



Sanjay T. Tupe
B.Com, F.C.A.

Snehal S. Walavalkar
B.Com, F.C.A., DISA,

Sanjay & Snehal

Chartered Accountants

806, Filix Commercial Complex, LBS Road,
Opp Asian Paints, Bhandup (W), MUMBAI - 78
Mob.: 83559 64844 Email : casns12@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Safess Quality Management Private Limited

Report on the audit of Ind AS Financial Statements

Opinion

1. 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.
2. 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

3. 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 Ind AS Financial Statements and Auditor's Report Thereon

4. 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

5. 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.
6. 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

Auditor's Responsibilities for the Audit of Ind AS Financial Statements.

7. 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.
8. 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.
9. 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.
10. 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

11. 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.

12. 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



Sanjay & Snehal

Chartered Accountants

Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

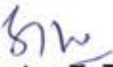
(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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.

13. 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


Sanjay T. Tupe
Partner
Membership No. 49623
UDIN: 24049623BKAFJH3365
Place: Mumbai
Date: 30-07-2024





Sanjay T. Tupe
B.Com, F.C.A.

Snehal S. Walavalkar
B.Com, F.C.A., DISA,

Sanjay & Snehal

Chartered Accountants

806, Filix Commercial Complex, LBS Road,
Opp Asian Paints, Bhandup (W), MUMBAI - 78
Mob.: 83559 64844 Email : casns12@gmail.com

Annexure 1 to independent Auditor's Report

Referred to in paragraph 1 under Report on other Legal and Regulatory Requirements in the independent Auditor's Report of even date to the members of Safess Quality Management Pvt. Ltd. on the 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.



Sanjay & Snehal

Chartered Accountants

- (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;



Sanjay & Snehal

Chartered Accountants

(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



Sanjay T. Tupe
Partner
Membership No. 49623
UDIN: 24049623BKAFJH3365
Place: Mumbai
Date: 30-07-2024



Safess Quality Management Private Limited
(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)
(CIN no.U74909MH1993PTC074629)
Balance Sheet as at 31st March, 2024
All amounts are in Rs. Lakhs unless otherwise stated

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
(d) Deferred Tax Asset	7	2.75	0.21	0.71
(e) 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

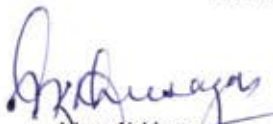
See accompanying notes forming part of the financial statements
In terms of our report attached

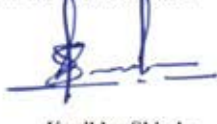
For Sanjay & Snehal
Chartered Accountants
FRN. 118160W


Sanjay T. Tupe
Partner
Membership No. 49623



For and on Behalf of the Board of Directors


Vinay Kshirsagar
Director
DIN no.: 07029112


Kapildev Shinde
Director
DIN no.: 09548008



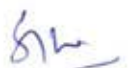
Safess Quality Management Private Limited
(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)
(CIN no.U74909MH1993PTC074629)
Statement of Profit and Loss for the year ended 31st March, 2024
All amounts are in Rs. Lakhs unless otherwise stated

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
IV 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 Sanjay & Snehal
Chartered Accountants
FRN. 118160W


Sanjay T. Tupe
Partner
Membership No. 49623



Place: Mumbai
Date: 30th July, 2024

For and on Behalf of the Board of Directors


Vinay Kshirsagar
Director
DIN no.: 07029212


Kapildev Shinde
Director
DIN no.: 09548008



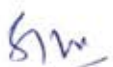
Place: Mumbai
Date: 30th July, 2024

Safess Quality Management Private Limited
(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)
(CIN no.U74909MH1993PTC074629)
Statement of changes in equity
All amounts are in Rs. Lakhs unless otherwise stated

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

In terms of our report attached

For Sanjay & Snehal
Chartered Accountants
FRN. 118160W


Sanjay T. Tupe
Partner
Membership No. 49623

Place: Mumbai
Date: 30th July, 2024



For and on Behalf of the Board of Directors


Vinay Kshirsagar
Director
DIN no.: 07029212

Place: Mumbai
Date: 30th July, 2024


Kapildev Shinde
Director
DIN no.: 09548008

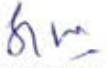


Safess Quality Management Private Limited
(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)
(CIN no.U74909MH1993PTC074629)
Cash Flow Statement for the year ended 31st March , 2024
All amounts are in Rs. Lakhs unless otherwise stated

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
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
		3.61		8.97
Cash and cash equivalents at the end of the year *				
* Comprises				
(a) Cash on hand		-		
(b) Balance with Banks		3.61		8.97
(i) In Current Accounts				
(ii) In EEFC Accounts				
Total		3.61		8.97

In terms of our report attached

For Sanjay & Snehal
Chartered Accountants
Firm Regn No 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

For and on Behalf of the Board of Directors




Kapildev Shinde
Director
DIN no.: 09548008

Safess Quality Management Private Limited
(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)
(CIN no.U74909MH1993PTC074629)
All amounts are in Rs. Lakhs unless otherwise stated

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

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.



Safess Quality Management Private Limited
(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)
(CIN no.U74909MH1993PTC074629)
All amounts are in Rs. Lakhs unless otherwise stated

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

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.



Safess Quality Management Private Limited
(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)
(CIN no.U74909MH1993PTC074629)
All amounts are in Rs. Lakhs unless otherwise stated

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

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.

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.



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

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 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:

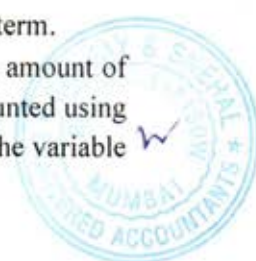
- Leases of low value assets; and
- Leases with a duration of 12 months or less.

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



Safess Quality Management Private Limited
(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)
(CIN no.U74909MH1993PTC074629)
All amounts are in Rs. Lakhs unless otherwise stated

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

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.

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



Safess Quality Management Private Limited
(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)
(CIN no.U74909MH1993PTC074629)
All amounts are in Rs. Lakhs unless otherwise stated

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

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

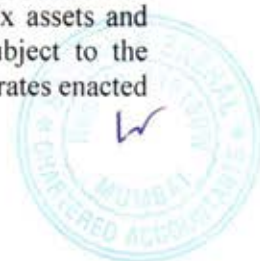
- i) Non-current investments are stated at the cost of acquisition. A provision for diminution, if any, is made to recognize a decline, other than temporary, in the value of non-current investments.
- ii) Short-term investments are valued at lower of cost and fair value.

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. 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.



Safess Quality Management Private Limited
(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)
(CIN no.U74909MH1993PTC074629)
All amounts are in Rs. Lakhs unless otherwise stated

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

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 principal and interest on the principal amount outstanding.



Safess Quality Management Private Limited
(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)
(CIN no.U74909MH1993PTC074629)
All amounts are in Rs. Lakhs unless otherwise stated

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

(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.



Safess Quality Management Private Limited
(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)
(CIN no.U74909MH1993PTC074629)
All amounts are in Rs. Lakhs unless otherwise stated

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

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:



Safess Quality Management Private Limited
(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)
(CIN no.U74909MH1993PTC074629)
All amounts are in Rs. Lakhs unless otherwise stated

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

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.

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



Safess Quality Management Private Limited
(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)
(CIN no.U74909MH1993PTC074629)
All amounts are in Rs. Lakhs unless otherwise stated

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

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.



Safess Quality Management Private Limited
(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)
(CIN no.U74909MH1993PTC074629)
Notes to IND AS Financial Statements for the year ended 31st March, 2024
All amounts are in Rs. Lakhs unless otherwise stated

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

Particulars	Plant and Equipment	Computer System	Grand total
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

Particulars	Plant and Equipment	Computer System	Grand total
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:

1 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



Safess Quality Management Private Limited

(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)

(CIN no.U74909MH1993PTC074629)

Notes to IND AS Financial Statements for the year ended 31st March, 2024

All amounts are in Rs. Lakhs unless otherwise stated

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 Investments	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 31 March 2024	As at 31 March 2023	As at 31 March 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 31 March 2024	As at 31 March 2023	As at 31 March 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 31 March 2024	As at 31 March 2023	As at 31 March 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

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

S.N	Particulars	Year ended 31 March 2024	Year ended 31 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)



Safess Quality Management Private Limited**(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)****(CIN no.U74909MH1993PTC074629)****Notes to IND AS Financial Statements for the year ended 31st March, 2024****All amounts are in Rs. Lakhs unless otherwise stated****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



Safess Quality Management Private Limited
(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)
(CIN no.U74909MH1993PTC074629)
Notes to IND AS Financial Statements for the year ended 31st March, 2024
All amounts are in Rs. Lakhs unless otherwise stated

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	-	-	-
Total	382.72	223.42	368.78

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.



Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024
All amounts are in Rs. Lakhs unless otherwise stated

9.1 Trade Receivable (including unbilled revenue)

Particulars	As on 31st March, 2024					
	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
(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

Particulars	As on 31st March, 2023					
	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	-	197.12	5.53	12.93	-	7.85
(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	-	197.12	5.53	12.93	-	13.30
						223.42

Particulars	As on 01st April, 2022					
	Unbilled Dues	Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years
(i) Undisputed Trade receivables – considered good	53.37	349.60	6.62	8.48	4.07	-
(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	53.37	349.60	6.62	8.48	4.07	5.45
						427.59



Safess Quality Management Private Limited

(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)

(CIN no.U74909MH1993PTC074629)

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

All amounts are in Rs. Lakhs unless otherwise stated

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

11 . Other financial assets

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Current			
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



Safess Quality Management Private Limited
(A Wholly owned Subsidiary of IRCCLASS Systems and Solutions Private Limited)
(CIN no.U74909MH1993PTC074629)

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

All amounts are in Rs. Lakhs unless otherwise stated

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	1,00,000	10.00	1,00,000	10.00	1,00,000	10.00
Issued Equity Shares of Rs.10/- each	42,000	4.20	42,000	4.20	42,000	4.20
<u>Subscribed & Fully Paid up</u>	42,000	4.20	42,000	4.20	42,000	4.20
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%



Safess Quality Management Private Limited
(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)
(CIN no.U74909MH1993PTC074629)
Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024
All amounts are in Rs. Lakhs unless otherwise stated

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 Abhiyanter 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 (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 %)	62.91	61.15	86.48
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
The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 26 Financial Instruments

14. Trade Payables

Particulars	As on 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	-	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 on 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	-	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 on 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	-	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

Safess Quality Management Private Limited

(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)

(CIN no.U74909MH1993PTC074629)

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

All amounts are in Rs. Lakhs unless otherwise stated

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
Advance from Customer	-	-	-
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		
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	-	-



Safess Quality Management Private Limited**(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)****(CIN no.U74909MH1993PTC074629)****Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024****All amounts are in Rs. Lakhs unless otherwise stated****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

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



Safess Quality Management Private Limited

(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)

(CIN no.U74909MH1993PTC074629)

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

All amounts are in Rs. Lakhs unless otherwise stated

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



Safess Quality Management Private Limited
(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)
(CIN no.U74909MH1993PTC074629)
Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024
All amounts are in Rs. Lakhs unless otherwise stated

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 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	Year ended 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

	31st March, 2024		31st March, 2023	
	Increase	Decrease	Increase	Decrease
discount rate (-/+ 0.5%)	(47.62)	51.45	42.90	46.52
(% change compared to base due to sensitivity)				
salary growth rate (-/+ 0.5%)	50.81	(47.89)	46.08	43.27
(% change compared to base due to sensitivity)				

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

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest cost	(1.57)	(0.50)
Current service cost	3.47	4.85

Safess Quality Management Private Limited
(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)
(CIN no.U74909MH1993PTC074629)
Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024
All amounts are in Rs. Lakhs unless otherwise stated

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:

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 1st 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)

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

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 1st 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:

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 1st 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

Particulars	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)



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 1st 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

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

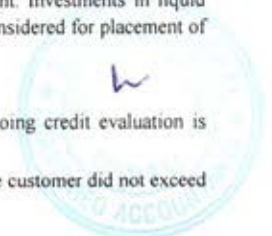
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating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

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

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



Safess Quality Management Private Limited
(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)
(CIN no.U74909MH1993PTC074629)
Notes forming part of IND AS Financial Statements as at and for the year ended 31st March, 2024
All amounts are in Rs. Lakhs unless otherwise stated

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	As per Ind AS balance sheet	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	-	85.03
(b) Capital work-in-progress		-	-	-	-	-	-
(c) Other intangible assets		-	-	-	-	-	-
(d) Financial assets							
(i) Investments		0.27	-	0.27	0.27	-	0.27
(ii) Loans		-	-	-	-	-	-
(iii) Other financial assets		-	-	-	-	-	-
(e) Deferred Tax Asset	b	5.15	(4.94)	0.21	5.63	(4.92)	0.71
(f) Other non-current assets		18.05	-	18.05	18.05	-	18.05
Total non-current assets		102.46	(4.94)	97.52	108.98	(4.92)	104.06
Current Assets							
(a) Inventories		-	-	-	-	-	-
(b) Financial Assets							
(i) Investments		-	-	-	-	-	-
(ii) Trade receivables		223.42	-	223.42	368.78	-	368.78
(iii) Cash and Bank balance		106.39	-	106.39	118.69	-	118.69
(iv) Loans		-	-	-	-	-	-
(v) Other financial assets		138.93	-	138.93	242.79	-	242.79
(c) Other current assets		172.12	-	172.12	190.36	-	190.36
Total current assets		640.86	-	640.86	920.62	-	920.62
Total Assets		743.35	(4.94)	738.40	1,029.61	(4.92)	1,024.69

Particulars	Notes	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
Equity							
Equity Share Capital		4.20	-	4.20	4.20	-	4.20
Other Equity	a,b	451.94	(4.94)	447.00	526.57	(4.92)	521.65
Total Equity		456.14	(4.94)	451.20	530.77	(4.92)	525.85
Non-Current liabilities							
Borrowings		149.78	-	149.78	162.14	-	162.14
Current Liabilities							
(a) Financial Liabilities							
(i) Trade Payables		45.92	-	45.92	195.06	-	195.06
(ii) Borrowings		61.15	-	61.15	86.47	-	86.48
(iii) Other financial liabilities		0.60	-	0.60	2.35	-	2.35
(b) Other current liabilities		29.76	-	29.76	52.81	-	52.81
Total Equity and Liabilities		743.34	(4.94)	738.40	1,029.61	(4.92)	1,024.69



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

Particulars	Notes	As at 31st March, 2023	As at 1st 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)	(88.36)

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)	(79.50)

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

Particulars	Notes	Year ended 31 st 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.

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		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)



Safess Quality Management Private Limited

(A Wholly owned Subsidiary of IRCLASS Systems and Solutions Private Limited)

(CIN no.U74909MH1993PTC074629)

Notes to IND AS Financial Statements for the year ended 31st March, 2024

All amounts are in Rs. Lakhs unless otherwise stated

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 Abhiyante 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: **74.44** (Previous Period : 54.32)
- b) Inter corporate deposit from Arun Abhiyante Private Ltd : **73.48** (Previous Period : 6.64)
- c) Amount repaid to IRCLASS Systems and Solutions Private Ltd: **Nil** (Previous Period : 73.32)
- d) Interest paid on Inter Corporate Deposit to IRCLASS Systems and Solutions Private Ltd: **10.48** (Previous Period : 12.58)
- e) Technical and Consultancy Fees received from IRCLASS Systems and Solutions Private Ltd: **Nil** (Previous Period : 16.14)

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

(iii) Balances 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 Abhiyante 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)



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 Benefits 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

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
In terms of our report attached

For Sanjay & Snehal
Chartered Accountants
FRN: 118160W


Sanjay T. Tupe
Partner
Membership No. 49623

Place: Mumbai
Date: 30th July, 2024




Vinay Kabirvagar
Director
DIN no.: 07029212

Place: Mumbai
Date: 30th July, 2024

For and on Behalf of the Board of Directors


Kapildev Shinde
Director
DIN no.: 09548008