benefit obligation	733.65	630.40	715.14

Movements in the fair value of the plan assets are as follows:

	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Opening fair value of plan assets	775.14	747.10	705.79
Interest Income	58.14	54.01	48.42
Contribution made by Employer	-	-	-
Benefits paid	-	-	-
Net actuarial (loss)/gain	37.50	(25.97)	(7.11)
Closing fair value of plan assets	870.78	775.14	747.10

The fair value of the plan assets for India and overseas plan at the end of the reporting period for each category , are as follows

	Fair value of plan assets as at	
	31st March, 2024	31st March, 2023
Gratuity		
-Insurance Fund	870.78	775.14
Sub-total	870.78	775.14

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

29.2 Defined Benefit Plans (Contd.)

Maturity Profile of Defined Benefit Obligation and other long term employee benefits:

	Fair value of plan assets as at	
	31st March, 2024	31st March, 2023
Gratuity		
Ist Following Year	40.45	42.90
2nd Following Year	43.39	37.55
3rd Following Year	63.41	39.32
4th Following Year	58.37	70.52
5th Following Year	47.28	50.93
Sum of Year 6 to 10	401.83	324.61
Sum of Years 11 and above	801.04	715.23

Expected contribution for the next year Nil (Previous Year: Nil)

29.3 Other Long Term Benefits - Leave Encashment

The amount included in the balance sheet arising from the entity's obligation in respect of its other long term benefits is as follows:

	As at 31st March, 2024	As at 31st March, 2023
Fair value of plan assets	228.32	219.39
Present value of defined benefit obligation	395.25	355.92
Net assets/ (liabilities) recognised in the Balance Sheet	(166.92)	(136.53)

Movements in the present value of the privilege leave are as follows:

	As at 31st March, 2024	As at 31st March, 2023
Closing benefit obligation	228.32	219.39
Opening benefit obligations	219.39	262.97
Net movement During the year	8.93	(43.58)

Movements in the fair value of the plan assets are as follows:

	As at 31st March, 2024	As at 31st March, 2023
Closing fair value of plan assets	395.25	355.92
Opening fair value of plan assets	355.92	342.74
Net movement During the year	39.33	13.18

The fair value of the plan assets at the end of the reporting period is as follows:

	As at 31st March, 2024	As at 31st March, 2023
-Insurance Fund	395.25	355.92
Sub-total	395.25	355.92

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

30. Financial Instruments

30.1 Capital Management

“The Company’s objective when managing capital is to:

- Safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders; and

The capital structure of the Company consists of total equity (see note 14). The Company is not subject to any externally imposed capital requirements.”

Debt- Equity ratio:

Particulars	31-Mar-24	31-Mar-23	01-Apr-22
Long term borrowings (refer note (15))	225	325	50
Short term borrowings (refer note (15))	1,790	861	634
Gross debt	2,015	1,186	684
Cash and marketable securities	1,148	520	515
Net Debt (A)	866	666	169
Total equity (B)	8,470	7,468	6932
Net Debt Equity ratio (A/B)	0.10	0.09	2.00

30.2 Categories of financial instruments

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Financial Assets			
Measured at fair value through OCI (FVTOCI) (Mandatorily Measured)			
Investment in Entities other than subsidiaries	3.50	3.50	3.50
Measured at amortised cost			
Trade receivables	3,563.56	3,016.98	2,891.10
Cash and Bank balance	1,148.46	519.76	515.20
Loans	174.44	100.01	119.01
Other financial assets	880.25	705.05	477.88
Financial Liabilities			
Measured at amortised cost			
Trade Payables	-	-	-
Other financial liabilities	278.38	391.37	260.27

30.3 Details of financial assets pledged as collateral : 3563.56 (31st March 2023 : 3016.98, 01st April 2022 : 2891.10)

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

30. Financial Instruments (Contd.)

30.4 Fair value measurement

This note provides information about how the Company determines fair values of various financial assets. Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

Financial assets/ Financial liabilities	Fair value as at			Fair value hierarchy	Valuation technique(s) and key input(s)
	31st March, 2024	31st March, 2023	01st April, 2022		
Investment in Entities other than subsidiaries	3.50	3.50	3.50	Level 3	Intrinsic Value Method

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements except above approximate their fair values.

Note

Level 1 - unadjusted quoted prices In active market for identical assets and liabilities

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - unobservable outputs for the assets and liabilities

30.5 Financial risk management objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's financial management committee also monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

30.5.1 Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk, foreign currency exchange risk and interest rate risk.

30.5.1.1 Foreign currency risk management

The Company undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

30.5.1.1 Foreign currency risk management (Contd.)

(Amount denominated in full currency)

Particulars	Liabilities as at			Assets as at		
	31st March, 2024	31st March, 2023	01st April, 2022	31st March, 2024	31st March, 2023	01st April, 2022
USD	-	-	-	177,259	218,283	392,100
EUR	-	-	-	31,368	13,262	2,500
GBP	-	-	-	16	16	-
AED	-	-	-	419	2,503	419
AUD	-	-	-	-	1,663	1,241
QAR	-	-	-	50,848	7,640	-
SGD	-	-	-	-	10	-
SLR	-	-	-	-	-	2,871
ZAR	-	-	-	871,000	-	-

30.5.1.1 a. Foreign currency sensitivity analysis

The Company is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables. As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

USD sensitivity at year end	2023-24	2022-23
Receivables:		
Weakening of INR by 5%	7.39	8.97
Strengthening of INR by 5%	(7.39)	(8.97)
Payable	-	-
Weakening of INR by 5%	-	-
Strengthening of INR by 5%	-	-

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

30.5.1.2 Interest rate risk management

The Company is exposed to interest rate risk in respect of Term loans availed at fixed rate. Interest rate sensitivity analysis

Interest sensitivity at year end	2023-24	2022-23
Interest:		
Increase by 0.5%	2.19	1.22
Decrease by 0.5%	(2.19)	(1.22)

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

30.5.1.3 Price risks

The company is not exposed to any price risk that could adversely affect the the value of the Company's financial assets or expected future cash flows considering the product pricing methodology

30.5.2 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk arises from cash and cash equivalents, investments carried at amortized cost and deposits with banks as well as customers including receivables. Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Company does not have significant credit risk exposure to any single customer. Concentration of credit risk to any single customer did not exceed 7 % (31st March 2023 : 4%, 01st April 2022 : 6%) of gross trade receivables as at the reporting date.

30.5.3 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

30.5.3.1 Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

30.5.3.1 Liquidity and interest risk tables (Contd.)

Particulars	0-1 year	1-3 years	3-5 years	More than 5 years	Total	Carrying Amount
31st March, 2024						
Trade Payable	668.56	-	-	-	668.56	668.56
Borrowings	1,820.49	211.55	46.85	-	2,078.89	2,014.84
Creditors for Capital Expenditure	10.87	-	-	-	10.87	10.87
Employee Expenses Payable	195.31	-	-	-	195.31	195.31
Employee Related Fund Payable	62.87	-	-	-	62.87	62.87
Security Deposit - Customers	-	-	9.33	-	9.33	9.33
31st March, 2023						
Trade Payable	731.59	-	-	-	731.59	731.59
Borrowings	904.40	241.30	147.75	-	1,293.45	1,186.18
Creditors for Capital Expenditure	62.63	-	-	-	62.63	62.63
Employee Expenses Payable	265.93	-	-	-	265.93	265.93
Employee Related Fund Payable	48.47	-	-	-	48.47	48.47
Security Deposit - Customers	-	-	9.33	-	9.33	9.33
01st April, 2022						
Trade Payable	528.46	-	-	-	528.46	528.46
Borrowings	703.76	303.93	211.55	46.85	1,266.09	683.82
Creditors for Capital Expenditure	22.88	-	-	-	22.88	22.88
Employee Expenses Payable	184.55	-	-	-	184.55	184.55
Employee Related Fund Payable	43.51	-	-	-	43.51	43.51
Security Deposit - Customers	-	-	-	9.33	9.33	9.33

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

30.5.3.1 Liquidity and interest risk tables (Contd.)

The following table details the Company's expected maturity for its non-derivative financial assets. The information included in the table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	0-1 year	1-3 years	3-5 years	More than 5 years	Carrying Amount
31st March, 2024					
Investment in subsidiaries and other entities	-	-	-	1,603.50	1,603.50
Trade Receivable	3,563.56	-	-	-	3,563.56
Loan	-	174.44	-	-	174.44
Other Financial Assets	880.25	-	-	-	880.25
Cash and bank balances	1,148.46	-	-	-	1,148.46
31st March, 2023					
Investment in subsidiaries and other entities	-	-	-	1,603.50	1,603.50
Trade Receivable	3,016.98	-	-	-	3,016.98
Loan	-	-	100.01	-	100.01
Other Financial Assets	705.05	-	-	-	705.05
Cash and bank balances	519.76	-	-	-	519.76
01st April, 2022					
Investment in subsidiaries and other entities	-	-	-	1,603.50	1,603.50
Trade Receivable	2,891.10	-	-	-	2,891.10
Loan	-	-	119.01	-	119.01
Other Financial Assets	477.88	-	-	-	477.88
Cash and bank balances	515.20	-	-	-	515.20

NOTES TO ACCOUNTS

Notes Forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

31.1 Effect of Ind AS adoption on the balance sheet as at March 31st, 2023 and April 01st, 2022

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

Particulars	Notes	As at 31st March, 2023 (End of last period presented under previous GAAP)		As at 01st April, 2022 (Beginning of last period presented under previous GAAP)		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of Transition to Ind AS
Non-Current Assets						
(a) Property, plant and equipment		2,346.70	-	2,346.70	1,928.55	1,928.55
(b) Capital work-in-progress		-	-	-	-	-
(c) Other intangible assets	c	114.23	28.34	142.57	146.22	146.22
(d) Right-of-use assets	d	-	101.39	101.39	-	156.69
(e) Financial assets						
(i) Investments		1,603.50	-	1,603.50	1,603.50	1,603.50
(ii) Loans		100.01	-	100.01	119.01	119.01
(iii) Other financial assets		179.98	-	179.98	161.34	161.34
(f) Deferred Tax Asset	f	110.22	(0.37)	109.85	112.08	108.27
(g) Other non-current assets		869.67	-	869.67	485.76	485.76
Total non-current assets		5,324.30	129.36	5,453.67	4,556.47	4,709.34
Current Assets						
(a) Inventories		-	-	-	-	-
(b) Financial Assets						
(i) Investments		-	-	-	-	-
(ii) Trade receivables	a	3,087.82	(70.84)	3,016.98	2,960.25	2,891.10
(iii) Cash and Bank balance		519.76	-	519.76	515.20	515.20
(iv) Loans		-	-	-	-	-
(v) Other financial assets		525.07	-	525.07	316.54	316.54
(f) Other current assets		901.12	-	901.12	527.82	527.82
Total current assets		5,033.77	(70.84)	4,962.93	4,319.81	4,250.66
Total Assets		10,358.07	58.52	10,416.60	8,876.28	8,960.00

NOTES TO ACCOUNTS

Notes Forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

31.1 Effect of Ind AS adoption on the balance sheet as at March 31st, 2023 and April 01st, 2022 (contd).

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

Particulars	Notes	As at 31st March, 2023 (End of last period presented under previous GAAP)		As at 01st April, 2022 (Beginning of last period presented under previous GAAP)		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of Transition to Ind AS
Equity						
Equity Share Capital						
Other Equity	a-e	7,650.73	(182.95)	7,467.78	7,127.47	6,932.38
Total Equity		7,650.73	(182.95)	7,467.78	7,127.47	6,932.38
Non-Current liabilities						
(a) Financial Liabilities						
(i) Borrowings		325.01	-	325.01	50.06	50.06
(ii) Lease Liability	d	-	53.20	53.20	-	156.69
Current Liabilities						
(a) Financial Liabilities						
(i) Borrowings		861.17	-	861.17	633.77	633.77
(ii) Lease Liability	d	-	55.72	55.72	-	-
(iii) Trade Payables		731.59	-	731.59	528.46	528.46
(iv) Other financial liabilities	e	258.81	132.55	391.37	138.15	260.27
(b) Provisions						
(d) Other current liabilities		530.76	-	530.76	398.37	398.37
Total Equity and Liabilities		10,358.07	58.52	10,416.60	8,876.28	8,960.00

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

31.2 Reconciliation of total equity as at 31st March, 2023 and 01st April, 2022

Particulars	Notes	As at 31 st March, 2023	As at 01st April, 2022
Total equity (shareholders funds) under Previous GAAP		7,650.73	7,127.47
Interest on Lease Liability	d	(12.47)	-
Depreciation on Right of Use Asset	d	(55.30)	-
Provisions for doubtful debts recognised under Ind AS	a	(70.85)	(69.16)
Provision of PLI	e	(132.55)	(122.12)
Amortisation of goodwill add back	c	28.34	-
Deferred Tax Asset	f	(0.37)	(3.82)
Operating Lease rent paid	d	60.25	-
Total adjustment to equity		(182.95)	(195.09)
Total equity under Ind AS		7,467.78	6,932.38

31.3 Effect of Ind AS Adoption on the statement of profit and loss for the year ended March 31st , 2023

Particulars	Notes	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
I Revenue from operations		11,094.60	-	11,094.60
II Other Income	a,b	131.13	-	131.13
III Total Income (I + II)		11,225.73	-	11,225.73
IV Expenses				
(a) Employee benefit expense	d	5,494.09	41.23	5,535.33
(b) Finance Cost		104.48	12.47	116.95
(c) Depreciation and amortization expense		223.98	26.96	250.94
(d) Other expenses	c, e	4,692.82	(58.56)	4,634.26
Total expenses (IV)		10,515.37	22.10	10,537.48
Excess of Income Over Expenditure before exceptional items and tax (III-IV)		710.36	(22.10)	688.26
Exceptional Item		-	-	-
Excess of Income Over Expenditure before tax(V-VI)		710.36	(22.10)	688.26
Tax expense:				
1) Current Tax				
Current Year		176.32	-	176.32
Previous Year		8.92	-	8.92
2) Deferred Tax Liability / (Asset)	f	1.86	(11.19)	(9.33)
Surplus for the year from continuing operations (A-B+C)		523.26	(10.91)	512.35

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

31.3 Effect of Ind AS Adoption on the statement of profit and loss for the year ended March 31st, 2023 (Contd.)

Particulars	Notes	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
Other comprehensive income				
A. Items that will not be reclassified to income and expenditure				
Actuarial gain/ loss on defined benefit plans	b	-	30.80	30.80
Remeasurements of defined benefits plans	b	-	(7.75)	(7.75)
B. Items that will not be reclassified to income and expenditure		-	-	-
Total other comprehensive income [A+B]		-	23.05	23.05
Total comprehensive income for the period		523.26	12.15	535.40

31.4 Reconciliation of total comprehensive income for the year ended March 31st, 2023

Particulars	Notes	Year ended 31st March, 2023
Surplus as per previous GAAP		523.26
Adjustments :		
Provision for Performance linked incentive	e	(10.44)
Right of use of asset- Interest on Lease Liability	d	(12.47)
Goodwill on business combination	c	(26.96)
Provision for Doubtful debts	a	(1.69)
Right of use of asset - Lease rent	d	60.25
Deferred Tax adjustment	f	3.45
Remeasurements of defined benefits plans	b	7.75
Actuarial gain/ loss on defined benefit plans	b	(30.80)
Total effect of transition to Ind AS		(10.91)
Surplus for the year as per Ind AS		512.35
Other comprehensive income for the year (net of tax)		23.05
Total comprehensive income under Ind AS		535.40

Notes

- a. **Provision for doubtful Trade Receivable:** Under the Previous GAAP, Trade receivables were measured at cost (Historical cost). Under the Ind AS, Provision for doubtful Trade Receivable has been booked based on Expected Credit Loss (ECL) model.

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

31.4 Reconciliation of total comprehensive income for the year ended March 31st, 2023

Notes (Contd.)

- b. Actuarial gain/ loss on defined benefit plans:** Under Ind AS, re-measurements i.e. actuarial gain and losses and the return on plan assets, excluding amounts included in the net interest expenses on the net defined benefit liabilities are recognised in the other comprehensive income instead of Income and Expenditure under previous GAAP. There re-measurements were forming part of the profit & loss for the year. There is no impact on the total equity.
- c. Goodwill on Business Combination:** Under the previous GAAP, Goodwill on business combination is amortised on a straight line basis over a period of 5 years. Under IND AS, no amortisation is carried out but the Goodwill is tested for impairment and provision for impairment recognised if the carrying amount of goodwill is greater than its recoverable amount.
- d. Right of Use Assets:** Under IND AS, right-of-use assets and corresponding lease liabilities recognised in case of assets taken on long - term operating leases on non-cancellable basis, and expense in statement of income and expenditure is recognised in the form of depreciation on right-of-use assets and interest cost on lease liabilities. Under the previous GAAP, no such asset / liability is recognised in case of operating lease and the entire lease rent paid is recognised as expenses in the Statement of income and expenditure.
- e. Provision for performance linked incentive:** Under the previous GAAP, provision shall be recognised only when the entity has a present obligation for a past event whereas under IND AS provision shall be recognised even for a constructive obligation for a past event as well i.e action of the company creating valid expectations in employees that the Company will discharge the PLI obligation for the current financial year in next financial year.
- f. Deferred tax adjustment** represents tax impact for IND AS adjustments under Balance Sheet approach.

31.5 Reconciliation of Cash flow statement for the year ended March 31st, 2023

Particulars	Notes	Year ended 31st March, 2023		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
A. Cash flow from operating activities	a	71.90	60.24	132.14
B. Cash flow from Investing activities		(542.28)	-	(542.28)
C. Cash flow from Financing activities	a	397.87	(60.24)	337.63

Note :

- a.** Under the previous GAAP, entire lease rent paid in case of assets taken on long - term operating leases on non-cancellable basis is considered as part of cash flow from operating activities whereas under IND AS, the lease rent paid is bifurcated into principal and interest portions and considered as part of cash flow from financing activities.

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

32. 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.”

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: **74.44** (Previous Period : 54.32)
- b) Amount repaid by Safess Quality Management Private Ltd : **Nil** (Previous Period : (73.32))
- c) Interest received on advance to Safess Quality Management. Pvt Ltd: **10.48** (Previous Period: 12.58)
- d) Technical and Consultancy fees paid to Safess Quality Management. Pvt Ltd: **Nil** (Previous Period: 16.14)
- e) Dividend income from Arun Abhiyantey Private Limited: **Nil** (Previous Period: 50.00) Current account transactions and reimbursements have not been considered for the purpose of above reporting.

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

Loan to Safess Quality Management Private Limited- **174.44** (31st March 2023 :100.01, 01st April 2022: 119.01) Payable to Arun Abhiyantey Private Limited- **Nil** (31st March 2023 : 5.00, 01st April 2022: Nil)

33. 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 had 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 under previous GAAP.

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

34. 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 had recognized goodwill of 141.71 being the excess of purchase consideration over the value of net asset acquired. As at March 31, 2024, carrying amount of goodwill has been tested for impairment and no provision for impairment required as on date.

35. CSR Expenditure:

- (a) Gross amount required to be spent by the company during the year is 19.19 (P. Y. 20.13)
- (b) Amount spent during the year on:

Sr. No.	CSR activities	In Cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	19.19	-	19.19

NOTES TO ACCOUNTS

Notes Forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

36. Additional Disclosures in accordance with Schedule III Division 2 of Companies Act, 2013 (to the extent applicable)

a. Financial Ratios:

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

S. No.	Ratio	Numerator	Denominator	Numerator Value	Denominator Value	31st March, 2024	Numerator Value	Denominator Value	31st March, 2023	% Variance	Remarks
(a)	Current Ratio	Total Current Assets	Total Current Liabilities	6,294.25	3,434.45	1.83	4,962.93	2,570.61	1.93	-5%	
(b)	Debt-Equity Ratio	Total Debts consists of Non current and Current Borrowings	Equity	2,014.84	8,470.00	0.24	1,186.18	7,467.78	0.16	50%	Due to Increase in Cash Credit Limit
(c)	Debt Service Coverage Ratio	Earnings available for Debt Service = Surplus of income over expenditure + Non cash operating expenses + Interest + Other non cash adjustments	Debt Service = Interest Payments + term loan principal repayments	1,807.27	130.05	13.90	880.51	85.05	10.35	34%	Impact due to increased revenue
(d)	Return on Equity Ratio	Surplus of income over expenditure	Average Equity	1,002.22	7,968.89	0.13	535.40	7,200.08	0.07	86%	Increase due to increase in operational surplus
(e)	Inventory turnover ratio	Revenue from Operations	Average Inventory	-	-	-	-	-	-	-	Not applicable as the Company does not maintain any inventory
(f)	Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables	15,566.77	3,290.27	4.73	11,094.60	2,954.04	3.76	26%	Impact due to increase in revenue
(g)	Trade payables turnover ratio	Total Expenses - Depreciation - Interest - Employee Benefit Expenses	Average Trade Payables	7,041.78	700.07	10.06	4,634.26	630.02	7.36	37%	Increase in Direct proportion to revenue
(h)	Net capital turnover ratio	Revenue from Operations	Average Working Capital = Average Current Assets - Average Current Liabilities	15,566.77	2,626.06	5.93	11,094.60	2,411.05	4.60	29%	Increase due to revenue growth
(i)	Net profit ratio	Surplus of income over expenditure	Revenue from Operation	1,002.22	15,566.77	0.06	535.40	11,094.60	0.05	20%	
(j)	Return on Capital employed	Earnings before Interest and Taxes	Capital Employed = Average Equity + Average Debts + Average Lease Liabilities	1,520.11	9,569.40	0.16	805.21	8,135.08	0.10	60%	Increase in EBIT due to increase in revenue
(k)	Return on investment	Surplus of income over expenditure	Investments	1,002.22	-	-	535.40	-	-	-	Not Applicable as the Company is not an investment entity

Notes forming part of IND AS Standalone Financial Statements as at and for the year ended 31st March, 2024

37. Events occurring after the reporting period

There are no events occurring after the reporting period to be reported.

38. Approval of Financial Statements

The financial statements were approved by the Board of Directors and authorised for issue at the Board meeting held on 01-August-2024

Signatures to Notes 1 to 38

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

Vinay Kshirsagar
Director
DIN no.: 07029212

Arun Sharma
Chairman and Director
DIN no.: 02503165

Ramanarayanan J
Partner
Membership No. 220369
Place: Daman
Date : 01st August, 2024

Sugandha Vaidya **Deepak Patel**
Company Secretary Associate General Manager

Place: Mumbai
Date : 01st August, 2024

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"), which comprise the consolidated Balance Sheet as at 31 March 2024, and the consolidated statement of Income and Expenditure (including Other Comprehensive Income), consolidated statement of changes in equity 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 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, 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 2024, and the consolidated excess of income over expenditure, and other Comprehensive income, their consolidated statement of changes in equity and their consolidated cash flows of the Group 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 Ind AS 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 Ind AS 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 Ind AS financial statements and our auditors' report thereon.

Our opinion on the consolidated Ind AS 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 Ind AS 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 Ind AS 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 in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act (to the extent applicable) for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Ind AS 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 Ind AS 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 Ind AS 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 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 Ind AS 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 to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 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 Ind AS 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

- a) The financial information of the Group for the year ended March 31, 2023 and the transition date opening balance sheet as at April 1, 2022 included in these Consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2023 and March 31, 2022 respectively, prepared in accordance with the Companies (Accounting Standards) Rules, 2021 (as amended) which were audited by us, on which we expressed an unmodified opinion dated July 27, 2023 and July 22, 2022 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Group on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of these matters.

- b) We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs.1145.84 lakhs and net assets of Rs. 611.48 lakhs as at 31 March 2024, total revenues of Rs. 1236.55 lakhs and net cash outflow amounting to Rs. 72.81 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 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 Ind AS financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books except for the matter stated in the paragraph h(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Income and Expenditure, (including other comprehensive income) the Consolidated Statement of changes in Equity 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 Ind AS financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian 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 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph h(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- (g) 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.
- (h) 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 2024.
 - 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.
- vi. Relying on the representations/ explanations from the Holding Company and its subsidiary companies incorporated in India and based on our examination which included test checks on the software applications, the Holding Company and its subsidiary companies incorporated in India, in respect of Financial year commencing on 1 April 2023, has used software applications for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software applications. In case of the Holding Company, the feature of recording audit trail (edit log) at the database level to log any direct data changes could not be verified.

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

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 Paragraph 3(xxi) and 4 of 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, there have been no qualifications or adverse remarks by the respective auditors in the CARO reports (to the extent applicable) of the companies included in the consolidated financial statements.

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

Place of Signature: Duman
Date: 01st August, 2024
ICAI UDIN Ref. No. 24220369BKCESJ6390

Ramanarayanan J
Partner
Membership No. 220369

Consolidated Balance Sheet as at 31st March, 2024

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment				
(i) Tangible assets	5	2,424.73	2,426.27	2,014.28
(ii) Intangible assets	5	140.07	142.57	146.22
(b) Right-of-use assets	6	46.09	101.39	156.69
(c) Goodwill on consolidation		1,234.76	1,234.76	1,234.76
(d) Financial Assets				
(i) Investments	7	3.77	3.77	3.77
(ii) Other financial assets	8	236.21	179.98	161.34
(e) Deferred Tax Asset	9	240.83	110.05	108.97
(f) Other non-current assets	10	1,093.03	887.72	503.81
Total non-current assets		5,419.49	5,086.51	4,329.84
Current assets				
(a) Inventories		-	-	-
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables	11	3,946.28	3,240.40	3,380.24
(iii) Cash and bank balances	12	1,258.88	701.88	639.75
(iv) Loans		-	-	-
(v) Other financial assets	8	876.54	663.99	559.42
(c) Other current assets	10	1,111.18	1,077.34	723.86
Total current assets		7,192.88	5,683.61	5,303.26
Total assets		12,612.37	10,770.12	9,633.10
EQUITY AND LIABILITIES				
Equity				
(a) Other Equity	13	8,715.56	7,680.69	7,264.43
(b) Capital Reserve (On Consolidation)		0.66	0.66	0.66
Total Equity		8,716.22	7,681.35	7,265.09
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	225.00	325.01	50.06
Lease Liabilities	15	-	53.20	108.91
Total non current liabilities		225.00	378.21	158.97
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	1,852.76	922.32	720.24
(ii) Lease Liabilities	15	53.20	55.71	47.78
(iii) Trade payables	16			
Micro and Small Enterprises		-	-	-
Others		798.58	779.56	725.84
(iv) Other financial liabilities	17	302.80	390.38	277.14
(b) Other current liabilities	18	663.81	562.59	438.05
Total current liabilities		3,671.15	2,710.56	2,209.05
Total Liabilities		3,896.15	3,088.77	2,368.01
Total Equity And Liabilities		12,612.37	10,770.12	9,633.10

See accompanying notes forming part of the financial statements

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

Vinay Kshirsagar
Director
DIN no.: 07029212

Arun Sharma
Chairman and Director
DIN no.: 02503165

Ramanarayanan J
Partner
Membership No. 220369
Place: Daman
Date: 01st August, 2024

Sugandha Vaidya
Company Secretary
Deepak Patel
Associate General Manager

Place: Mumbai
Date: 01st August, 2024

Consolidated Income And Expenditure Account for the year ended 31st March, 2024

Particulars	Note No.	Year ended 31st March, 2024	Year ended 31st March, 2023
I Revenue from operations	19	16,786.21	11,818.66
II Other income	20	65.94	77.73
III Total Income (I + II)		16,852.15	11,896.39
Expenses:			
(a) Employee benefits expense	21	6,928.65	5,740.57
(b) Cost of Material Consumed	22	265.64	97.56
(c) Finance Cost	23	157.74	123.09
(d) Depreciation and amortization expense	24	313.10	263.81
(e) Other expenses	25	7,751.80	5,088.95
(f) CSR Expenditure	36	19.19	20.99
IV Total expenses		15,436.12	11,334.97
V Excess of Income Over Expenditure before exceptional items and tax (III-IV)		1,416.03	561.42
VI Exceptional Item		-	-
VII Excess of Income Over Expenditure before tax(V-VI)		1,416.03	561.42
VIII Tax expense:			
1) Current Tax			
Current Year		479.52	176.32
Previous Year		14.23	12.34
2) Deferred Tax	9	(126.20)	(11.76)
IX Excess of Income Over Expenditure (VII-VIII)		1,048.48	384.52
X Other comprehensive income			
A Items that will not be reclassified to Income and Expenditure			
(a) Remeasurements of the defined benefit plans		(18.19)	42.43
(b) Income Tax on above		4.58	(10.68)
B Items that will be reclassified to Income and Expenditure		-	-
XI Total other comprehensive income for the period (A+ B)		(13.62)	31.75
XII Total comprehensive income for the period (IX+XI)		1,034.87	416.27

See accompanying notes forming part of the financial statements

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

Ramanarayanan J
Partner
Membership No. 220369
Place: Daman
Date: 01st August, 2024

For and on Behalf of the Board of Directors

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Director
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Sugandha Vaidya
Company Secretary

Place: Mumbai
Date: 01st August, 2024

Arun Sharma
Chairman and Director
DIN no.: 02503165

Deepak Patel
Associate General Manager

STATEMENT OF CHANGES IN EQUITY

Notes Forming part to IND AS Consolidated Financial Statements for the year ended 31st March, 2024
Consolidated Statement of changes in equity for the year ended 31st March, 2024

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

Particulars	Capital reserve	General Fund	Specific Fund	Surplus in the income and expenditure account	Other Comprehensive Income	Total
Opening As at 1st April, 2022	-	200.00	2,995.76	4,068.67	-	7,264.43
Changes in accounting policy on prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current report period	-	200.00	2,995.76	4,068.67	-	7,264.43
Surplus for the year	-	-	-	384.51	-	384.51
Actuarial Gains/Losses on defined benefit obligation	-	-	-	-	31.75	31.75
Transfer to Capital Reserve	3,195.76	(200.00)	(2,995.76)	-	-	-
Closing As at 31st March, 2023	3,195.76	-	-	4,453.18	31.75	7,680.69
Changes in accounting policy on prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current report period	-	-	-	4,453.18	31.75	7,680.69
Surplus for the year	-	-	-	1,048.48	-	1,048.48
Actuarial gains/losses on defined benefit obligation	-	-	-	-	(13.62)	(13.62)
Closing As at 31st March, 2024	3,195.76	-	-	5,501.66	18.14	8,715.56

Nature and Purpose of Reserves :

- Capital Reserve**
Capital Reserve is created by transfer of amount from Corpus Fund on fulfillment of Fund objective
- General Fund and Specific Fund**
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 7)

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

Vinay Kshirsagar
Director
DIN no.: 07029212

Sugandha Vaidya
Company Secretary
Mumbai
Date: 01st August, 2024

Ramanarayanan J
Partner
Membership No. 220369
Daman
Date: 01st August, 2024

Deepak Patel
Associate General Manager

Arun Sharma
Chairman and Director
DIN no.: 02503165

Consolidated Cash Flow Statement for the year ended 31st March, 2024

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Excess of income over expenditure before tax, exceptional and prior period items		1,416.04		561.41
Adjustments for:				
Depreciation on tangible assets	253.96		204.85	
Amortisation of software	3.83		3.66	
Depreciation on ROU Asset	55.30		55.30	
Loss / (Gain) on sale / write off of fixed assets (net)	0.82		(0.17)	
Security/EMD Deposit Written off	2.59		1.83	
Interest income on deposit	(31.70)		(28.34)	
Interest on IT Refund	(29.93)		(19.80)	
Interest on Lease liability	7.55		12.47	
Net unrealised exchange loss/(gain) on foreign currency translations	24.27		(21.31)	
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	6.15		(4.79)	
Interest paid on Cash credit facility	107.18		85.62	
Interest paid on Term Loan	43.01		24.99	
Provision for doubtful trade receivables (net)	516.68		1.69	
Bad debts written off	5.35		95.73	
Bad debts written off of earlier years now recovered	-		(1.00)	
TDS not recoverable written off	6.64		25.63	
Provision for PLI	(16.29)	955.41	10.43	446.78
Operating surplus before working capital changes		2,371.46		1,008.19
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(1,252.19)		64.74	
Other Current Financial Asset	(212.92)		(113.65)	
Other Current assets	(33.84)		(353.48)	
Other Non Current Financial Asset	(56.23)		(18.63)	
Other Non Current Asset	(205.31)		(383.91)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	19.02		53.72	
Other Financial Liabilities	(19.53)		63.05	
Other current liabilities	101.21		124.55	
		(1,659.79)		(563.61)
Cash generated from operations		711.67		444.58
Direct taxes paid (Tax deducted at source)		(488.65)		(152.04)
Net cash from operating activities (A)		223.02		292.52
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(306.34)		(576.92)	
Bank balances not considered as Cash and cash equivalents				
- Placed	(592.69)		(496.22)	
- Matured	496.22		441.90	
Interest received on Deposit	29.50		35.56	
Net cash used in investing activities (B)		(373.30)		(595.68)

Consolidated Cash Flow Statement for the year ended 31st March, 2024

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid on CC	(107.18)		(85.62)	
Interest paid on Term Loan	(43.01)		(24.99)	
Lease Liabilities				
Payment of principal portion	(55.71)		(47.78)	
Payment of interest portion	(7.55)		(12.47)	
Cash credit Facility from HDFC Bank (Net)	930.43		202.08	
Term Loan Facility from HDFC Bank	-		450.00	
Term Loan repaid to HDFC Bank	(100.01)		(175.05)	
(C)		616.97		306.17
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		466.69		3.01
Cash and cash equivalents at the beginning of the period		205.65		197.84
Effect of exchange differences on restatement of foreign currency		(6.15)		4.79
Cash and cash equivalents				
Cash and cash equivalents at the end of the period *		666.19		205.65
a) Cash on Hand	1.64		1.04	
b) Balance with Banks				
i) In Current Account	600.19		171.60	
ii) In EEFC Account	64.36		33.01	
iii) In Deposit Accounts with banks with original maturity less than 3 months	-	666.19	-	205.65
Total	-	666.19	-	205.65

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

Vinay Kshirsagar
Director
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DIN no.: 02503165

Ramanarayanan J
Partner
Membership No. 220369
Place: Daman
Date: 01st August, 2024

Sugandha Vaidya
Company Secretary
Place: Mumbai
Date: 01st August, 2024

Deepak Patel
Associate General Manager

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

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 Technical Inspection & Certification services all over the world against Technical Specification, QA Plan and National/International Standards.

2. Applicability of new and revised Ind AS:

a. New Standards/Amendments notified but not yet effective:

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

3. Summary of Material Accounting Policies

The material accounting policies applied by the Company in the preparation of its Consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these Consolidated financial statements and in preparing the opening Ind AS Balance Sheet as at April 1, 2022 for the purpose of transition to Ind AS, unless otherwise indicated.

3.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015, pursuant to voluntary adoption by the Company. The accounting policies as set out below have been applied consistently to all the years presented in these financial statements.

For all periods up to and including the year ended March 31, 2023, the Company prepared its Consolidated financial statements in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2021. The Consolidated financial statements for the year ended March 31, 2024 are the first financial statements prepared in accordance with Ind AS. The date of transition to Ind AS is April 1, 2022.

The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position and financial performance of the Company is provided in Note 30. This note includes reconciliations of equity and total comprehensive income for comparative years under Indian GAAP to those reported for those years under Ind AS.

Refer Note 30 for the details of first-time adoption exemptions availed by the Company.

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

3.2 Basis of Consolidation

The Consolidated financial statements relates to IRCLASS Systems and Solutions Private Limited (“The Company”) and its subsidiaries. The Companies 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 Indian Accounting Standard (Ind AS) 110 “Consolidated Financial Statements” as specified under section 133 of the Companies Act, 2013.
- b) The financial statements of subsidiaries consolidated are drawn upto the same reporting date as that of the Company.
- ii) The list of subsidiaries which is included in the consolidation with the respective country of incorporation and the Company’s holding therein is given below:

Particulars	As at March 31, 2024			As at March 31, 2023		
	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
Domestic						
Safess Quality Management Pvt Ltd	India	100%	100%	India	100%	100%
Arun Abhiyantey Pvt Ltd	India	100%	100%	India	100%	100%

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and long-term employee benefits that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

All assets and liabilities have been classified as current or non-current as per the Group’s normal operating cycle and other criteria set out in Ind AS-1 ‘Presentation of Financial Statements’ and Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The Consolidated Financial Statements comprising Balance Sheet, Statement of Income and Expenditure, Statement of Change in Equity, Cash Flow Statements together with the Notes for the year ended March 31, 2024 have been prepared in accordance with Ind AS.

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

3.3 Functional and presentation currency

The functional and presentation currency of the Group is Indian Rupee which represents the currency of the primary economic environment in which it operates.

3.4 Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, commitments, and contingencies.

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

3.5 Property, plant, and equipment (PPE)

PPE are carried at cost less accumulated depreciation and impairment losses, if any. The cost of PPE comprises the purchase price net of any trade discounts and rebates, freight, any import duties and other taxes (other than those subsequently recoverable) and includes interest on borrowings attributable to acquisition of qualifying PPE up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

PPE retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately. When assets are retired or otherwise disposed off, the cost of such assets and related accumulated depreciation are removed from the accounts. Any income and expenses on retirement or other disposal is reflected in the Statement of Income and Expenditure.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2022 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.6 Depreciation

Depreciation for the year has been provided using the Straight-Line method (SLM) over their useful lives and residual value as prescribed in Schedule II. Leasehold improvements are depreciated over the lease period of the underlying premises.

3.7 Asset Impairment

At each balance sheet date, the Group reviews the carrying values of its property, plant and equipment to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of Income and Expenditure as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of Income and Expenditure immediately.

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

3.8 Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement, and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Company as lessee-

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove, or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in statement of income and expenditure.

3.9 Inspection and Certification Fees

- Industrial Services revenue is recognized as specified under the contract which shall be based on man-day, man-month or percentage of completion of services.
- IRQS services revenue is recognized after the completion of audit and issuance of final report.
- Testing Laboratory services revenue is recognized after the completion of testing of product and issuance of final report.
- Engineering procurement and Construction Contracting and condition assessment of equipment and structures.

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

3.10 Foreign Currency Transactions and Balances

Transactions in foreign currencies are recorded at standard exchange rates prevailing on the date of relevant transactions. The realized exchange gains or losses are recognized in the statement of Income and Expenditure.

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported in the functional currency, using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported in functional currency using the exchange rates that existed when the fair value measured. All monetary assets and liabilities in foreign currency are restated at the end of accounting period

3.11 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 recognised fund which is charged to statement of Income and Expenditure. The same is separately administered as the Company is not covered under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952.

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. Actuarial gains / losses comprise experience adjustments and the effect of changes in actuarial assumptions are recognised in the statement of Other comprehensive income in the period in which they occur in case of post-employment benefits and in the Statement of Income and Expenditure in case of other long-term employee benefits.

Employees who have completed five years of service are provided superannuation benefits through a policy with the insurance companies with defined contributions made by the Company, which are charged to the Statement of Income and Expenditure.

Any other termination benefits are recognised as expenses immediately on the basis of actual expenses.

3.12 Capital Reserve

Capital reserve has been created by transferring the amount from Corpus fund on fulfilment of Fund objective.

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

3.13 Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of past events where it is probable that there will be outflow of resource required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. When any such present obligation cannot be measured or where a realistic estimate of the obligation cannot be made, contingent liabilities are disclosed.

Contingent liabilities are also disclosed when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more future events not wholly within the control of the company.

3.14 Segments Reporting

The Group is engaged mainly in one line of activity consisting of Technical Inspection and Certification. These in the context of Ind AS 108 - operating segments reporting are considered to constitute one reportable segment.

3.15 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

3.16 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. The carrying amount of the goodwill as on transition date considered as deemed cost and its tested for impairment annually and measured in accordance with Note 3.7 Asset Impairment.

3.17 Investment Income

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

3.18 Investments

- i) Subsidiaries recognized at cost and subsequently measured at cost, less impairment losses, if any in the value of investments.
- ii) Other than Subsidiaries recognized initially at fair value and subsequently measured at fair value through other comprehensive Income.

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

3.19 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. The carrying amounts of deferred tax assets/ liability are reviewed and adjusted at each Balance Sheet date.

3.20 Financial Instruments

Financial assets and financial liabilities are recognised when Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value (excluding trade receivables which do not contain a significant financing component, being measured at transaction price). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through income and expenditure) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through income and expenditure are recognised immediately in the Statement of Income and Expenditure.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

A. Financial Assets

(i) Cash and Cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

(ii) Financial Assets at amortized cost

Financial assets are subsequently measured at amortized cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iv) Financial assets at fair value through income and expenditure

Financial assets are measured at fair value through income and expenditure unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition.

(v) Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

(vi) De-recognition of financial assets

The Group de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset in its entirety (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the Statement of Income and Expenditure.

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

B. Financial Liabilities

(i) Financial Liabilities at Amortized Cost

Financial liabilities are measured at amortised cost using the effective interest method.

(ii) De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Income and Expenditure.

3.21 First-time adoption-mandatory exceptions, optional exemptions

Overall Principle

The Group has prepared the opening balance sheet as per Ind AS as of April 1, 2022 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

Business combination

The Group has elected not to apply IND AS 103 retrospectively to past business combinations that occurred before 01st April, 2022 (the transition date).

De-recognition of financial assets and liabilities

The Group has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2022 (the transition date).

Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

Deemed cost for PPE, investment property and intangible assets

The Group has elected to continue with the carrying value of all of its Property, Plant and Equipment, and intangible assets recognised as of April 1, 2023 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.

Right of use Assets

The Group has applied the IND AS 116 requirements only to contracts existing at the date of transition to IND AS and measured the right of use assets at an amount equal to the lease liability as on the transition date.

- 3.22** 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.

4. Critical Accounting Assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

4.1 Revenue Recognition

- Industrial Services revenue is recognized based on fulfilment of man-day, man-month or percentage of completion of services as specified under the contract.
- IRQS services revenue is recognized only on completion of audit and issuance of final report.
- Testing Laboratory services revenue is recognized only on completion of testing of product and issuance of final report.

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

- Engineering procurement and Construction Contracting and condition assessment of equipment and structures services revenue is recognized using the proportionate completion method i.e. depending upon the completion of the service performed.

4.2 Useful lives of property, plant, and equipment

The Group has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Group reviews the carrying amount of property, plant and equipment and Intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Depreciation on Property Plant and Equipment is provided pro-rata for the periods of use on straight line method (SLM) on the basis of useful life of the assets mandated by Part C of Schedule II of the Companies Act, 2013.

4.3 Provision for Doubtful Debts

The Group assesses its doubtful debt provision at each reporting date. Provisions are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Key assumptions applied are experience (including comparisons of the relative age of accounts and consideration of actual write-off history), customer creditworthiness, current economic trends, changes in customer payment terms, the estimated debt recovery rates and future market conditions that could affect the recovery.

4.4 Employee Benefits - Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

4.5 Impairment of tangible assets and goodwill on business acquisition

Property, plant and equipment and goodwill on business acquisition are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

At each Balance Sheet date, consideration is given to determine whether there is any indication of impairment of the carrying amount of the Company's assets. If any indication exists, estimation is made for the asset's recoverable amount, which is the greater of the net selling price and the value in use. An impairment loss, if any, is recognized whenever the carrying amount of an asset exceeds the recoverable amount.

Impairment losses of continuing operations, if any, are recognized in income and expenses section of the statement of Income and Expenditure.

4.6 Contingent liabilities

Management applies its judgement to advice it receives from its attorneys, advocates, and other advisers in assessing if an obligation is probable, more likely than not, or remote. This judgement is used to determine if the obligation is recognised as a liability in the form of a provision or disclosed as a contingent liability.

NOTES TO ACCOUNTS

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

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

5. Property, Plant and Equipment

Particulars	Land	Building	Plant and Equipment	Furniture and Fixtures	Computer System	Vehicle	Lease hold improvements	Total Tangible Assets	Goodwill (On Purchase of Business)	Software	Total Intangible Assets	Grand Total
Cost or deemed cost												
Balance as at April 1, 2022	1,180.77	13.40	656.58	30.48	82.95	16.29	33.81	2,014.28	137.75	8.47	146.22	2,160.50
Additions	-	-	505.50	17.20	94.14	-	-	616.84	-	-	-	616.84
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2023	1,180.77	13.40	1,162.08	47.68	177.09	16.29	33.81	2,631.11	137.75	8.47	146.22	2,777.33
Additions	-	-	158.62	0.51	76.40	-	18.22	253.75	-	1.33	1.33	255.08
Disposals	-	-	(1.55)	-	-	-	-	(1.55)	-	-	-	(1.55)
Balance as at 31st March 2024	1,180.77	13.40	1,319.15	48.19	253.49	16.29	52.03	2,883.31	137.75	9.80	147.55	3,030.86
Accumulated Depreciation and impairment												
Balance as at April 1, 2022	-	-	-	-	-	-	-	-	-	-	-	-
Elimination on disposals of assets	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	0.25	123.94	21.14	50.52	2.05	6.95	204.85	-	3.66	3.66	208.51
Balance as at 31st March 2023	-	0.25	123.94	21.14	50.52	2.05	6.95	204.85	-	3.66	3.66	208.51
Elimination on disposals of assets	-	-	(0.22)	-	-	-	-	(0.22)	-	-	-	(0.22)
Depreciation expense	-	0.25	164.96	4.09	73.15	2.06	9.46	253.97	-	3.83	3.83	257.80
Balance as at 31st March 2024	-	0.50	288.68	25.23	123.67	4.11	16.41	458.60	-	7.48	7.48	466.08
Carrying amount												
Balance as at April 1, 2022	1,180.77	13.40	656.58	30.48	82.95	16.29	33.81	2,014.28	137.75	8.47	146.22	2,160.50
Balance as at 31st March 2023	1,180.77	13.15	1,038.14	26.54	126.57	14.24	26.86	2,426.27	137.75	4.82	142.57	2,568.84
Balance as at 31st March 2024	1,180.77	12.90	1,030.47	22.97	129.83	12.18	35.61	2,424.73	137.75	2.32	140.07	2,564.80
Gross Block	1,180.77	15.00	909.45	64.25	234.57	16.41	34.79	2,455.24	486.80	18.30	505.10	2,960.34
Accumulated Depreciation	-	1.60	252.87	33.77	151.62	0.12	0.98	440.96	349.05	9.83	358.88	799.84
Net Block Treated at Deemed Cost	1,180.77	13.40	656.58	30.48	82.95	16.29	33.81	2,014.28	137.75	8.47	146.22	2,160.50

NOTES:

- The Group has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition i.e. 1 April 2022 and hence the carrying amount (net block) as per previous GAAP on that date has been considered as gross block. (Refer note below for the gross block value and the accumulated depreciation on 1 April 2022 under previous GAAP).

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

6. Right of use assets - Properties

Particulars	Amount
Gross carrying amount	
As at 1 April 2022	156.69
Additions during the year	-
Less: Disposals / adjustments during the year	-
As at 31 March 2023	156.69
Additions during the year	-
Less: Disposals / adjustments during the year	-
As at 31 March 2024	156.69
Accumulated depreciation and impairment	
As at 1 April 2022	-
Depreciation for the year	55.30
Less: Disposals / adjustments during the year	-
As at 31 March 2023	55.30
Depreciation for the year	55.30
Less: Disposals / adjustments during the year	-
As at 31 March 2024	110.60
Net carrying amount	
As at 31 March 2022	156.69
As at 31 March 2023	101.39
As at 31 March 2024	46.09

Foot Note: Corpus Fund transferred to Capital Reserve on fulfillment of Fund objective (pursuant to Board Approval)

7. Investments (Non-Trade, Unquoted)

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Investment in Other Companies - Non-Trade, Unquoted	3.77	3.77	3.77
Total Investments	3.77	3.77	3.77

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

7. Investments (Non-Trade, Unquoted) (Contd.)

Particulars	As at 31st March, 2024		As at 31st March, 2023		As at 01st April, 2022	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
(A) Current	-	-	-	-	-	-
Total Current Investments (A)	-	-	-	-	-	-
(B) Non-Current						
Investment in Other Companies -Non- Trade, Unquoted						
Investment in Shares of Jankalyan Sahakari Bank	2,668	0.27	2,668	0.27	2,668	0.27
Investment in PT IRCLASS Service Indonesia		0.29		0.29		0.29
Investment in IRS Malaysia		0.00		0.00		0.00
Investment in Guangzhou Dazhong Certification		3.21		3.21		3.21
Total (B)		3.77		3.77		3.77
Total Other Investments (A)+(B)		3.77		3.77		3.77

Footnote: As fair value of these investments not expected to be materially different from their carrying amounts, carrying cost considered as fair value at each reporting date.

8. Other financial assets

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Non-Current			
Loan & Advance to employees	0.15	0.25	0.35
Security Deposit	236.06	179.73	160.99
	236.21	179.98	161.34
Current			
Unbilled Revenue	328.15	154.91	140.81
Security Deposit	542.13	504.66	407.24
Other receivables	-	0.38	-
Interest accrued on deposits with banks	6.26	4.04	11.37
	876.54	663.99	559.42
Total	1,112.75	843.97	720.76
Non Current	236.21	179.98	161.34
Current	876.54	663.99	559.42
Total	1,112.75	843.97	720.76

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

9 . Deferred tax assets / (liability)

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Deferred tax assets (net)	240.83	110.05	108.97
Total	240.83	110.05	108.97

The details of the deferred tax asset/ (liability) are given below:

i) Deferred tax assets/(liabilities) as at 31 March 2024

S.N	Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
(A)	Deferred tax liability			
(i)	Related to Tangible assets	7.01	7.27	6.14
(ii)	Related to Intangible assets	-	0.51	0.96
(iii)	Related to Right-of-use assets	11.60	25.52	39.44
	Total deferred tax Liabilities	18.61	33.30	46.54
(B)	Deferred tax assets			
(i)	Related to Intangible assets	0.07	-	-
(ii)	Related to Trade receivables	245.98	115.94	116.07
(iii)	Related to Lease Liabilities	13.39	27.41	39.44
	Total deferred tax assets	259.44	143.35	155.51

ii) Deferred tax asset / liabilities recognized in the books:

S.N	Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
(A)	Deferred tax liabilities	18.61	33.30	46.54
(B)	Deferred tax assets	259.44	143.35	155.51
	Net deferred tax asset/(liability) (B - A)	240.83	110.05	108.97

iii) Movement Deferred tax asset / liabilities recognized in the books:

S.N	Particulars	As at 31st March, 2024	As at 31st March, 2023
(A)	Deferred tax liabilities	(14.69)	(13.24)
(B)	Deferred tax assets	116.09	(12.16)
	Movement in net deferred tax asset/(liability) (B - A)	130.78	1.08
	Recognised in Income and Expenditure Account	126.20	11.76
	Recognised in Other Comprehensive Income	4.58	(10.68)

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

9 . Deferred tax assets / (liability)(Contd.)

Reconciliation of effective tax rate

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
	Rate (%)	Amount	Rate (%)	Amount
Profit/ (Loss) as per the statement of income and expenditure		1,371.34		688.26
Applicable Tax rate	25.17%		25.17%	
Tax expense for the year		345.17		173.22
a) Deferred tax asset not recognised on above		-		-
b) Set-off of brought forward losses and unabsorbed depreciation		-		-
c) Effect of expenses that are not deductible in determining taxable profit		4.83		5.28
d) Effect of expenses recognised in other comprehensive income		4.58		(10.68)
e) Others		3.32		(13.94)
Tax credit / (change) for the year recognised in statement of income and expenditure		357.90		153.88

10 .Other Assets

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Non-Current			
Prepaid Expenses	5.15	0.15	0.75
Income Tax Recoverable	1,087.88	887.57	503.06
	1,093.03	887.72	503.81
Current			
Advances to employees	53.23	44.96	8.50
Prepaid Expenses	35.40	28.29	25.36
Balances with government authorities:			
VAT & GST	617.47	653.20	516.88
Surplus in Gratuity Fund	157.97	165.78	39.13
Surplus in Leave Encashment	166.92	136.53	79.77
Advance to Supplier	79.89	44.92	51.97
Advance paid to third parties	0.31	3.65	2.25
	1,111.18	1,077.34	723.86
Total	2,204.21	1,965.05	1,227.67
Non Current	1,093.03	887.72	503.81
Current	1,111.18	1,077.34	723.86
Total	2,204.21	1,965.05	1,227.67

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

11. Trade Receivable

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Non current	-	-	-
Current :			
Unsecured :			
Considered good	4,108.90	3,311.25	3,449.40
Less : Provision for credit risk (refer note 11.3)	(162.62)	(70.85)	(69.16)
	3,946.28	3,240.40	3,380.24
Considered doubtful	814.67	389.75	391.99
Less : Provision for bad and doubtful receivables (refer note 11.2)	(814.67)	(389.75)	(391.99)
	-	-	-
Total	3,946.28	3,240.40	3,380.24

11.1 Trade Receivables

The average credit period on sale is 30 days.

11.2 Movement of Impairment for doubtful receivables

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Balance at beginning of the year	389.75	391.99	262.04
Add : Provision during the year (net of bad debts)	424.91	(2.23)	129.95
Balance at end of the year	814.67	389.75	391.99

Major customers, being govt. promoted entities and private companies having highest credit ratings, carry negligible credit risk. Concentration of credit risk to any private counterparty did not exceed 5% of total debtors at any time during the year.

11.3 Movement of Provision for credit risk

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Balance at beginning of the year	70.85	69.16	-
Add : Provision/(Reversal) during the year	91.77	1.69	69.16
Balance at end of the year	162.62	70.85	69.16

11.4 For impairment of trade receivables and significant increase in credit risk refer note 30.5.2

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

11.5 Trade Receivable ageing (including unbilled revenue)

Particulars	As at 31st March, 2024						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	328.15	3,084.38	545.34	370.45	95.08	13.66	4,437.06
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.53	20.37	75.63	672.52	769.05
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	45.62	45.62
Total	328.15	3,084.38	545.88	390.82	170.70	731.80	5,251.73

Particulars	As at 31st March, 2023						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	154.91	2,434.83	290.03	184.84	26.09	375.47	3,466.17
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	6.50	41.00	24.09	276.90	348.49
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	41.26	41.26
Total	154.91	2,434.83	296.53	225.84	50.18	693.63	3,855.92

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

11.5 Trade Receivable ageing (including unbilled revenue) (Contd.)

Particulars	As at 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	140.81	2,480.10	327.81	90.07	171.99	379.43	3,590.21
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	5.83	7.98	64.05	173.31	251.17
(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
Total	140.81	2,480.10	333.64	98.05	256.44	673.16	3,982.19

12. Cash and Bank Balances

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Cash and cash equivalents			
Balances with banks			
In Current Accounts (Domestic)	600.19	171.60	58.45
In Current Accounts (Overseas)	64.36	33.01	138.09
In deposit accounts with banks with original maturity less 3 months	-	-	-
Cash on hand	1.64	1.04	1.31
	666.19	205.65	197.84
Other bank balances			
(a) in deposit accounts with banks with maturity less than 12 months.	592.69	496.22	441.90
Total	1,258.88	701.88	639.75

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

13. Other equity excluding non-controlling interests

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Surplus in the Income and Expenditure account			
Balance at the beginning of the year	4,453.18	4,068.67	-
Transferred from Statement of Income and Expenditure	1,048.48	384.51	-
Balance at the end of the year	5,501.66	4,453.18	4,068.67
Other comprehensive income			
Balance at the beginning of the year	31.75	-	-
Transferred from statement of income and expenditure	(13.62)	31.75	-
Balance at the end of the year	18.14	31.75	-
Total	5,519.80	4,484.93	4,068.67
Corpus Fund from Indian Register of Shipping (IRS)			
General Fund	-	200.00	
Less : Transfer to Capital Reserve		(200.00)	200.00
	-	-	200.00
Specific Fund			
Opening and Closing Balance	-	2,995.76	
Less : Transfer to Capital Reserve		(2,995.76)	
	-	-	2,995.76
Total (Refer Foot Note Below)	-	-	3,195.76
Capital Reserve			
Opening Balance	3,195.76	-	
Add : Addition during the year (Refer foot note below)	-	3,195.76	
Closing Balance	3,195.76	3,195.76	-
Total	8,715.56	7,680.69	7,264.43

Foot Note : Corpus Fund transferred to Capital Reserve on fulfillment of Fund objective (pursuant to Board Approval)

14. Borrowings

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Non-current Borrowings			
Secured - at amortised cost			
Term Loan from HDFC Bank	315.00	405.00	-
Less : Amount Payable within next 12 months shown under Short Term Borrowings	(90.00)	(90.00)	-

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

14. Borrowings (Contd.)

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
(Secured by charge on the holding company's current assets, equipment acquired out of term loan and exclusive charge on Lien of Fixed Deposit amounting 186 carrying interest rate at 9.85% repayable over 60 installments, last installment due on 28th September 2027)	225.00	315.00	-
Term Loan from HDFC Bank	10.01	50.06	90.11
Less : Amount Payable within next 12 months shown under Short Term Borrowings (Secured by charge on the holding company's equipment acquired out of term loan carrying interest rate at 10% p.a. repayable over 60 installments, last installment due on 28th June 2024)	(10.01)	(40.05)	(40.05)
	-	10.01	50.06
Total non-current borrowings	225.00	325.01	50.06
Current Borrowings			
Secured - at amortised cost			
Current portion of Term Loans from HDFC Bank	100.01	130.05	40.05
	100.01	130.05	40.05
Cash Credit Facilities from HDFC Bank (Secured by charge against present and future receivables of the holding company and mortgage of property at Bangalore; Sanctioned Limit 1750 (Previous Year 1250) repayable on demand carrying interest rate of 9.42 %(Previous Year 9 %)	1,689.83	731.12	593.72
Cash Credit Facilities from HDFC Bank (Secured by charge against present and future receivables of the holding company Sanctioned Limit 200 (Previous Year 200) repayable on demand carrying interest rate of 10.27 %(Previous Year 9 %)	62.92	61.15	86.48
Total Current Borrowings	1,852.76	922.32	720.24

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

15. Lease Liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Non-Current			
Lease Liabilities	53.20	108.91	156.69
Less : Current Portion of Lease Liabilities	53.20	55.71	47.78
	-	53.20	108.91
Current			
Current Portion of Lease Liabilities	53.20	55.71	47.78
	53.20	55.71	47.78
Non Current	-	53.20	108.91
Current	53.20	55.71	47.78
Total	53.20	108.91	156.69

Lease Liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Maturity Analysis of Contractual Undiscounted Cash Flows			
Less than one year	55.13	63.52	60.50
One to five years	-	55.13	118.65

Amount recognized in Statement of Income and Expenditure and Net Impact of IND AS 116

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Interest on Lease Liabilities in Finance Costs	7.55	12.47
Depreciation on ROU Asset	55.30	55.30
Total Amount Recognized in Statement of Profit and Loss	62.85	67.77

The Group has recognised an expense of 439.50 (Previous Year 144.14) on account of short term leases.

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

16. Trade Payables

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Micro and Small Enterprises	-	-	-
Others	798.58	779.56	725.84
Total	798.58	779.56	725.84

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 responded to the enquiries made by the Company for this purpose.

The Group's exposure to currency and liquidity risks related to trade payables is disclosed in **note 30 Financial Instruments**

16.1 Trade Payables ageing

Particulars	As at 31st March, 2024						
	Unbilled	Not Due	Less than 1 year	1-2 years	2- 3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-	-
(ii) Others	428.82	36.47	318.99	6.92	-	7.38	798.58
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	428.82	36.47	318.99	6.92	-	7.38	798.58

Particulars	As at 31st March, 2023						
	Unbilled	Not Due	Less than 1 year	1-2 years	2- 3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-	-
(ii) Others	366.55	35.74	338.71	22.04	9.75	6.77	779.56
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	366.55	35.74	338.71	22.04	9.75	6.77	779.56

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

16.1 Trade Payables ageing (Contd.)

Particulars	As at 01st April, 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	13.47	128.04	8.55	725.84
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	328.50	57.88	189.40	13.47	128.04	8.55	725.84

17. Other Financial Liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Non-Current	-	-	-
Current			
Creditors for capital expenditures	10.87	62.63	22.88
Security Deposit - Customers	9.33	9.33	9.33
Payable to Employees	216.96	269.35	199.07
Employee Related Fund Payable	65.64	49.07	45.86
Total	302.80	390.38	277.14
Non Current	-	-	-
Current	302.80	390.38	277.14
Total	302.80	390.38	277.14

18. Other Current liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Advance from Customer	98.54	87.21	48.09
Statutory Liabilities	550.37	464.96	373.39
Other Payable	14.90	10.42	16.57
Total	663.81	562.59	438.05

19. Revenue from Operations

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Inspection, Testing and Certification Fees	16,786.21	11,818.66	11,818.66
Total	16,786.21	11,818.66	11,818.66

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

19. Revenue from Operations (contd.)

Additional Disclosures relating to revenue:

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
1. Contract with Customers		
Details of revenue from contracts with customers recognised by the Group, net of indirect taxes in its statement of Income and Expenditure.		
Revenue from operations		
Revenue from contract with customers		
Inspection, Testing, Certification Fees and Contracting Income	16,786.21	11,818.66
2. Disaggregate Revenue		
The following table presents Group revenue disaggregated by type of revenue stream		
Revenue based on services		
Revenue from contract with customers		
a) Inspection Fees	10,973.10	7,353.95
b) Certification Fees	4,104.57	3,165.26
c) Testing Services	1,708.54	1,299.45
3. Contract balances		
Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes prepaid income received from the customer towards fees. Revenue is recognised once the performance obligation is met i.e. execution of contract/ services		
At April	87.21	48.09
At March	98.54	87.21

20. Other Income

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Interest from :		
- Bank Deposits	33.77	24.05
- Security Deposits	2.07	4.29
Profit on sale of Property, Plant and Equipment	-	0.17
Interest on Income tax refund	29.93	19.80
Net Gain on Foreign Currency Transactions	-	21.31
Bad debts written off of earlier years now recovered	-	1.00
Provision for doubtful debts written back	-	2.23
Miscellaneous Income	0.17	4.87
Total	65.94	77.73

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

21. Cost of Material Consumed

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Consumables	265.64	97.56
Total	265.64	97.56

22. Employee Benefit expense

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Salaries and wages	6,025.33	4,933.53
Contribution to Provident Fund	319.34	271.62
Contribution to Superannuation Fund	34.80	40.10
Gratuity (Refer note no – 30)	56.81	88.62
Expenses for Compensated Absences	42.84	46.86
Contribution to other funds	24.63	20.20
Staff welfare expenses	424.90	339.64
Total	6,928.65	5,740.57

23. Finance Cost

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Interest Paid on Cash Credit Facility	107.18	85.63
Interest Paid on Term Loan	43.01	24.99
Interest on Lease Liabilities	7.55	12.47
Total	157.74	123.09

24. Depreciation and amortization expense

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Depreciation on Property, Plant and Equipment	253.97	204.85
Right of Use Asset	55.30	55.30
Amortisation of Intangible Asset	3.83	3.66
Total	313.10	263.81

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

25. Other Expenses

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Rent	439.50	144.14
Rates & Taxes	41.50	59.30
Repairs and maintenance:		
- To building	111.38	145.07
- To equipment	120.05	94.65
Printing and stationery	48.45	43.29
Communication expenses	49.58	38.89
Insurance	52.80	50.92
Motor Car expenses	91.23	98.25
Travelling and conveyance	1,539.42	1,026.56
Software development and computer consumables	126.40	140.00
External training expenses	13.24	10.18
Quality assurance system - Audit and other expenses	148.78	119.02
Provision for Bad & Doubtful Debts	516.68	1.69
Technical and Professional Consultancy	2,930.04	1,970.13
Honorarium Fees for external experts	458.57	273.89
Electricity	70.35	67.82
Remuneration to auditors (excludes tax):		
- Statutory Audit Fees	8.20	8.20
- Tax Audit Fees	0.80	0.80
- Other Services	1.08	1.55
- Reimbursement of expenses	0.10	-
Books and periodicals	1.88	4.70
Seminar and technical presentation expenses	10.81	2.93
TDS Considered to be not recoverable written off	6.64	25.63
Advertisement Expenses	69.97	58.48
Loss on Sale of Property, Plant & Equipement	0.82	-
Director Fees	2.80	1.50
Security/EMD Deposit written off	2.59	1.83
Bad Debts written off	5.35	95.73
Lab. Exp-Materials & consumab.	176.47	133.44
Net Loss on Foreign Currency Transactions	2.96	-
Statutory Expenses	47.88	32.34
Labour Charges and Site Expenses	477.44	245.93
Bank Charges	29.44	27.82
Other Meeting & Conf. Exps.	26.31	26.63
Tender Fees & Other Tender Exp	21.61	21.45
General administration and other expenses	100.68	116.19
Total	7,751.80	5,088.95

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

26. Estimated amounts of contracts remaining to be executed on capital account not provided for (net of advances) **NIL** (31st March, 2023: NIL, 01st April 2022: NIL)
27. Contingent liability in respect of claims against the Group not acknowledged as debts **NIL** (31st March, 2023: NIL, 01st April 2022: NIL) Future cash flows in respect of contingent liability are determinable only on settlement of disputes.

28. Segment information

Information about Primary Segment

Since the group is engaged in one line of activity, viz. Technical Inspection and Certification, “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 from within India (Indian)
- Services provided to customers from outside India (Foreign)

The group has identified and reported segments taking into account the different risks and returns, the organization structure and the internal reporting systems. Accordingly, the group has identified following geographical segments as reportable segments.

1. Within India
2. Outside India

28.1 Segment information

28.1.1 The following is an analysis of the group’s revenue and assets from continuing operations by reportable segment.

Particulars	Year ended 31st March, 2024			Year ended 31st March, 2023		
	Indian	Foreign	Total	Indian	Foreign	Total
Segment revenue	15,456.92	1,329.29	16,786.21	11,224.85	593.81	11,818.66
Carrying amount of segment assets	12,386.48	225.89	12,612.37	10,575.73	194.39	10,770.12
Addition to property, plant & equipment (excluding rights to use)	255.08	-	255.08	616.84	-	616.84

28.1.2 Revenue of **1,120.90** (Previous Year : 590.84) is derived from a single external customer.

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

29. Employee benefit plan

29.1 Defined Contribution plan

The group makes Provident Fund and Superannuation contributions which are defined contribution plans, for qualifying employees. Under the Scheme, the group is required to contribute a specified percentage of the payroll costs to fund the benefits. The group recognised the following amounts in the Statement of Income and Expenditure.

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Contribution to Provident Fund	319.34	271.62
Contribution for Superannuation	34.80	40.10
Total	354.14	311.72

The contributions payable to these plans by the group are at rates specified in the rules of the schemes.

29.2 Defined Benefit Plans

The group provides for gratuity a defined benefit retirement plan covering eligible employees. Gratuity plan provides for a lump sum payment to employees on retirement, death, incapacitation, termination of employment, of amounts that are based on salaries and tenure of the employees.

The group manages gratuity fund with an insurance company.

This plan typically expose the group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has upto 82% investment in debt securities. Due to the long-term nature of the plan liabilities, the board of the Fund considers upto 18% of the plan assets should be invested in equity securities to leverage the return generated by the Fund.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

29.2 Defined Benefit Plans (Contd.)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31st March, 2024	31st March, 2023
Discount rate(s)	7.23%	7.50%
Expected rate(s) of salary increase	5.00%	5.00%
Rate of Employee Turnover	5.00%	10.00%

Sensitivity analysis of significant actuarial assumption

	As at 31st March, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
discount rate (-/+ 1%) (% change compared to base due to sensitivity)	(53.89)	61.27	(45.93)	52.20
salary growth rate (-/+ 1%) (% change compared to base due to sensitivity)	62.03	(55.46)	52.99	(47.38)
Employee Turnover rate (-/+ 1%) (% change compared to base due to sensitivity)	7.72	(8.88)	8.08	(9.22)

Amounts recognised in statement of Income and Expenditure in respect of this defined benefits plan are as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
Interest cost	(12.42)	(2.81)
Current service cost	69.23	77.57
Past Service Cost	-	13.86
Components of defined benefit costs recognised in Income and Expenditure	56.81	88.62
Remeasurement on the net defined benefit liability :		
Actuarial (gain)/ loss recognized	55.00	(68.88)
Expected return on plan assets	(36.81)	26.45
Components of defined benefit costs recognised in other comprehensive income	18.19	(42.43)
Total	75.00	46.19

The current service cost and the net interest expense for the year are included in the “Employee benefits expense” line item in the statement of Income and Expenditure

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

29.2 Defined Benefit Plans (Contd.)

The remeasurement of the net defined liability is included in other comprehensive income. The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Fair value of plan assets	941.09	840.81	808.23
Present value of funded defined benefit obligation	783.12	675.04	769.10
Funded status	(157.97)	(165.77)	(39.13)

Movements in the present value of the defined benefit obligations are as follows:

	As at 31st March, 2024	As at 31st March, 2023	As at 1st April, 2022
Opening defined benefit obligations	675.04	769.10	655.20
Interest cost	50.61	55.48	44.89
Current service cost	69.23	77.57	67.21
Past service cost	-	13.86	-
Benefits paid	(66.76)	(172.11)	(26.16)
Net actuarial (gain)/loss	55.00	(68.88)	27.96
Closing defined benefit obligation	783.12	675.04	769.10

Movements in the fair value of the plan assets are as follows:

	As at 31st March, 2024	As at 31st March, 2023	As at 1st April, 2022
Opening fair value of plan assets	840.80	808.23	763.27
Interest Income	63.03	58.29	52.30
Contribution made by Employer	0.45	0.74	0.29
Benefits paid	-	-	-
Net actuarial (loss)/gain	36.81	(26.45)	(7.63)
Closing fair value of plan assets	941.09	840.81	808.23

The fair value of the plan assets at the end of the reporting period for each category, are as follows

	As at 31st March, 2024	As at 31st March, 2023
Gratuity		
-Insurance Fund	941.09	840.81
Sub-total	941.09	840.81

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

29.2 Defined Benefit Plans (Contd.)

Maturity Profile of Defined Benefit Obligation :

	As at 31st March, 2024	As at 31st March, 2023
Gratuity		
Ist Following Year	40.45	42.90
2nd Following Year	43.39	37.55
3rd Following Year	63.41	39.32
4th Following Year	58.37	70.52
5th Following Year	47.28	50.93
Sum of Year 6 to 10	401.83	324.61
Sum of Years 11 and above	801.04	715.23

Expected contribution for the next year Nil (Previous Year: Nil)

29.3 Other Long Term Benefits - Leave Encashment

The amount included in the balance sheet arising from the entity's obligation in respect of its other long term benefits is as follows:

	As at 31st March, 2024	As at 31st March, 2023
Fair value of plan assets	228.32	219.39
Present value of defined benefit obligation	395.25	355.92
Net assets/ (liabilities) recognised in the Balance Sheet	(166.92)	(136.53)

Movements in the present value of the privilege leave obligation are as follows:

	As at 31st March, 2024	As at 31st March, 2023
Closing benefit obligation	228.32	219.39
Opening benefit obligations	219.39	262.97
Net movement During the year	8.93	(43.58)

Movements in the fair value of the plan assets are as follows:

	As at 31st March, 2024	As at 31st March, 2023
Closing fair value of plan assets	395.25	355.92
Opening fair value of plan assets	355.92	342.74
Net movement During the year	39.33	13.18

The fair value of the plan assets at the end of the reporting period is as follows:

Particulars	As at 31st March, 2024	As at 31st March, 2023
-Insurance Fund	395.25	355.92
Sub-total	395.25	355.92

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

30. Financial Instruments

30.1 Capital Management

The group's objective when managing capital is to:

- Safeguard its ability to continue as going concern so that the group is able to provide maximum return to stakeholders and benefits for other stakeholders; and

The capital structure of the group consists of total equity (see note 13). The group is not subject to any externally imposed capital requirements." Information about Primary Segment

Debt- Equity ratio:

Particulars	31-Mar-24	31-Mar-23	01-Apr-22
Long term borrowings (refer note (15))	225	325	50
Short term borrowings (refer note (15))	1853	922	720
Gross debt	2078	1247	770
Cash and marketable securities	1259	702	640
Net Debt (A)	819	545	131
Total equity (B)	8716	7681	7264
Net Debt Equity ratio (A/B)	0.09	0.07	0.02

30.2 Categories of financial instruments

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 1st April, 2022
Financial Assets			
Measured at fair value through OCI (FVTOCI) (Mandatorily Measured)			
Investment in Entities other than subsidiaries	3.77	3.77	3.77
Measured at amortised cost			
Trade receivables	3,946.28	3,240.40	3,380.24
Cash and Bank balance	1,258.88	701.88	639.75
Loans	-	-	-
Other financial assets	1,112.75	843.97	720.76
Financial Liabilities			
Measured at amortised cost			
Trade Payables	798.58	779.56	725.84
Other financial liabilities	302.80	390.38	277.14
Borrowings	2,077.76	1,247.33	770.30
Lease Liabilities	53.20	108.91	156.69

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

30.3 Details of financial assets pledged as collateral : **3946.28** (31st March 2023 : 3240.40, 01st April 2022 : 3380.24)

30.4 Fair value measurement

This note provides information about how the Company determines fair values of various financial assets. Some of the Company’s financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

Financial assets/ Financial liabilities	Fair value as at			Fair value hierarchy	Valuation technique(s) and key input(s)
	31st March, 2024	31st March, 2023	1st April, 2022		
Investment in Entities other than subsidiaries	3.77	3.77	3.77	Level 3	Intrinsic Value Method

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements except above approximate their fair values.

Note

Level 1 - unadjusted quoted prices In active market for identical assets and liabilities

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - unobservable outputs for the assets and liabilities

30.5 Financial risk management objectives

While ensuring liquidity is sufficient to meet group’s operational requirements, the group’s financial management committee also monitors and manages key financial risks relating to the operations of the group by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

30.5.1 Market risk

“Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk, foreign currency exchange risk and interest rate risk.

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

30.5.1.1 Foreign currency risk management

The group undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters. The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Liabilities as at			Assets as at		
	31st March, 2024	31st March, 2023	01st April, 2022	31st March, 2024	31st March, 2023	01st April, 2022
USD	-	-	-	1,77,259	2,18,283	3,92,100
EUR	-	-	-	31,368	13,262	2,500
GBP	-	-	-	16	16	-
AED	-	-	-	419	2,503	419
AUD	-	-	-	-	1,663	1,241
QAR	-	-	-	50,848	7,640	-
SGD	-	-	-	-	10	-
SLR	-	-	-	-	-	2,871
ZAR	-	-	-	8,71,000	-	-

30.5.1.1 a. Foreign currency sensitivity analysis

The group is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables. As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

USD sensitivity at year end	2023-24	2022-23
Receivables:		
Weakening of INR by 5%	7.39	8.97
Strengthening of INR by 5%	(7.39)	(8.97)
Payable		
Weakening of INR by 5%	-	-
Strengthening of INR by 5%	-	-

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

30.5.1.2 Interest rate risk management

The group is exposed to interest rate risk in respect of Term loans availed at fixed rate.

Interest rate sensitivity analysis

Interest sensitivity at year end	2023-24	2022-23
Interest:		
Increase by 0.5%	2.19	1.22
Decrease by 0.5%	(2.19)	(1.22)

30.5.1.3 Price risks

The group is not exposed to any price risk that could adversely affect the value of the group's financial assets or expected future cash flows considering the product pricing methodology.

30.5.2 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk arises from cash and cash equivalents, investments carried at amortized cost and deposits with banks as well as customers including receivables. Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The group does not have significant credit risk exposure to any single customer. Concentration of credit risk to any single customer did not exceed 7 % (31st March 2023 : 4%, 01st April 2022 : 6%) of gross trade receivables as at the reporting date.

30.5.3 Liquidity risk management

The group manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The group manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

30.5.3.1 Liquidity and interest risk tables

The following tables detail the group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the group may be required to pay.

Particulars	0-1 year	1-3 years	3-5 years	More than 5 years	Total	Carrying Amount
31st March, 2024						
Trade Payable	798.58	-	-	-	798.58	798.58
Borrowings	1,883.40	211.55	46.85	-	2,141.80	2,077.76
Creditors for Capital Expenditure	10.87	-	-	-	10.87	10.87
Employee Expenses Payable	216.96	-	-	-	216.96	216.96
Employee Related Fund Payable	65.64	-	-	-	65.64	65.64
Other Payable	-	-	9.33	-	9.33	9.33
31st March, 2023						
Trade Payable	779.56	-	-	-	779.56	779.56
Borrowings	965.56	241.30	147.75	-	1,354.61	1,186.18
Creditors for Capital Expenditure	62.63	-	-	-	62.63	62.63
Employee Expenses Payable	269.35	-	-	-	269.35	269.35
Employee Related Fund Payable	49.07	-	-	-	49.07	49.07
Other Payable	-	-	9.33	-	9.33	9.33
01st April, 2022						
Trade Payable	725.84	-	-	-	725.84	725.84
Borrowings	790.23	303.93	211.55	46.85	1,352.56	683.82
Creditors for Capital Expenditure	22.88	-	-	-	22.88	22.88
Employee Expenses Payable	199.07	-	-	-	199.07	199.07
Employee Related Fund Payable	45.86	-	-	-	45.86	45.86
Other Payable	-	-	-	9.33	9.33	9.33

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

30.5.3.1 Liquidity and interest risk tables (contd.)

The following table details the group's expected maturity for its non-derivative financial assets. The information included in the table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	0-1 year	1-3 years	3-5 years	More than 5 years	Carrying Amount
31st March, 2024					
Investment in subsidiaries and other entities	-			3.77	3.77
Trade Receivable	3,946.28	-	-	-	3,946.28
Other Financial Assets	1,112.75	-	-	-	1,112.75
Cash and bank balances	1,258.88	-	-	-	1,258.88
31st March, 2023					
Investment in subsidiaries and other entities	-	-	-	3.77	3.77
Trade Receivable	3,240.40	-	-	-	3,240.40
Other Financial Assets	843.97	-	-	-	843.97
Cash and bank balances	701.88	-	-	-	701.88
01st April, 2022					
Investment in subsidiaries and other entities	-	-	-	3.77	3.77
Trade Receivable	3,380.24	-	-	-	3,380.24
Other Financial Assets	720.76	-	-	-	720.76
Cash and bank balances	639.75	-	-	-	639.75

NOTES TO ACCOUNTS

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

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

31.1 Effect of Ind AS adoption on the balance sheet as at March 31st, 2023 and April 01st, 2022

Particulars	Notes	As at 31st March, 2023 (End of last period presented under previous GAAP)		As at 01st April, 2022 (Beginning of last period presented under previous GAAP)		
		Previous GAAP	Effect of Transition to Ind AS	Previous GAAP	Effect of Transition to Ind AS	Balance sheet
Non-Current Assets						
(a) Property, plant and equipment		2,426.27	-	2,014.28	-	2,014.28
(b) Capital work-in-progress	c	-	-	-	-	-
(c) Other intangible assets		114.23	28.34	146.22	-	146.22
(d) Right-of-use assets	d	-	101.39	-	156.69	156.69
(e) Goodwill on consolidation		1,234.76	-	1,234.76	-	1,234.76
(f) Financial assets						
(i) Investments		3.77	-	3.77	-	3.77
(ii) Loans						
(iii) Other financial assets	b	179.98	-	161.34	-	161.34
(g) Deferred Tax Asset	f	115.50	(5.45)	117.83	(8.86)	108.97
(h) Other non-current assets		887.72	-	503.81	-	503.81
Total Non-Current Assets		4,962.23	124.28	4,182.01	147.84	4,329.84
Current Assets						
(a) Inventories		-	-	-	-	-
(b) Financial Assets						
(i) Investments		-	-	-	-	-
(ii) Trade receivables	a	3,311.25	(70.85)	3,449.40	(69.16)	3,380.24
(iii) Cash and Bank balance		701.88	-	639.75	-	639.75
(iv) Loans		-	-	-	-	-
(v) Other financial assets		663.99	-	559.42	-	559.42
(c) Other current assets		1,077.34	-	723.86	-	723.86
Total current assets		5,754.46	(70.85)	5,372.42	(69.16)	5,303.26
Total Assets		10,716.70	53.43	9,554.43	78.68	9,633.10

NOTES TO ACCOUNTS

IRCLASS

Systems and Solutions Private Limited
(Company Limited by Guarantee & Not having Share Capital)
CIN: U74210MH2014PTC254091

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

31.1 Effect of Ind AS adoption on the balance sheet as at March 31st, 2023 and April 01st, 2022 (contd.)

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

Particulars	Notes	As at 31st March, 2023 (End of last period presented under previous GAAP)		As at 01st April, 2022 (Beginning of last period presented under previous GAAP)		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of Transition to Ind AS
Equity						
Other Equity	a-f	7,868.72	(188.03)	7,680.69	(200.13)	7,264.43
Capital Reserve		0.66	-	0.66	-	0.66
Total Equity		7,869.38	(188.03)	7,681.35	(200.13)	7,265.09
Non-Current liabilities						
(a) Financial Liabilities						
(i) Borrowings	d	325.01	-	325.01	-	50.06
(ii) Lease Liability		-	53.20	53.20	108.91	108.91
Current Liabilities						
(a) Financial Liabilities						
(i) Borrowings		922.32	-	922.32	-	720.24
(ii) Lease Liability	d	-	55.71	55.71	47.78	47.78
(iii) Trade Payables		779.56	-	779.56	-	725.84
(iv) Other financial liabilities	e	257.84	132.54	390.38	122.12	277.13
(b) Provisions						
(b) Other current liabilities		562.59	-	562.59	-	438.05
Total Equity and Liabilities		10,716.70	53.43	10,770.12	78.68	9,633.10

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

31.2 Reconciliation of total equity as at March 31st 2023 and April 1, 2022

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
Total equity (shareholders funds) under Previous GAAP		7,868.72	7,464.57
Interest on Lease Liability	d	(12.47)	-
Depreciation on Right of Use Asset	d	(55.30)	-
Provisions for doubtful debts recognised under Ind AS	a	(70.85)	(69.16)
Provision of PLI	e	(132.54)	(122.12)
Amortisation of goodwill add back	c	28.34	-
Deferred Tax Asset	f	(5.45)	(8.86)
Operating Lease rent paid	d	60.25	-
Total adjustment to equity		(188.03)	(200.14)
Total equity under Ind AS		7,680.69	7,264.43

31.3 Effect of Ind AS Adoption on the statement of income and expenditure for the year ended March 31st , 2023

Particulars	Notes	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
I Revenue from operations		11,818.66	-	11,818.66
II Other Income	a,b	77.73	-	77.73
III Total Income (I + II)		11,896.39	-	11,896.39
IV Expenses				
(a) Employee benefit expense		5,687.70	52.87	5,740.57
(b) Cost of Material Consumed		97.56	-	97.56
(c) Finance Cost		110.62	12.47	123.09
(d) Depreciation and amortization expense		236.85	26.96	263.81
(e) Other expenses		5,147.51	(58.56)	5,088.95
(f) CSR Expenditure		20.99	-	20.99
Total expenses (IV)		11,301.23	33.74	11,334.97
Profit/(loss) before exceptional items and tax (III-IV)		595.16	(33.74)	561.43
Exceptional Item		-	-	-
Profit/ (loss) before exceptions items and tax(V-VI)		595.16	(33.74)	561.43
Tax expense:				
1) Current Tax				
Current Year		176.32	-	176.32
Previous Year		12.34	-	12.34
2) Deferred Tax Liability / (Asset)		2.33	(14.09)	(11.76)
Surplus for the year from continuing operations (A-B+C)		404.17	(19.65)	384.52

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

31.3 Effect of Ind AS Adoption on the statement of income and expenditure for the year ended March 31st , 2023 (Contd.)

Particulars	Notes	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
Other comprehensive income				
A. Items that will not be reclassified to income and expenditure				
Actuarial Gain/loss on defined benefit plans	b	-	42.43	42.43
Remeasurements of the defined benefit plan	b		(10.68)	(10.68)
B. Items that will not be reclassified to income and expenditure		-	-	-
Total other comprehensive income [A(i-ii)+B(i-ii)]		-	31.75	31.75
Total comprehensive income for the period		404.17	12.10	416.27

31.4 Reconciliation of total comprehensive income for the year ended March 31st, 2023

Particulars	Notes	Year ended 31st March 2023
Surplus as per previous GAAP		404.17
Adjustments :		
Provision for Performance linked incentive	e	(10.43)
Right of use of asset- Interest on Lease Liability	d	(12.47)
Goodwill on business combination	c	(26.96)
Provision for Doubtful debts	a	(1.69)
Right of use of asset - Lease rent	d	60.25
Deferred Tax adjustment	f	14.08
Actuarial gain/ loss on defined benefit plans	b	(42.43)
Total effect of transition to Ind AS		(19.65)
Surplus for the year as per Ind AS		384.52
Other comprehensive income for the year (net of tax)		31.75
Total comprehensive income under Ind AS		416.27

Notes:

- a. **Provision for doubtful Trade Receivable:** Under the Previous GAAP, Trade receivables were measured at cost (Historical cost). Under the Ind AS, Provision for doubtful Trade Receivable has been booked based on Expected Credit Loss (ECL) model.
- b. **Actuarial gain/ loss on defined benefit plans:** Under Ind AS, re-measurements i.e. actuarial gain and losses and the return on plan assets, excluding amounts included in the net interest expenses on the net defined benefit liabilities are recognised in the other comprehensive income instead of Income and Expenditure under previous GAAP. There re-measurements were forming part of the income and expenditure for the year. There is no impact on the total equity.

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

- c. **Goodwil on Business Combination:** Under the previous GAAP, Goodwill on business combination is amortised on a straight line basis over a period of 5 years. Under IND AS, no amortisation is carried out but the Goodwill is tested for impairment and provision for impairment recognised if the carrying amount of goodwill is greater than its recoverable amount.
- d. **Right of Use Assets:** Under IND AS, right-of-use assets and corresponding lease liabilities recognised in case of assets taken on long - term operating leases on non-cancellable basis, and expense in statement of income and expenditure is recognised in the form of depreciation on right-of-use assets and interest cost on lease liabilities. Under the previous GAAP, no such asset / liability is recognised in case of operating lease and the entire lease rent paid is recognised as expenses in the Statement of income and expenditure.
- e. **Provision for performance linked incentive (PLI) :** Under the previous GAAP, provision shall be recognised only when the entity has a present obligation for a past event whereas under IND AS provision shall be recognised even for a constructive obligation for a past event as well i.e action of the company creating valid expectations in employees that the Company will discharge the PLI obligation for the current financial year in next financial year.
- f. **Deferred tax adjustment** represents tax impact for IND AS adjustments under Balance Sheet approach.

31.5 Reconciliation of Cash flow statement for the year ended March 31st, 2023

Particulars	Notes	Year ended 31st March 2023		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
A. Cash flow from Operating activities	a	232.28	60.24	292.52
B. Cash flow from Investing activities	a	(595.68)	0.00	(595.68)
C. Cash flow from Financing activities		366.41	(60.24)	306.17

Note :

- a. Under the previous GAAP, entire lease rent paid in case of assets taken on long - term operating leases on non-cancellable basis is considered as part of cash flow from operating activities whereas under IND AS, the lease rent paid is bifurcated into principal and interest portions and considered as part of cash flow from financing activities.

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

32. Related party disclosures:

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

Key management personnel:

- a) Mr. Arun Sharma, Chairman and Director IRCLASS Systems and Solutions Private Limited
- b) Mr. Vinay Kshirsagar, Director 1. IRCLASS Systems and Solutions Private Limited
2. Safess Quality Management Private Limited
3. Arun Abhiyantey Private Limited
- c) Mr. Kapildev Shinde, Director 1. Safess Quality Management Private Limited
2. Arun Abhiyantey Private Limited

(ii) Transactions with related parties

Nature of Transaction	Year ended 31st March, 2024	Year ended 31 st March, 2023
Managerial Remuneration	Nil	Nil
Director Remuneration	Nil	Nil

33. During the financial year 2015-16, the Holding 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 had 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 under previous GAAP.

34. 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 had recognized goodwill of 141.71 being the excess of purchase consideration over the value of net asset acquired. As at March 31, 2024, carrying amount of goodwill has been tested for impairment and no provision for impairment required as on date.

Notes forming part of IND AS Consolidated Financial Statements as at and for the year ended 31st March, 2024

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

Particulars	March 31, 2024							
	Net assets, i.e total assets minus total liabilities		Share in Excess of income over expenditure		Share in other comprehensive income		Share in other comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated net profit or loss	Amount	As % of Consolidated net profit or loss	Amount	As % of Consolidated net profit or loss	Amount
Parent								
IRCLASS Systems and Solutions Private Limited	96.18%	8,383.07	95.06%	996.67	36.24%	(4.93)	95.83%	991.74
Subsidiaries								
Safess Quality Management Pvt Ltd	2.12%	184.51	5.65%	59.20	63.76%	(8.68)	4.88%	50.52
Arun Abhiyantey Pv Ltd	1.70%	148.01	(0.70%)	(7.39)	0.00%	-	(0.71%)	(7.39)
Total	100.00	8,715.58	100.00%	1,048.48	100.00%	(13.62)	100.00%	1,034.87

36. CSR Expenditure:

- (a) Gross amount required to be spent by the holding company during the year is **19.19** (PY 20.13)
- (b) Amount spent during the year on:

CSR activities	In Cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	19.19	-	19.19

* figures in bracket represent previous year's figures

37. Events occurring after the reporting period

There are no events occurring after the reporting period to be reported.

38. Certain figures apparently may not add up because of rounding off, but are wholly accurate in themselves.

39. Approval of Financial Statements

The financial statements were approved by the Board of Directors and authorised for issue at the Board meeting held on 01-August-2024

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

Vinay Kshirsagar
Director
DIN no.: 07029212

Arun Sharma
Chairman and Director
DIN no.: 02503165

Ramanarayanan J
Partner
Membership No. 220369
Place: Daman
Date: 01st August, 2024

Sugandha Vaidya
Company Secretary

Deepak Patel
Associate General Manager

Place: Mumbai
Date: 01st August, 2024

NOTES TO ACCOUNTS

(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	01-04-23 to 31-03-24	INR	4.20	476.61	1,012.39	531.58	0.00	1,219.44	38.66	(0.37)	38.29	-	100.00
2	Arun Abhiyaney Pv Ltd	01-04-23 to 31-03-24	INR	1.00	129.67	133.45	2.79	0.00	0.00	6.04	(2.98)	3.05	-	100.00

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

Ramanarayanan J
Partner
Membership No. 220369
Daman
Date: 01st August, 2024

For and on Behalf of the Board of Directors
Vinay Kshirsagar
Director
DIN no.: 07029212

Sugandha Vaidya
Company Secretary
Mumbai
Date: 01st August, 2024

Part “B”: Associated and Joint Ventures

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

Notes:

1. Names of associates and joint ventures which are yet to commence operations - NIL
2. Names of associates and joint ventures which have been liquidated or sold during the year - Nil

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
Vinay Kshirsagar **Arun Sharma**
Director Chairman and Director
DIN no.: 07029212 DIN no.: 02503165

Ramanarayanan J
Partner
Membership No. 220369
Place: Daman
Date: 01st August, 2024

Sugandha Vaidya **Deepak Patel**
Company Secretary Associate General Manager
Place: Mumbai
Date: 01st August, 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAFESS QUALITY MANAGEMENT PRIVATE LIMITED

Report on the audit of Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Safess Quality Management Private Limited ("the Company") which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Ind AS 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 Ind AS 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 Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and profit, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial Statements 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 Ind AS 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 on Ind AS financial Statements.

Information Other than the Standalone Ind AS Financial Statements and Auditors' 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 Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS 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 Ind AS 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 Ind AS 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, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors is 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 Ind AS 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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

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"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 except for the matters stated in paragraph 12(h) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flows 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 Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 12(b) above on reporting under Section 143(3)(b) and paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Rules.
- g) Pursuant to MCA notification dated 13th June 2017, reporting on the adequacy of the internal financial controls over financial reporting is exempted for the company;
- h) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and best of our information and according to the explanation given to us:
 - i. The Company does not have any pending litigations which would impact its financial positions.
 - ii. The Company did not have any long term contracts including derivative contracts as at 31st March, 2024 for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, 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 entity(ies), 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 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. 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.

- vi. Based on our examination, which included test checks, the Company has used single accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in accounting software. During the course of performing our procedures, we did not notice any instance of an audit trail feature being tampered with.

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 does not apply to the company

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

Place: Mumbai
Date: 30th July, 2024
ICAI UDIN Ref. No.24049623BKAFJH3365

Sanjay T. Tupe
Partner
Membership No. 49623

Annexure A

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 financial statements as of and for the year ended 31st March 2024.

- (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 per the information and explanation given to us, the company does not have any inventory. Therefore, the provision of this clause of the Order is at present not apply to the Company.
(b) During any point of time of the year, the company has not been sanctioned any working capital from banks or financial institutions based on 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, or provided guarantees, and security, therefore provisions of sections 185 and 186 of the Companies Act are 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 2024 and therefore, the provisions of clause 3 (v) of the Order do not apply 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 given 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 clause 3 (ix)(c) of the Order do not apply to the Company.
(d) On the overall examination of the financial statements of the Company, the funds raised on a short-term basis have not been utilized for long-term purposes.
(e) The company has no subsidiaries, associates, or joint ventures, and therefore, the provisions of clause 3 (ix)(e) and (f) of the Order do not apply 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 does not apply 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 does not apply 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 being 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 the 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 does not apply 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 does not apply 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 not incurred cash losses in the current financial year. However, the company had incurred a cash loss of Rs. 67,48,461/- in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year.
- (xix) Based on the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, and 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 one year from the balance sheet date.
- (xx) The Company's net worth, turnover, and net profit fall 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 does not have any subsidiary companies/companies, hence this clause is not applicable.

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

Place: Mumbai
Date: 30th July, 2024
ICAI UDIN Ref. No.24049623BKAFJH3365

Sanjay T. Tupe
Partner
Membership No. 49623

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

Balance Sheet as at 31st March, 2024

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
ASSETS				
Non Current assets				
(a) Property, Plant and Equipment				
(i) Tangible assets	5	102.90	79.00	85.03
(b) Financial Assets				
(i) Investments	6	0.27	0.27	0.27
(c) Deferred Tax Asset	7	2.75	0.21	0.71
(d) Other Non-Current Assets	8	18.05	18.05	18.05
Total non-current assets		123.97	97.52	104.06
Current assets				
(a) Inventories		-	-	-
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables	9	382.72	223.42	368.78
(iii) Cash and bank balances	10	102.15	106.39	118.69
(iv) Other financial assets	11	231.99	138.93	242.79
(c) Other current assets	8	171.56	172.12	190.36
Total current assets		888.42	640.87	920.62
Total assets		1,012.39	738.40	1,024.69
EQUITY AND LIABILITIES				
Equity				
(a) Share Capital	12	4.20	4.20	4.20
(b) Other Equity	12	476.61	447.00	521.65
Equity attributable to owners of the Company		480.81	451.20	525.85
Total Equity		480.81	451.20	525.85
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	297.70	149.78	162.14
(ii) Other financial liabilities		-	-	-
(b) Provisions		-	-	-
(c) Deferred tax liabilities (net)		-	-	-
(d) Other non-current liabilities		-	-	-
Total non current liabilities		297.70	149.78	162.14
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	62.91	61.15	86.48
(ii) Trade payables	14	-	-	-
Micro and Small Enterprises		-	-	-
Others		129.48	45.92	195.06
(iii) Other financial liabilities	15	2.77	0.60	2.35
(b) Other current liabilities	16	38.73	29.76	52.81
(c) Provisions	-	-	-	-
Total current liabilities		233.89	137.42	336.69
Total Liabilities		531.58	287.20	498.83
Total Equity And Liabilities		1,012.39	738.40	1,024.69

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on Behalf of the Board of Directors

For Sanjay & Snehal

Chartered Accountants

FRN. 118160W

Sanjay T. Tupe

Partner

Membership No. 49623

Place: Mumbai

Date: 30th July, 2024

Vinay Kshirsagar

Director

DIN no.: 07029212

Place: Mumbai

Date : 30th July, 2024

Kapildev Shinde

Director

DIN no.: 09548008

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

Statement of Profit and Loss for the year ended 31st March, 2024

Particulars	Note No.	Year ended 31st March, 2024	Year ended 31st March , 2023
I Revenue from operations	17	1,219.44	724.06
II Other income	18	6.58	8.36
III Total Income (I + II)		1,226.02	732.42
Expenses			
(a) Cost of materials consumed		265.64	97.56
(b) Employee benefits expense	19	151.10	205.24
(c) Finance Cost	20	29.90	25.93
(d) Depreciation and amortization expense	21	16.00	12.75
(e) Other expenses	22	724.72	473.30
IV Total Expenses		1,187.36	814.78
V Profit/(loss) before exceptional items and tax (III-IV)		38.66	(82.36)
VI Exceptional Item		-	-
VII Profit/ (loss) before exceptions items and tax(V-VI)		38.66	(82.36)
VIII Tax expense:			
1) Current Tax			
Current Year		-	-
Previous Year		-	3.42
2) Deferred Tax Liability / (Asset)	9	0.37	2.42
IX Excess of Income Over Expenditure (VII-VIII)		38.29	(83.36)
X Other comprehensive income			
A Items that will not be reclassified to Income and Expenditure			
(a) Remeasurements of the defined benefit plans		(11.60)	11.63
b) Income Tax on above		2.92	(2.93)
B Items that will be reclassified to Income and Expenditure		-	-
XI Total other comprehensive income for the period (A+ B)		(8.68)	8.70
XII Total comprehensive income for the period (IX+XI)		29.61	(74.65)
XIII Earnings per share (EPS)	29		
Basic (Rs.)		70.50	(177.75)
Diluted (Rs.)		70.50	(177.75)

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on Behalf of the Board of Directors

For Sanjay & Snehal

Chartered Accountants
FRN. 118160W

Sanjay T. Tupe
Partner
Membership No. 49623
Place: Mumbai
Date: 30th July, 2024

Vinay Kshirsagar
Director
DIN no.: 07029212
Place: Mumbai
Date : 30th July, 2024

Kapildev Shinde
Director
DIN no.: 09548008

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

Statement of changes in equity for the year ended 31st March, 2024

Particulars	Surplus in the income and expenditure account	Other Comprehensive Income	TOTAL
As at 31st March, 2022	521.65	-	521.65
Changes in accounting policy on prior period errors	-	-	-
Restated balance at the beginning of the current report period	521.65	-	521.65
Surplus for the year	(83.36)	-	(83.36)
Actuarial gains/losses on defined benefit obligation	-	8.70	8.70
As at 31st March, 2023	438.30	8.70	447.00
Changes in accounting policy on prior period errors	-	-	-
Restated balance at the beginning of the current report period	438.30	8.70	447.00
Surplus for the year	38.29	-	38.29
Actuarial Gains/Losses on defined benefit obligation	-	(8.68)	(8.68)
As at 31st March, 2024	476.59	0.02	476.61

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on Behalf of the Board of Directors

For **Sanjay & Snehal**
Chartered Accountants
FRN. 118160W

Sanjay T. Tupe
Partner
Membership No. 49623
Place: Mumbai
Date: 30th July, 2024

Vinay Kshirsagar
Director
DIN no.: 07029212
Place: Mumbai
Date : 30th July, 2024

Kapildev Shinde
Director
DIN no.: 09548008

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

Cash Flow Statement for the year ended 31st March , 2024

Particulars	Year ended 31st March, 2024		Year ended 31st March , 2023	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Excess of income over expenditure before Tax		38.66		(85.78)
Adjustments for:				
Depreciation on tangible assets	16.00		12.75	
Interest income	(5.09)		(5.62)	
Interest on IT Refund	(1.49)		(2.74)	
Interest paid on Cash credit facility	8.97		6.13	
Interest paid on Inter Corporate Deposit	20.93		19.80	
		39.31		30.32
Operating surplus before working capital changes		77.98		(55.46)
Adjustments for (increase) /decrease in operating assets:				
Trade receivables	(159.30)		145.35	
Other Current Financial Asset	(93.05)		103.85	
Other Current assets	(11.04)		29.88	
Other Non Current Asset	-		-	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	83.55		(149.13)	
Other current liabilities	8.98		(23.06)	
Other Financial Liabilities	2.17		(1.75)	
		(168.68)		105.14
Cash generated from operations		(90.70)		49.68
Direct taxes paid (Tax deducted at source)		1.49		2.74
Net cash from operating activities (A)		(89.21)		52.42
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment (including capital advances)	(39.90)		(6.72)	
Bank balances not considered as cash and cash equivalents				
- Placed	(98.54)		(97.42)	
- Matured	97.42		115.71	
Loan repaid/(from) by Subsidiary Company	147.92		(12.36)	
Interest received	5.09		5.62	
		112.00		4.83
Net cash used in investing activities (B)		112.00		4.83

CASH FLOW STATEMENT

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

Cash Flow Statement for the year ended 31st March , 2024

Particulars	Year ended 31st March, 2024		Year ended 31st March , 2023	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid on CC	(8.97)		(6.13)	
Interest paid on Inter Corporate Deposit	(20.93)		(19.80)	
Cash credit Facility from HDFC Bank (Net)	1.76		(25.33)	
		(28.14)		(51.26)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(5.35)		5.99
Cash and cash equivalents at the beginning of the year		8.97		2.98
Cash and cash equivalents at the end of the year *		3.61		122.40
* Comprises:				
(a) Cash on hand				
(b) Balances with banks				
(i) In current accounts		3.61		8.97
(ii) In EEFC accounts				
Total		3.61		8.97

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on Behalf of the Board of Directors

For Sanjay & Snehal

Chartered Accountants

FRN. 118160W

Sanjay T. Tupe

Partner

Membership No. 49623

Place: Mumbai

Date: 30th July, 2024

Vinay Kshirsagar

Director

DIN no.: 07029212

Place: Mumbai

Date : 30th July, 2024

Kapildev Shinde

Director

DIN no.: 09548008

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (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. Applicability of new and revised Ind AS:

a. New Standards/Amendments notified but not yet effective:

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

3. Summary of Material Accounting Policies

The material accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements and in preparing the opening Ind AS Balance Sheet as at April 1, 2022 for the purpose of transition to Ind AS, unless otherwise indicated.

3.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all the years presented in these financial statements.

For all periods up to and including the year ended March 31, 2023, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The financial statements for the year ended March 31, 2024 are the first financial statements prepared in accordance with Ind AS. The date of transition to Ind AS is April 1, 2022.

The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position and financial performance of the Company is provided in Note 27. This note includes reconciliations of equity and total comprehensive income for comparative years under Indian GAAP to those reported for those years under Ind AS.

Refer Note 3.19 for the details of first-time adoption exemptions availed by the Company.

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

3.2 Basis of Preparation & Presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments and long-term employee benefits that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The Financial Statements comprising Balance Sheet, Statement of Income and Expenditure, Statement of Change in Equity, Cash Flow Statements together with the Notes for the year ended March 31, 2024 have been prepared in accordance with Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

3.3 Functional and presentation currency

The functional and presentation currency of the Company is Indian Rupee which represents the currency of the primary economic environment in which it operates

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

3.4 Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, commitments and contingencies.

3.5 Property, plant and equipment (PPE)

PPE are carried at cost less accumulated depreciation and impairment losses, if any. The cost of PPE comprises the purchase price net of any trade discounts and rebates, freight, any import duties and other taxes (other than those subsequently recoverable) and includes interest on borrowings attributable to acquisition of qualifying PPE up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

PPE retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately. When assets are retired or otherwise disposed off, the cost of such assets and related accumulated depreciation are removed from the accounts. Any income and expenses on retirement or other disposal is reflected in the Statement of Income and Expenditure.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2022 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.6 Depreciation

Depreciation for the year has been provided using the Straight-Line method (SLM) over their useful lives and residual value as prescribed in Schedule II.

3.7 Asset Impairment

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of Income and Expenditure as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of Income and Expenditure immediately.

3.8 Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement, and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Company as lessee-

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease

Incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove, or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in statement of income and expenditure.

3.9 Revenue from Operations

Fees for inspection and certification of in-service activity of process vessel, Engineering Procurement and Construction Contracting and condition assessment of equipment and structures.

3.10 Foreign Currency Transactions and Balances

Transactions in foreign currencies are recorded at standard exchange rates prevailing on the date of relevant transactions. The realized exchange gains or losses are recognized in the statement of Income and Expenditure.

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported in the functional currency, using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported in functional currency using the exchange rates that existed when the fair value measured. All monetary assets and liabilities in foreign currency are restated at the end of accounting period

3.11 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 recognised fund which is charged to statement of Income and Expenditure. The same is separately administered as the Company is not covered under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952.

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. Actuarial gains / losses comprise experience adjustments and the effect of changes in actuarial assumptions are recognised in the statement of Other comprehensive income in the period in which they occur in case of post-employment benefits and in the Statement of Income and Expenditure in case of other long-term employee benefits.

Employees who have completed five years of service are provided superannuation benefits through a policy with the India First Life Insurance Company Limited with defined contributions made by the Company, which are charged to the Statement of Income and Expenditure.

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

Any other termination benefits are recognised as expenses immediately on the basis of actual expenses.

3.12 Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of past events where it is probable that there will be outflow of resource required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. When any such present obligation cannot be measured or where a realistic estimate of the obligation cannot be made, contingent liabilities are recognised.

Contingent liabilities are also recognised when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more future events not wholly within the control of the company.

3.13 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

3.14 Investment Income

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

3.15 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.

3.16 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.

3.17 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.

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

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.

3.18 Financial Instruments

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through income and expenditure) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through income and expenditure are recognised immediately in the Statement of Income and Expenditure.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

A. Financial Assets

(i) Cash and Cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial Assets at amortized cost

Financial assets are subsequently measured at amortized cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iv) Financial assets at fair value through income and expenditure

Financial assets are measured at fair value through income and expenditure unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition.

(v) Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses

or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

(vi) De-recognition of financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset in its entirety (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Income and Expenditure.

B. Financial Liabilities

(i) Financial Liabilities at Amortized Cost

Financial liabilities are measured at amortised cost using the effective interest method.

(ii) De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Income and Expenditure.

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

3.19 First-time adoption-mandatory exceptions, optional exemptions

Overall Principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2022 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

De-recognition of financial assets and liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2022 (the transition date).

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Deemed cost for PPE, investment property and intangible assets

The Company has elected to continue with the carrying value of all of its Property, Plant and Equipment, and intangible assets recognised as of April 1, 2023 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.

4 Critical Accounting Assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

NOTES TO ACCOUNTS

4.1 Revenue Recognition

Revenue in case of inspection and certification fees are measured using the proportionate completion method i.e depending upon the completion of the service performed.

4.2 Useful lives of property, plant, and equipment

The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Depreciation on Property Plant and Equipment is provided pro-rata for the periods of use on straight line method (SLM) on the basis of useful life of the fixed assets mandated by Part C of Schedule II of the Companies Act, 2013.

4.3 Provision for Doubtful Debts

The Company assesses its doubtful debt provision at each reporting date. Provisions are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Key assumptions applied are experience (including comparisons of the relative age of accounts and consideration of actual write-off history), customer creditworthiness, current economic trends, changes in customer payment terms, the estimated debt recovery rates and future market conditions that could affect the recovery.

4.4 Employee Benefits - Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

4.5 Impairment of tangible assets

Property, plant and equipment are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

At each Balance Sheet date, consideration is given to determine whether there is any indication of impairment of the carrying amount of the Company's assets. If any indication exists, estimation is made for the asset's recoverable amount, which is the greater of the net selling price and the value in use. An impairment loss, if any, is recognized whenever the carrying amount of an asset exceeds the recoverable amount.

Impairment losses of continuing operations, if any, are recognized in income and expenses section of the statement of Income and Expenditure.

4.6 Contingent liabilities

Management applies its judgement to advice it receives from its attorneys, advocates, and other advisers in assessing if an obligation is probable, more likely than not, or remote. This judgement is used to determine if the obligation is recognised as a liability in the form of a provision or disclosed as a contingent liability.

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

5. Property, Plant and Equipment

Particulars	Plant and Equipment	Computer System	Grand Total
Cost or deemed cost			
Balance as at April 1, 2022	81.98	3.05	85.03
Additions	6.15	0.56	6.72
Disposals	-	-	-
Balance as at 31st March 2023	88.14	3.61	91.75
Additions	39.76	0.15	39.90
Disposals	-	-	-
Balance as at 31st March 2024	127.89	3.76	131.65
Accumulated Depreciation and impairment			
Balance as at April 1, 2022	-	-	-
Elimination on disposals of assets	-	-	-
Depreciation expense	11.66	1.09	12.75
Balance as at 31st March 2023	11.66	1.09	12.75
Elimination on disposals of assets	-	-	-
Depreciation expense	15.59	0.41	16.00
Balance as at 31st March 2024	27.25	1.50	28.75
Carrying amount			
Balance as at April 1, 2022	81.98	3.05	85.03
Balance as at 31st March 2023	76.47	2.52	79.00
Balance as at 31st March 2024	100.64	2.26	102.90

NOTES:

- The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition i.e. 1 April 2022 and hence the carrying amount (net block) as per previous GAAP on that date has been considered as gross block. (Refer note below for the gross block value and the accumulated depreciation on 1 April 2022 under previous GAAP).

Particulars	Plant and Equipment	Computer System	Grand Total
Gross Block	127.89	3.76	131.65
Accumulated Depreciation	27.25	1.50	28.75
Net Block Treated at Deemed Cost	100.64	2.26	102.90

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

6. Investments (Non-Trade, Unquoted)

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Linking Shares of Jankalyan Sahakari bank (A)	0.27	0.27	0.27
Total	0.27	0.27	0.27

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
(A) Non-Current			
a. Unquoted Investment			
Linking Shares of Jankalyan Sahakari bank	0.27	0.27	0.27
Total Non Current Investment (A)	0.27	0.27	0.27
Total Other Investments (A)	0.27	0.27	0.27

7. Deferred tax assets/ (liability)

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Deferred tax assets (net)	2.75	0.21	0.71
TOTAL	2.75	0.21	0.71

The details of the deferred tax asset/ (liability) are given below:

i) Deferred tax assets/(liabilities) as at 31 March 2024

S.N	Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
(A)	Deferred tax liability			
(i)	Related to Tangible assets	-	-	-
(ii)	Related to Intangible assets	-	-	-
(iii)	Related to Right-of-use assets	-	-	-
	Total deferred tax Liabilities	-	-	-
(B)	Deferred tax assets			
(i)	Related to tangible assets	0.07	0.21	0.71
(ii)	Related to Trade receivables	2.68	-	-
	Total deferred tax assets	2.75	0.21	0.71

ii) Deferred tax asset / liabilities recognized in the books:

S.N	Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
(A)	Deferred tax liabilities	-	-	-
(B)	Deferred tax assets	2.75	0.21	0.71
	Net deferred tax asset/(liability) (B - A)	2.75	0.21	0.71

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

7. Deferred tax assets/ (liability) (Contd.)

iii) Movement Deferred tax asset / liabilities recognized in the books:

S.N	Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
(A)	Deferred tax liabilities	-	-
(B)	Deferred tax assets	2.55	(0.50)
	Movement in net deferred tax asset/(liability) (B - A)	2.55	(0.50)

8. Other Assets

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Non-Current			
Income Tax Recoverable	18.05	18.05	18.05
	18.05	18.05	18.05
Current			
Balances with government authorities:			
GST input credit & GST TDS	111.66	133.98	155.98
Surplus in Gratuity Fund	20.84	21.03	7.17
Advance to Supplier	19.15	15.41	22.64
Other Advance	19.90	1.70	4.57
	171.56	172.12	190.36
Total	189.61	190.17	208.42
Non Current	18.05	18.05	18.05
Current	171.56	172.12	190.36
Total	189.61	190.17	208.42

9. Trade Receivable

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Non-Current	-	-	-
Current			
Unsecured :			
Considered good	393.39	223.42	368.78
Less : Provision for credit risk (refer note 9.3)	(10.67)	-	-
	382.72	223.42	368.78
Considered doubtful	-	5.45	5.45
Less : Provision for bad and doubtful receivables (refer note 9.2)	-	(5.45)	(5.45)
	-	-	-
Total	382.72	223.42	368.78

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

9.1 Trade Receivables

The average credit period on sale is 45 days.

9.2 Movement of Impairment for doubtful receivables

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Balance at beginning of the year	-	5.45	4.25
Provision for doubtful receivable other than credit risk	-	(5.45)	1.20
Provision for credit risk	-	-	-
Balance at end of the year	-	-	5.45

Major customers, being govt. undertakings and private companies having highest credit ratings, carry negligible credit risk.

9.3 Movement of Provision for credit risk

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Balance at beginning of the year	-	-	-
Add : Provision/(Reversal) during the year	10.67	-	-
Balance at end of the year	10.67	-	-

9.4 For impairment of trade receivables and significant increase in credit risk refer note 26.4.2

Method adopted and % applied for credit risk to disclose.

Refer Below Note for Reference:

In determining allowance for credit losses of trade receivables, the Company has used the practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of receivables and the rates used in provision matrix.

9.5 Trade Receivable (including unbilled revenue)

Particulars	As at 31st March, 2024						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	84.83	256.04	99.20	24.69	3.92	9.54	478.22
(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	-	-	-	-	-	-	-
Total	84.83	256.04	99.20	24.69	3.92	9.54	478.22

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

9.5 Trade Receivable (including unbilled revenue) (Contd.)

Particulars	As at 31st March, 2023						
	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	-	197.12	5.53	12.93	-	7.85	223.42
(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	5.45
Total	-	197.12	5.53	12.93	-	13.30	228.87

Particulars	As at 01st April, 2022						
	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	53.37	349.60	6.62	8.48	4.07	-	422.14
(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	5.45
Total	53.37	349.60	6.62	8.48	4.07	5.45	427.59

10. Cash and Bank Balances

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Cash and cash equivalents			
Balances with banks			
In Current Accounts (Domestic)	3.61	8.97	2.68
Cash on hand	-	-	0.30
	3.61	8.97	2.98
Other bank balances			
(a) in deposit accounts with banks with maturity less than 12 months.	98.54	97.42	115.71
(b) in deposit accounts with banks with maturity of more than 12 months.	-	-	-
Total	102.15	106.39	118.69

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

11. Other Financial Liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Current			
Loan & Advance to employees	-	-	-
Interest accrued on Bonds	-	-	-
Unbilled Revenue	84.83	-	53.37
Security Deposit	144.84	137.19	179.82
Interest accrued on deposits with banks	2.32	1.74	9.61
	231.99	138.93	242.79
Total	231.99	138.93	242.79
Non Current	-	-	-
Current	231.99	138.93	242.79
Total	231.99	138.93	242.79

12. Other equity excluding non-controlling interests

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Surplus in the Income and Expenditure account			
Balance at the beginning of the year	438.30	521.65	-
Transferred from Statement of Income and Expenditure	38.29	(83.36)	-
Less : Surplus Transferred Transfer to contingency reserve	-	-	-
Balance at the end of the year	476.59	438.30	521.65
Other comprehensive income			
Balance at the beginning of the year	8.70	-	-
Remeasurement of employees' defined benefit plans	(8.68)	8.70	-
Balance at the end of the year	0.02	8.70	-
Total	476.61	447.00	521.65

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

12. Other equity excluding non-controlling interests (Contd.)

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

Share Capital	As at 31st March, 2024		As at 31st March, 2023		As at 01st April, 2022	
	Number	Amount	Number	Amount	Number	Amount
Authorised						
Equity Shares of Rs.10/- each	100,000	10.00	100,000	10.00	100,000	10.00
Issued						
Equity Shares of Rs.10/- each	42,000	4.20	42,000	4.20	42,000	4.20
Subscribed & Fully Paid up						
Equity Shares of Rs.10/- each fully paid	42,000	4.20	42,000	4.20	42,000	4.20
Total	42,000	4.20	42,000	4.20	42,000	4.20

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

Particulars	Equity Shares	
	Number	Rs.
Shares outstanding at the beginning of the year	42,000	4.20
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	42,000	4.20

12.c Shareholders holding more than 5% of shares

Name of Shareholder	As at 31st March, 2024		As at 31st March, 2023		As at 01st April, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IRClass Systems & Solutions Pvt. Ltd	41,999	99.99%	41,999	99.99%	41,999	99.99%

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

13. Borrowings

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Non-current Borrowings			
Borrowing from related parties			
IRCLASS Systems and Solutions Private Limited	174.44	100.01	119.01
Arun Abhiyantey Private Limited	123.25	49.77	43.13
Total non-current borrowings	297.70	149.78	162.14
Current Borrowings			
Cash Credit Facilities from HDFC Bank	62.91	61.15	86.48
(Secured by charge against present and future receivables of the company Sanctioned Limit 200 (Previous Year 200) repayable on demand carrying interest rate of 10.27 % (Previous Year 9 %))			
Current Portion of Long Term Borrowings	-	-	-
Total Current Borrowings	62.91	61.15	86.48

14. Trade Payables

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Micro and Small Enterprises	-	-	-
Others	129.48	45.92	195.06
Total	129.48	45.92	195.06

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 responded to the enquiries made by the Company for this purpose.

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 26 Financial Instruments

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

14.1 Trade Payables ageing

Particulars	As at 31st March, 2024						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2- 3 years	More than 3 years	
(i) MSME							-
(ii) Others	-	35.93	93.26	0.29	-	-	129.48
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	-	35.93	93.26	0.29	-	-	129.48

Particulars	As at 31st March, 2023						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2- 3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	36.49	3.97	2.99	2.47	-	45.92
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	-	36.49	3.97	2.99	2.47	-	45.92

Particulars	As at 01st April, 2022						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2- 3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	57.88	12.02	3.93	121.23	-	195.06
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	-	57.88	12.02	3.93	121.23	-	195.06

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

15. Other Financial Liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Current			
Employee Related Fund Payable	2.77	0.60	2.35
Total	2.77	0.60	2.35
Current	2.77	0.60	2.35

16. Other Current liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Statutory Liabilities	2.72	16.42	23.02
Payable to employee/labours	21.64	3.41	14.52
Other Payable	14.37	9.92	15.27
Total	38.73	29.76	52.81

17. Revenue from Operations

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Technical Testing	671.98	724.06
Contracting Income	547.46	-
Total	1,219.44	724.06

Additional Disclosures relating to revenue:

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
1. Contract with Customers		
Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Income and Expenditure.		
Revenue from operations		
Revenue from contract with customers		
Technical Testing and Contracting Fees	1,219.44	724.06
2. Disaggregate Revenue		
The following table presents Company's revenue disaggregated by type of revenue stream		
Revenue based on services		
Revenue from contract with customers		

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

17. Revenue from Operations (Contd.)

Additional Disclosures relating to revenue:

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
a) Technical Testing	671.98	724.06
b) Contracting Income	547.46	-
3. Contract balances		
Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes prepaid income received from the customer towards Inspection, testing and certification fees. Revenue is recognised once the performance obligation is met i.e. execution of contract/services	-	-
At April	-	-
At March	-	-

18. Other Income

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest from :		
- Bank Deposits	5.09	5.62
Interest on Income tax refund	1.49	2.74
Total	6.58	8.36

19. Employee Benefit expense

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Salaries and wages	136.87	178.61
Contribution to Provident Fund	9.83	17.96
Gratuity (Refer note no – 25)	1.90	4.35
Expenses for Compensated Absences	0.71	0.01
Contribution to other Funds	1.81	4.34
Total	151.10	205.24

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

20. Finance Cost

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest Paid on Cash Credit Facility	8.97	6.13
Interest paid to Inter Corporate Deposit	20.93	19.80
Total	29.90	25.93

21. Depreciation and amortization expense

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Depreciation on tangible asset	16.00	12.75
Total	16.00	12.75

22. Other Expenses

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Rent	74.51	40.52
Rates & Taxes	12.64	3.20
Administration Expenses	33.04	17.31
Travelling & Conveyance Expenses	36.78	52.18
Electricity Charges	0.06	0.67
Bank Charges	2.09	0.76
Legal & professional fees	51.76	59.44
Site expenses	63.44	37.84
Contract Labour	414.00	208.09
Telephone, postage & telegram	0.82	1.02
Transportation	18.32	12.18
Audit Fees	1.50	1.50
Inspection charges	5.09	38.57
Provision For Bad Debts	10.67	-
Total	724.72	473.30

23. Estimated amounts of contracts remaining to be executed on capital account not provided for (net of advances) **NIL** (Previous Year: **NIL**)

24. Contingent liability in respect of claims against the Company not acknowledged as debts **NIL** (Previous Year **NIL**) and in respect of Corporate guarantee given **NIL** (Previous Year: **NIL**). Future cash flows in respect of contingent liability are determinable only on settlement of disputes.

25. Employee benefit plan

25.1 Defined Contribution plan

The Company makes Provident Fund and Superannuation contributions which are defined contribution plans, for qualifying employees. Under the Scheme, the Company

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

25.1 Defined Contribution plan (Contd.)

is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised the following amounts in the Statement of Income and Expenditure.

Particulars	Year ended	
	31st March, 2024	31st March, 2023
Contribution to Provident Fund	9.83	17.96
Contribution for Superannuation	1.90	4.35
Total	11.74	22.31

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

25.2 Defined Benefit Plans

The Company provides for gratuity a defined benefit retirement plan covering eligible employees. Gratuity plan provides for a lump sum payment to employees on retirement, death, incapacitation, termination of employment, of amounts that are based on salaries and tenure of the employees.

The Company manages gratuity fund with an insurance company.

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

Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31st March, 2024	31st March, 2023
Discount rate(s)	7.21%	7.45%
Expected rate(s) of salary increase	7.50%	7.50%
Sensitivity analysis of significant actuarial assumption		

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

25.2 Defined Benefit Plans (Contd.)

	Year ended 31st March, 2024		Year ended 31st March, 2023	
	Increase	Decrease	Increase	Decrease
discount rate (-/+ 0.5%) (% change compared to base due to sensitivity)	(47.62)	51.45	42.90	46.52
salary growth rate (-/+ 0.5%) (% change compared to base due to sensitivity)	50.81	(47.89)	46.08	43.27

Amounts recognised in statement of Income and Expenditure in respect of this defined benefits plan are as follows

	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest cost	(1.57)	(0.50)
Current service cost	3.47	4.85
Past Service Cost	-	-
Components of defined benefit costs recognised in Income and Expenditure	1.90	4.35
Remeasurement on the net defined benefit liability:		
Actuarial (gain)/ loss recognized	10.91	(12.11)
Expected return on plan assets	0.69	0.48
Components of defined benefit costs recognised in other comprehensive income	11.60	(11.63)
Total	13.50	(7.28)

The current service cost and the net interest expense for the year are included in the “Employee benefits expense” line item in the statement of Income and Expenditure

The remeasurement of the net defined liability is included in other comprehensive income

The amount included in the balance sheet arising from the entity’s obligation in respect of its defined benefit plans is as follows:

	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Fair value of plan assets	70.30	65.67	61.14
Present value of funded defined benefit obligation	49.46	44.64	53.97
Funded status	(20.84)	(21.03)	(7.17)

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

25.2 Defined Benefit Plans (Contd.)

Movements in the present value of the defined benefit obligations are as follows:

	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Opening defined benefit obligations	44.64	53.97	48.26
Interest cost	3.33	3.78	3.26
Current service cost	3.47	4.85	5.23
Past service cost	-	-	-
Benefits paid	(12.88)	(5.85)	-
Net actuarial (gain)/loss	10.91	(12.11)	(2.78)
Closing defined benefit obligation	49.46	44.64	53.97

Movements in the fair value of the plan assets are as follows:

	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Opening fair value of plan assets	65.67	61.14	57.47
Interest Income	4.89	4.28	-
Contribution made by Employer	0.43	0.73	0.29
Benefits paid	-	-	-
Return on plan assets excluding amounts included in interest income	(0.69)	(0.48)	3.37
Closing fair value of plan assets	70.30	65.67	61.14

The fair value of the plan assets for India and overseas plan at the end of the reporting period for each category , are as follows

	Fair value of plan assets as at	
	31st March, 2024	31st March, 2023
Gratuity		
-Insurance Fund	70.30	65.67
Sub-total	70.30	65.67

Maturity Profile of Defined Benefit Obligation and other long term employee benefits:

	Fair value of plan assets as at	
	31st March, 2024	31st March, 2023
Gratuity		
2024	-	2.59
2025	2.81	0.86
2026	16.75	16.88
2027	5.04	5.10
2028	0.65	0.61
2029	0.69	14.92
2030 - 2034	15.42	-

Expected contribution for the next year Nil (Previous Year: Nil)

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

26. Financial Instruments

26.1 Capital Management

The Company's objective when managing capital is to:

- Safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders; and

The capital structure of the Company consists of total equity (see note 12). The Company is not subject to any externally imposed capital requirements.

26.2 Categories of financial instruments

	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Financial Assets			
Measured at amortised cost			
Trade receivables	382.72	223.42	368.78
Cash and Bank balance	102.15	106.39	118.69
Loans	-	-	-
Other financial assets	231.99	138.93	242.79
Financial Liabilities			
Measured at amortised cost			
Trade Payables	129.48	45.92	195.06
Other financial liabilities	2.77	0.60	2.35

26.3 Details of financial assets pledged as collateral : 382.72 (31st March 2023: 223.42, 01st April 2022: 368.78)

26.4 Financial risk management objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's financial management committee also monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

26.4.1 Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk, foreign currency exchange risk and interest rate risk.

26.4.1.1 Interest rate risk management

The Company has not availed borrowings, hence is not exposed to interest rate risk

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

26.4.1.2 Price risks

The company is not exposed to any price risk that could adversely affect the the value of the Company's financial assets or expected future cash flows considering the product pricing methodology

26.4.2 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk arises from cash and cash equivalents, investments carried at amortized cost and deposits with banks as well as customers including receivables. Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

Credit exposure is managed by counterparty limits for investment of surplus funds which is reviewed by the Management. Investments in liquid plan/schemes are with reputed Asset Management Companies having highest rating. For banks, only high rated banks are considered for placement of deposits.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Company does not have significant credit risk exposure to any single customer. Concentration of credit risk to any single customer did not exceed **22 %** (31st March 2023 : 29%, 01st April 2022 : 32%) of gross monetary assets at any time during the year.

26.4.3 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

26.4.3.1 Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	0-1 year	1-3 years	3-5 years	More than 5 years	Carrying Amount
31st March, 2024					
Trade Payable	129.48	-	-	-	129.48
Borrowings	62.91	297.70	-	-	360.61
Creditors for Capital Expenditure	-	-	-	-	-
Employee Expenses Payable	21.64	-	-	-	21.64
Employee Related Fund Payable	2.77	-	-	-	2.77
Other Payable	14.37	-	-	-	14.37
31st March, 2023					
Trade Payable	45.92	-	-	-	45.92
Borrowings	61.15	-	149.78	-	210.93
Creditors for Capital Expenditure	-	-	-	-	-
Employee Expenses Payable	3.41	-	-	-	3.41
Employee Related Fund Payable	0.60	-	-	-	0.60
Other Payable	9.92	-	-	-	9.92
01st April, 2022					
Trade Payable	195.06	-	-	-	195.06
Borrowings	86.48	-	162.14	-	248.62
Creditors for Capital Expenditure	-	-	-	-	-
Employee Expenses Payable	14.52	-	-	-	14.52
Employee Related Fund Payable	2.35	-	-	-	2.35
Other Payable	15.27	-	-	-	15.27

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

26.4.3.1 Liquidity and interest risk tables (Contd.)

The following table details the Company's expected maturity for its non-derivative financial assets. The information included in the table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	0-1 year	1-3 years	3-5 years	More than 5 years	Carrying Amount
31st March, 2024					
Investment in Mutual Funds	-	-	-	-	-
Trade Receivable	382.72	-	-	-	382.72
Loan	-	-	-	-	-
Other Financial Assets	231.99	-	-	-	231.99
31st March, 2023					
Investment	-	-	-	-	-
Trade Receivable	223.42	-	-	-	223.42
Loan	-	-	-	-	-
Other Financial Assets	138.93	-	-	-	138.93
01st April, 2022					
Investment	-	-	-	-	-
Trade Receivable	368.78	-	-	-	368.78
Loan	-	-	-	-	-
Other Financial Assets	242.79	-	-	-	242.79

NOTES TO ACCOUNTS

(All amounts are in Rs. Lakhs unless specified otherwise)
Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

27.1 Effect of Ind AS adoption on the balance sheet as at March 31st, 2023 and April 01st, 2022

Particulars	Notes	As at 31st March, 2023 (End of last period presented under previous GAAP)		As at 01st April, 2022 (Beginning of last period presented under previous GAAP)		
		Previous GAAP	Effect of Transition to Ind AS	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
Non-Current Assets						
(a) Property, plant and equipment		79.00	-	79.00	-	85.03
(b) Capital work-in-progress		-	-	-	-	-
(c) Other intangible assets		-	-	-	-	-
(d) Financial assets						
(i) Investments		0.27	-	0.27	-	0.27
(ii) Loans		-	-	-	-	-
(iii) Other financial assets		-	-	-	-	-
(e) Deferred Tax Asset	b	5.15	(4.94)	0.21	(4.92)	0.71
(f) Other non-current assets		18.05	-	18.05	-	18.05
Total non-current assets		102.46	(4.94)	97.52	(4.92)	104.06
Current Assets						
(a) Inventories		-	-	-	-	-
(b) Financial Assets						
(i) Investments		-	-	-	-	-
(ii) Trade receivables	a	223.42	-	223.42	-	368.78
(iii) Cash and Bank balance		106.39	-	106.39	-	118.69
(iv) Loans		-	-	-	-	-
(v) Other financial assets		138.93	-	138.93	-	242.79
(c) Other current assets		172.12	-	172.12	-	190.36
Total current assets		640.86	-	640.86	-	920.62
Total Assets		743.35	(4.94)	738.40	(4.92)	1,024.69

NOTES TO ACCOUNTS

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

27.1 Effect of Ind AS adoption on the balance sheet as at March 31st, 2023 and April 01st, 2022 (contd).

Particulars	Notes	As at 31st March, 2023 (End of last period presented under previous GAAP)		As at 01st April, 2022 (Beginning of last period presented under previous GAAP)		
		Previous GAAP	Effect of Transition to Ind AS	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
Equity						
Equity Share Capital		4.20	-	4.20	-	4.20
Other Equity	a,b	451.94	(4.94)	526.57	(4.92)	521.65
Total Equity		456.14	(4.94)	530.77	(4.92)	525.85
Non-Current liabilities						
Borrowings		149.78	-	162.14	-	162.14
Current Liabilities						
(a) Financial Liabilities						
(i) Trade Payables		45.92	-	195.06	-	195.06
(ii) Borrowings		61.15	-	86.47	-	86.48
(iii) Other financial liabilities		0.60	-	2.35	-	2.35
(b) Other current liabilities		29.76	-	52.81	-	52.81
Total Equity and Liabilities		743.34	(4.94)	1,029.61	(4.92)	1,024.69

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

27.2 Reconciliation of total equity as at 31st March, 2023 and 01 April, 2022

Particulars	Notes	As at 31st March, 2023	As at 01st April, 2022
Total equity (shareholders funds) under Previous GAAP		451.94	526.57
Deferred Tax Asset	b	(4.94)	(4.92)
Total adjustment to equity		(4.94)	(4.92)
Total equity under Ind AS		447.00	521.65

27.3 Effect of Ind AS Adoption on the statement of profit and loss for the year ended March 31st, 2023

Particulars	Notes	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
I Survey Fees		724.06	-	724.06
II Other Income		8.36	-	8.36
III Total Income (I + II)		732.42	-	732.42
IV Expenses				
(a) Employee benefit expense	a	193.61	11.63	205.24
(b) Finance cost		25.93	-	25.93
(c) Depreciation and amortization expense		12.75	-	12.75
(d) Other expenses		570.85	-	570.85
Total expenses (IV)		803.15	11.63	814.78
Profit/(loss) before exceptional items and tax (III-IV)		(70.73)	(11.63)	(82.36)
Exceptional Item		-	-	-
Profit/ (loss) before exceptions items and tax(V-VI)		(70.73)	(11.63)	(82.36)
Tax expense:				
1) Current Tax				
Current Year		-	-	-
Previous Year		3.42	-	3.42
2) Deferred Tax Liability / (Asset)		(0.48)	(1.94)	2.42
Surplus for the year from continuing operations (A-B+C)		(74.63)	(13.57)	(83.36)

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

27.3 Effect of Ind AS Adoption on the statement of profit and loss for the year ended March 31st, 2023 (Contd.)

Particulars	Notes	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
Other comprehensive income				
A. Items that will not be reclassified to income and expenditure				
Actuarial gain/ loss on defined benefit plans	b	-	11.63	11.63
Remeasurements of defined benefits plans	b	-	(2.93)	(2.93)
B. Items that will not be reclassified to income and expenditure				
		-	-	-
Total other comprehensive income [A+B]		-	8.70	8.70
Total comprehensive income for the period		(74.63)	(4.87)	(74.65)

27.4 Reconciliation of total comprehensive income for the year ended March 31st, 2023

Particulars	Notes	Year ended 31st March 2023
Surplus as per previous GAAP		(74.63)
Adjustments :		
Remeasurements of the defined benefit plan	a	2.93
Actuarial gain/ loss on defined benefit plans	a	(11.63)
Total effect of transition to Ind AS		(8.70)
Surplus for the year as per Ind AS		(83.33)
Other comprehensive income for the year (net of tax)		8.70
Total comprehensive income under Ind AS		(74.63)

Notes:

- a. **Actuarial gain/ loss on defined benefit plans:** Under Ind AS, re-measurements i.e. actuarial gain and losses and the return on plan assets, excluding amounts included in the net interest expenses on the net defined benefit liabilities are recognised in the other comprehensive income instead of Income and Expenditure under previous GAAP. There re-measurements were forming part of the profit & loss for the year. There is no impact on the total equity.
- b. **Deferred tax** adjustment represents tax impact for IND AS adjustments under Balance Sheet approach.

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

27.5 Reconciliation of Cash flow statement for the year ended March 31st, 2023

Particulars	Notes	Year ended 31st March, 2023		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
A. Cash flow from operating activities	a,b	49.71	2.72	52.42
B. Cash flow from Investing activities		0.91	3.92	4.83
C. Cash flow from Financing activities		(44.62)	(6.64)	(51.26)

28. Related party disclosures:

(i) Companies / Firms in which Director, Director's relatives are Director / Partner:

- a) IRCLASS Systems and Solutions Private Limited.
- b) Arun Abhiyantey Pvt. Ltd.

Key management personnel:

- a) Mr. Vinay Kshirsagar, Director
- b) Mr. Kapildev Shinde, Director

(ii) Transactions with related companies/party:

- a) Inter corporate deposit from IRCLASS Systems and Solutions Private Ltd: **174.44**
(Previous Period : 100.01)
- b) Inter corporate deposit from Arun Abhiyantey Private Ltd : **123.25** (Previous Period : 49.77)

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

29. Earnings Per Share (EPS)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Profit/Loss after tax for the year	29.61	(74.65)
Weighted average number of Equity shares for basic Earnings Per Share (nos.)	0.42	0.42
Earnings per share	70.50	(177.75)
Weighted average number of Equity shares for diluted Earnings Per Share (nos.)	0.42	0.42
Diluted Earnings Per Share	70.50	(177.75)

NOTES TO ACCOUNTS

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

30. Financial Ratios:

S. No.	Ratio	Numerator	Denominator	Numerator Value	Denominator Value	31st March, 2024	Numerator Value	Denominator Value	31st March, 2023	% Variance	Remarks
(a)	Current Ratio	Total Current Assets	Total Current Liabilities	888.42	233.89	3.80	640.87	137.42	4.66	-18%	
(b)	Debt-Equity Ratio	Total Debts consists of Non current and Current Borrowings	Equity	360.61	480.81	0.75	210.93	451.20	0.47	60%	
(c)	Debt Service Coverage Ratio	Earnings available for Debt Service = Surplus of income over expenditure + Non cash operating expenses + Interest + Other non cash adjustments	Debt Service = Interest Payments + term loan principal repayments	-	-	-	-	-	-	-	Not applicable as the Company does not have term loan
(d)	Return on Equity Ratio	Surplus of income over expenditure	Average Equity	29.61	466.00	0.06	(74.65)	488.53	(0.15)	-140%	
(e)	Inventory turnover ratio	Revenue from Operations	Average Inventory	-	-	-	-	-	-	-	Not applicable as the Company does not maintain any inventory
(f)	Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables	1,219.44	303.07	4.02	724.06	296.10	2.45	64%	Increase in Trade Receivable due to increase in Revenue
(g)	Trade payables turnover ratio	Total Expenses - Depreciation - Interest - Employee Benefit Expenses	Average Trade Payables	990.36	87.70	11.29	570.85	120.49	4.74	138%	
(h)	Net capital turnover ratio	Revenue from Operations	Average Working Capital = Average Current Assets - Average Current Liabilities	1,219.44	578.99	2.11	724.06	543.69	1.33	59%	Impact due to increase in revenue
(i)	Net profit ratio	Surplus of income over expenditure	Revenue from Operation	29.61	1,219.44	0.02	(74.65)	724.06	(0.10)	-120%	
(j)	Return on Capital employed	Earnings before Interest and Taxes	Capital Employed = Average Equity + Average Debts + Average Lease Liabilities	68.56	751.77	0.09	(56.42)	718.30	(0.08)	-213%	
(k)	Return on investment	Surplus of income over expenditure	Investments	29.61	-	-	(74.65)	-	-	-	Not applicable as the Company does not have investments

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

Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024 (SAFESS)

31. Events occurring after the reporting period

There are no events occurring after the reporting period to be reported.

32. Approval of Financial Statements

The financial statements were approved by the Board of Directors and authorised for issue at the Board meeting held on 30th July, 2024

Signatures to Notes 1 to 32

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on Behalf of the Board of Directors

For **Sanjay & Snehal**
Chartered Accountants
FRN. 118160W

Sanjay T. Tupe
Partner
Membership No. 49623

Vinay Kshirsagar
Director
DIN no.: 07029212

Kapildev Shinde
Director
DIN no.: 09548008

Place: Mumbai
Date: 30th July, 2024

Place: Mumbai
Date : 30th July, 2024

REGISTERED OFFICE
52A, Adi Shankaracharya Marg, Opp. Powai Lake, Powai, Mumbai – 400 072. India. Phone : +91 22 3051 9400 Fax : +91 22 3051 9888

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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
BHOPAL	BHUBANESWAR
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104, Copia Corporate Suites, District Centre, Jasola, New Delhi – 110025 Phone: 91-11-49845600 Fax: 91-11-49845632	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
VISAKHAPATNAM	RAJASTHAN
D.No.7-18-1, Kirlampudi Layout, Waltair Uplands, VISAKHAPATNAM – 530017 Phone: 91-891-2704319/2523878/877 Fax: 91-891-2754662	1st & 2nd Floor, B-11g, CEG Tower, Industrial Area, Malviya Nagar, Jaipur, Jaipur, Rajasthan, 302017 Phone: 014 14805672
ABU DHABI	DOHA
Khalidiya Towers B, Mezzanine Floor (M), Office No. B-10, Al Faskar Street W10, Al Bateen, Abu Dhabi, U.A.E. PO Box. 41414. Tel.: +971 586872899	Office No. 112-113, Regus Building 1st Floor, D Ring Road,P.O.Box No.32522, Doha, Qatar - 32522 Tel.No. 00974 – 44231218, Fax No.: 00974 44231100



Structural Assessment of All Concrete & Steel structures - PASAR



Phased Array Ultrasonic Testing (PAUT) on a fabricated assembly of a pressure vessel



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