

# Price Waterhouse & Co Chartered Accountants LLP

## Independent auditor's report

To the Members of TQ Cert Services Private Limited

## Report on the audit of the Financial Statements

### Opinion

1. We have audited the accompanying financial statements of TQ Cert Services Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and 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 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for opinion

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

### Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)

# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of TQ Cert Services Private Limited  
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### Responsibilities of management and those charged with governance for the financial statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. 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.



# Price Waterhouse & Co Chartered Accountants LLP

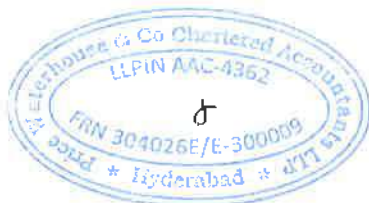
## INDEPENDENT AUDITOR'S REPORT

To the Members of TQ Cert Services Private Limited  
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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
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.

### Report on other legal and regulatory requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".



# Price Waterhouse & Co Chartered Accountants LLP


## INDEPENDENT AUDITOR'S REPORT

To the Members of TQ Cert Services Private Limited  
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- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2019.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/ E-300009  
Chartered Accountants

Place : Mumbai  
Date : May 16, 2019

  
Sunit Kumar Basu  
Partner  
Membership Number: 55000

# Price Waterhouse & Co Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of TQ Cert Services Private Limited on the financial statements for the year ended March 31, 2019

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## Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of TQ Cert Services Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



# Price Waterhouse & Co Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of TQ Cert Services Private Limited on the financial statements for the year ended March 31, 2019

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### Meaning of Internal Financial Controls with reference to financial statements

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

### Inherent Limitations of Internal Financial Controls with reference to financial statements

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

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/ E-300009  
Chartered Accountants



Sunit Kumar Basu  
Partner  
Membership Number: 55000

Place : Mumbai  
Date : May 16, 2019

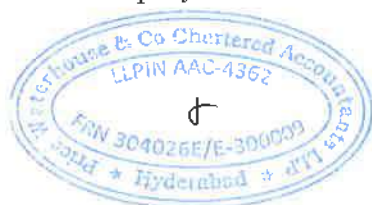
# Price Waterhouse & Co Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of TQ Cert Services Private Limited on the financial statements as of and for the year ended March 31, 2019

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- i. The Company does not own any fixed assets. Therefore, the provisions of Clauses 3(i)(a), 3(i)(b) and 3(i)(c) of the said Order are not applicable to the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of goods and services tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including income tax, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities.  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, service-tax, duty of customs or goods and services tax which have not been deposited on account of any dispute.
- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.



# Price Waterhouse & Co Chartered Accountants LLP


## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of TQ Cert Services Private Limited on the financial statements as of and for the year ended March 31, 2019

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- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/ E-300009  
Chartered Accountants

  
Sunit Kumar Basu  
Partner  
Membership Number: 55000

Place : Mumbai  
Date : May 16, 2019

**TQ CERT SERVICES PRIVATE LIMITED**  
(Formerly known as Food Cert India Private Limited)

Balance Sheet as at March 31, 2019

All amounts are in ₹ unless otherwise stated

ASSETS	Note No	As at March 31, 2019	As at March 31, 2018
<b>Non-current assets</b>			
(a) Goodwill	3	8,23,715	8,23,715
(b) Intangible assets	3	9,331	27,999
(c) Financial assets			
(i) Other financial assets	4	1,88,93,890	-
(d) Deferred tax assets (net)	5	3,75,818	5,70,931
(e) Non-Current tax assets (Net)	6	-	91,666
<b>Total non-current assets</b>		<b>2,01,02,754</b>	<b>15,14,311</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Trade receivables	7	3,21,04,770	44,70,711
(ii) Cash and cash equivalents	8	1,39,00,173	2,45,11,712
(iii) Other financial assets	4	11,42,315	1,67,125
(c) Other current assets	9	1,63,080	18,271
<b>Total current assets</b>		<b>4,73,11,238</b>	<b>2,91,67,819</b>
<b>Total Assets</b>		<b>6,74,13,992</b>	<b>3,06,82,130</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	10	1,63,86,000	1,63,86,000
(b) Other equity	11	1,23,75,406	14,18,261
<b>Total Equity</b>		<b>2,87,61,406</b>	<b>1,78,04,261</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables: □	12		
- Total outstanding dues of micro and small enterprises			
- Total outstanding dues other than (a)(i) above		1,27,81,033	52,94,451
(ii) Other financial liabilities	13	1,37,26,184	15,84,548
(b) Current tax liabilities (net)	6	3,42,608	-
(c) Other current liabilities	14	1,18,02,760	59,98,870
<b>Total current liabilities</b>		<b>3,86,52,586</b>	<b>1,28,77,869</b>
<b>Total Liabilities</b>		<b>3,86,52,586</b>	<b>1,28,77,869</b>
<b>Total Equity and Liabilities</b>		<b>6,74,13,992</b>	<b>3,06,82,130</b>

See accompanying notes forming part of the financial statements 1- 29

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number : 304026E/E-300009



Sunit Kumar Basu

Partner

Membership Number : 55000

Place : Mumbai

Date: May 16, 2019

For and on behalf of the Board of Directors



Tenny Koshy Cherian

Director



Sourav Chakraborty

Director

Place : Mumbai

Date: May 16, 2019


**TQ CERT SERVICES PRIVATE LIMITED**  
**(Formerly known as Food Cert India Private Limited)**  
**Statement of Profit and Loss for the year ended March 31, 2019**  
**All amounts are in ₹ unless otherwise stated**

	Note No	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>I Revenue from operations</b>	15	5,92,03,060	3,45,66,375
<b>II Other income</b>	16	11,09,172	-
<b>III Total Income (I + II)</b>		<b>6,03,12,232</b>	<b>3,45,66,375</b>
<b>IV Expenses</b>			
(a) Accreditation expenses	17	10,06,636	11,12,727
(b) Purchase of stock in trade	18	7,66,671	-
(c) Finance costs	19	-	50,933
(d) Amortization expense	20	18,668	14,001
(e) Other expenses	21	4,28,89,183	2,49,80,613
<b>Total expenses (IV)</b>		<b>4,46,81,158</b>	<b>2,61,58,274</b>
<b>V Profit before tax (III - IV)</b>		<b>1,56,31,074</b>	<b>84,08,101</b>
<b>VI Tax expense</b>	22		
(a) Current tax		44,78,817	19,79,932
(b) Deferred tax expense/ (credit)		1,95,112	(5,70,931)
<b>Total tax expense</b>		<b>46,73,930</b>	<b>14,09,001</b>
<b>VII Profit for the year (V - VI)</b>		<b>1,09,57,145</b>	<b>69,99,100</b>
<b>VIII Other Comprehensive Income</b>		-	-
<b>IX Total Comprehensive Income for the year (VII + VIII)</b>		<b>1,09,57,145</b>	<b>69,99,100</b>
<b>Earnings per equity share (of ₹10 each)</b>			
Basic (₹)	23	6.69	4.27
Diluted (₹)	23	6.69	4.27

See accompanying notes forming part of the financial statements 1- 29

This is the statement of Profit and loss referred to in our report of even date.

**For Price Waterhouse & Co Chartered Accountants LLP**  
Firm Registration Number : 304026E/E-300009

  
**Sunit Kumar Basu**  
Partner  
Membership Number : 55000

Place : Mumbai  
Date: May 16, 2019

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

  
**Tenny Koshy Cherian**  
Director

  
**Sourav Chakraborty**  
Director

  
**TQ CERT SERVICES PVT LTD**

Place : Mumbai  
Date: May 16, 2019


**TQ CERT SERVICES PRIVATE LIMITED**  
**(Formerly known as Food Cert India Private Limited)**  
**Statement of Changes in Equity for the year ended March 31, 2019**  
**All amounts are in ₹ unless otherwise stated**

**A. Equity share capital**

	<b>Amount</b>
Balance as at March 31, 2017	1,63,86,000
Changes in equity share capital during the year	
Balance as at March 31, 2018	1,63,86,000
Changes in equity share capital during the year	
Balance as at March 31, 2019	1,63,86,000

**B. Other equity**

Particulars	Reserves and Surplus	Total
	Retained earnings	
Balance as at March 31, 2017	(55,80,839)	(55,80,839)
Profit for the year	69,99,100	69,99,100
Total comprehensive income for the year	69,99,100	69,99,100
Balance as at March 31, 2018	14,18,261	14,18,261
Profit for the year	1,09,57,145	1,09,57,145
Total comprehensive income for the year	1,09,57,145	1,09,57,145
Balance as at March 31, 2019	1,23,75,406	1,23,75,406

This is the Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP  
 Firm Registration Number : 304026E/E-300009

  
**Sunil Kumar Basu**  
 Partner  
 Membership Number : 55000

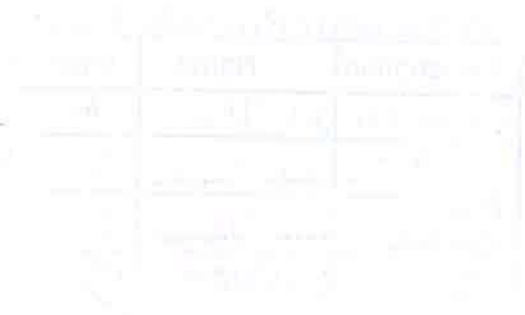
Place : Mumbai  
 Date : May 16, 2019

For and on behalf of the Board of Directors

  
**Tenny K Cherian**  
 Director

  
**Sourav Chakraborty**  
 Director

**TQ CERT SERVICES PVT LTD**



**TQ CERT SERVICES PRIVATE LIMITED**  
**(Formerly known as Food Cert India Private Limited)**  
**Statement of cash flows for the year ended March 31, 2019**  
**All amounts are in ₹ unless otherwise stated**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Cash flows from operating activities</b>		
Profit before income tax	1,56,31,074	84,08,101
<b>Adjustments for :</b>		
Finance costs recognised in profit or loss	-	50,933
Amortisation expense	18,668	14,001
Provision for doubtful trade receivables	-	16,12,838
Interest income recognised in profit or loss	(9,93,211)	-
Provision no longer required written back	(88,073)	-
	<u>1,45,68,458</u>	<u>1,00,85,873</u>
<b>Movements in working capital</b>		
(Increase)/Decrease in trade receivables	(2,75,45,986)	6,04,246
(Increase)/Decrease in other financial assets	(9,75,190)	(29,530)
(Increase)/Decrease in other current assets	(1,45,710)	1,49,554
Increase/(Decrease) in trade payables	74,86,582	(11,05,505)
Increase/(Decrease) in other financial liabilities	1,21,41,636	15,84,549
Increase/(Decrease) in other current liabilities	58,03,892	20,89,156
<b>Cash generated from operations</b>	<u>1,13,33,682</u>	<u>1,33,78,343</u>
Income Taxes paid	(39,45,222)	(14,95,533)
<b>Net cash generated by operating activities (A)</b>	<u>73,88,461</u>	<u>1,18,82,810</u>
<b>Cash flows from investing activities</b>		
Payments for intangible assets	-	(42,000)
Investments in fixed deposits	(1,80,00,000)	-
<b>Net Cash used in investing activities (B)</b>	<u>(1,80,00,000)</u>	<u>(42,000)</u>
<b>Cash flows from financing activities</b>		
Interest paid	-	(50,933)
<b>Net Cash used in financing activities (C)</b>	<u>-</u>	<u>(50,933)</u>
<b>Net increase/(decrease) in Cash and Cash equivalents (A+B+C)</b>	<u>(1,06,11,539)</u>	<u>1,17,89,876</u>
<b>Cash and cash equivalents at the beginning of the year (refer note 8)</b>	<u>2,45,11,712</u>	<u>1,27,21,836</u>
<b>Cash and cash equivalents at the end of the year (refer note 8)</b>	<u>1,39,00,173</u>	<u>2,45,11,712</u>

This is the Cash flow statement referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number : 304026E/E-300009

  
**Sunit Kumar Basu**  
Partner  
Membership Number : 55000

Place : Mumbai  
Date: May 16, 2019

For and on behalf of the Board of Directors

  
**Tenny Koshy Cherian**  
Director

  
**Sourav Chakrabarty**  
Director

  
**TQ CERT SERVICES PVT LTD**

Place : Mumbai  
Date: May 16, 2019

## TQ CERT SERVICES PRIVATE LIMITED

(Formerly known as Food Cert India Private Limited)

Notes to the financial statements for the year ended March 31, 2019

### 1. General Information:

TQ Cert Services Private Limited is a private limited Company incorporated in India on 18th February 2003. The address of its registered office is Mithona Towers 1, 1-7-80 to 87, Prenderghast Road, Secunderabad - 500003 which is its principal place of business. The Company is in the business of providing certification of industrial services at customer premises.

#### 1.1. Standards issued but not yet effective upto the date of issuance of the Company's financial statements are disclosed below:

Ind AS issued but not yet effective: 30 March 2019, the Ministry of Corporate Affairs ("MCA") vide the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after 1 April, 2019:

(i) The Rules have notified the new lease standard Ind AS 116, Leases. Ind AS 17, Leases has been withdrawn. The Rules also bring in consequential amendments to other Ind AS as a result of notification of Ind AS 116. The Company is assessing the implication of the above change.

(ii) Appendix C to Ind AS 12, Income Taxes has been inserted. The appendix provides accounting for uncertainty over income tax treatments. The appendix corresponds to IFRIC 23, Uncertainty over Income Tax Treatments issued by the IFRS Interpretations Committee. The Company is assessing the implication of the above change.

(iii) New paragraph 57A has been added to Ind AS 12 to clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. This amendment is not applicable to the Company.

(iv) Amendment to Ind AS 19, Employee Benefits. This amendment requires an entity to: (i) use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and (ii) recognise in profit or loss as part of profit service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. This amendment will not impact the financial statements of the Company.

(v) Amendment to Ind AS 23, Borrowing Costs to clarify that if a specific borrowing remains outstanding after a qualifying asset is ready for its intended use or sale, it becomes part of general borrowings. The Company is assessing the implication of the above change.

(vi) Amendment to Ind AS 28, Investments in Associates and Joint Ventures. Investors could have long-term interests (for example, preference shares or long-term loans) in an associate or joint venture that form part of the net investment in the associate or joint venture. The amendment clarifies that these long-term interests in an associate or joint venture to which the equity method is not applied should be accounted for using Ind AS 109, Financial Instruments. The requirements of Ind AS 109 are applied to long-term interests before applying the loss allocation and impairment requirements of Ind AS 28. An illustrative example is also provided in Appendix A of Ind AS 28. This amendment will not impact the financial statements of the Company.

(vii) Amendment to Ind AS 109 to enable an entity to measure at amortised cost some prepayable financial assets with negative compensation. This amendment will not impact the financial statements of the Company.

(viii) Amendment has been made to Ind AS 103, Business Combinations and Ind AS 113, Joint Arrangements to clarify measurement of previously held interest in obtaining control/joint control over a joint operation as follows: (i) On obtaining control of a business that is a joint operation, previously held interest in joint operation is remeasured at fair value at the acquisition date; (ii) A party obtaining joint control of a business that is joint operation should not remeasure its previously held interest in the joint operation. This amendment is not applicable to the Company.

### 2. Significant Accounting Policies :

#### 2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting Standard (Ind AS) notified under the Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act as amended from time to time.



TQ CERT SERVICES PVT LTD

**TQ CERT SERVICES PRIVATE LIMITED**  
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Notes to the financial statements for the year ended March 31, 2019

**2.2 Basis of preparation and presentation**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below  
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, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.  
In addition, for financial reporting purposes, fair value measurements are categorized 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 are unobservable inputs for the asset or liability.

**2.3 Revenue Recognition**

(i) The principal business of the company is rendering certification services related to Food Industry. The Company has acquired certification licenses in its name to provide such certifications. Revenue is recognised on the basis of time sheets of consultants who are deployed to the customers' premises, which are accounted on a monthly basis. Time sheets that could not be billed before the reporting date is accounted as unbilled revenue.

(ii) Other Income - Interest income is accounted on accrual basis.

**2.4 Foreign Currencies**

**Functional and presentation currency:**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates. The functional currency of the Company is Indian Rupee.

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of transaction. Foreign currency monetary items outstanding at the balance sheet date are restated at the prevailing year end rates. The resultant gain / loss upon such restatement along with gain / loss on account of foreign currency transactions are accounted in the Statement of Profit and Loss.

**2.5 Taxation**

**2.5.1 Income tax expenses** represents the sum of the tax currently payable and deferred tax.

**2.5.2 Current tax**

Current tax is determined based on the amount of tax payable in respect of taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

**2.5.3 Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

**Current and deferred tax for the year:**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.



#### **2.6. Property plant and equipment & Intangible Assets**

Property, plant and equipment are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price and other attributable expenditure incurred in making the asset ready for its intended use and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use.

Property, plant and equipment 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.

#### **Intangible Assets**

Intangible assets comprises of the application and other software procured through perpetual licenses. The intangible assets are capitalised on implementation of such software and comprises of the prices paid for procuring the license and implementation cost of such software.

#### **Depreciation and amortisation, impairment**

Depreciation has been provided on the written down value method as per the useful life as prescribed in Schedule II to the Companies Act, 2013.

Assets costing less than ₹ 10,000 are fully depreciated in the year of capitalization.

All property, plant and equipment are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment loss being the excess of carrying value over the recoverable value of the assets is charged to the Statement of Profit and Loss in the respective financial years. The impairment loss recognized in prior years is reversed in cases where the recoverable value exceeds the carrying value, upon reassessment in the subsequent years.

#### **2.7 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised only when there is a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

#### **2.8 Financial Instruments**

Financial assets and financial liabilities are recognised when the 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 profit or loss) 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 profit or loss are recognised immediately in profit or loss.

(i) **Financial assets carried at amortised cost** : A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset 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.

(ii) **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 that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

(iii) **Financial assets at fair value through profit or loss** : Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

(iv) **Financial liabilities** : Financial liabilities are subsequently carried at amortized cost using the effective interest method.



## **TQ CERT SERVICES PRIVATE LIMITED**

(Formerly known as Food Cert India Private Limited)

Notes to the financial statements for the year ended March 31, 2019

### **Impairment of Financial Assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 105, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for financial assets, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

### **2.9 Operating cycle**

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 the Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and non current classification of assets and liabilities.

### **2.10 Estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

### **2.11 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### **2.12 Offsetting Financial Instruments**

Financial Assets and Liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

### **2.13 Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

### **2.15 Segment Reporting**

The Company operates in only one business segment viz. certification of Industrial services in India. Therefore, segment wise reporting under IND AS 108 is not applicable.



**TQ CERT SERVICES PRIVATE LIMITED**  
(Formerly known as Food Cert India Private Limited)  
Notes forming part of the financial statements for the year ended March 31, 2019  
All amounts are in ₹ unless otherwise stated

**3. Intangible Assets**

Particulars	As at March 31, 2019	As at March 31, 2018
Carrying amounts of :		
Software	9,331	27,999
	<b>9,331</b>	<b>27,999</b>
Goodwill	8,23,715	8,23,715
<b>Total</b>	<b>8,23,715</b>	<b>8,23,715</b>

Particulars	Software	Goodwill	Total
Cost			
Balance as at March 31, 2017	-	10,29,644	10,29,644
Additions	42,000	-	42,000
Disposals	-	-	-
Balance as at March 31, 2018	<b>42,000</b>	<b>10,29,644</b>	<b>10,71,644</b>
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2019	<b>42,000</b>	<b>10,29,644</b>	<b>10,71,644</b>

Particulars	Software	Goodwill	Total
Accumulated amortisation			
Balance as at March 31, 2017	-	(2,05,929)	(2,05,929)
Amortisation	(14,001)	-	(14,001)
Balance as at March 31, 2018	<b>(14,001)</b>	<b>(2,05,929)</b>	<b>(2,19,930)</b>
Amortisation	(18,668)	-	(18,668)
Balance as at March 31, 2019	<b>(32,669)</b>	<b>(2,05,929)</b>	<b>(2,38,598)</b>

Particulars	Software	Goodwill	Total
Net Carrying amount as at March 31, 2018	27,999	8,23,715	8,51,714
Net Carrying amount as at March 31, 2019	9,331	8,23,715	8,33,046

**Note:**

The Company has recognised a goodwill of ₹10.29 lakhs on acquisition of business during the year ended March 31, 2017. The goodwill is tested annually for impairment. No impairment loss has been recognised during the year.



TQ CERT SERVICES PRIVATE LIMITED

**TQ CERT SERVICES PRIVATE LIMITED**  
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	As at March 31, 2019	As at March 31, 2018
<b>4. Other financial assets</b>		
<b>Non Current</b>		
Deposits with maturity of more than twelve months	1,80,00,000	-
Interest Accrued on deposits	8,93,890	-
<b>Total</b>	<b>1,88,93,890</b>	<b>-</b>
<b>Current</b>		
Unbilled Revenue	11,12,190	1,37,000
Less: Allowance for doubtful debts (expected credit loss allowance) (refer note 7.2)	-	-
Security Deposits	30,125	30,125
<b>Total</b>	<b>11,42,315</b>	<b>1,67,125</b>
<b>5. Deferred tax assets (net)</b>		
Deferred tax assets	3,75,818	5,70,931
<b>Total</b>	<b>3,75,818</b>	<b>5,70,931</b>

FY 2018-19	Opening balance	Recognised in the statement of profit and loss	Closing balance
<b>Deferred tax assets in relation to</b>			
On allowance for doubtful trade receivables	4,19,338	(1,50,222)	2,69,116
On intangible assets	1,51,593	(44,891)	1,06,702
<b>Total</b>	<b>5,70,931</b>	<b>(1,95,113)</b>	<b>3,75,818</b>

FY 2017-18	Opening balance	Recognised in the statement of profit and loss	Closing balance
<b>Deferred tax assets in relation to</b>			
On allowance for doubtful trade receivable	-	4,19,338	4,19,338
On intangible assets	-	1,51,593	1,51,593
<b>Total</b>	<b>-</b>	<b>5,70,931</b>	<b>5,70,931</b>

**6. Non Current tax assests (Net) and Current tax liabilities (Net)**

<b>Non Current tax assests (Net)</b>		
- Advance income tax	15,00,000	-
- TDS Receivable	48,73,566	27,90,698
	<b>63,73,566</b>	<b>27,90,698</b>
<b>Current tax liabilities</b>		
- Income tax payable (net)	67,16,174	26,99,032
	<b>67,16,174</b>	<b>26,99,032</b>
<b>Non Current tax assests /(Current tax liabilities) (Net)</b>	<b>(3,42,608)</b>	<b>91,666</b>



TQ CERT SERVICES PVT LTD

**TQ CERT SERVICES PRIVATE LIMITED**  
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**Notes forming part of the financial statements for the year ended March 31, 2019**  
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As at March 31, 2019

As at March 31, 2018

**7. Trade Receivables**

**Current**

(a) Unsecured, considered good	3,21,04,770	44,70,711
(b) Unsecured, considered doubtful	17,34,437	18,22,510
Allowance for doubtful debts (expected credit loss allowance) (refer note 7.2)	(17,34,437)	(18,22,510)
<b>Total</b>	<b>3,21,04,770</b>	<b>44,70,711</b>

**7.1 Trade Receivables**

The average credit period allowed to customers is between 30 days to 45 days. The credit period is considered from the date on which the bill is accepted by customers for processing at their end. Majority of receivables are realised within the stipulated credit period. No interest is payable by the customers for delay in remittances.

**7.2 Expected credit loss allowance**

The company applies the simplified approach for providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all the trade receivables (including unbilled revenue disclosed under other financial assets). The loss allowance provision is determined as follows; after incorporating forward looking information.

(i) At the end of each reporting period, the company reviews every receivable balance and in case an issue is identified with regard to the recovery of the balance, a specific provision is made for the same.

(ii) Also, the company computes the Expected Credit Loss Allowance (ECLA) by applying the average percentage of bad debts writeoffs on turnover determined on a historical basis over the past 4 years. Expected Credit Loss Allowance is determined on the closing balance of all receivables (including unbilled revenue disclosed under other financial assets) from external customers at each reporting date.

The Company has a prevailing practice of providing for receivables outstanding beyond 180 days, in full. The Company further decided to compute the provision as per ECLA and shall carry such provision in books, at the higher of (a) 100% of receivables outstanding beyond 180 days or (b) provision computed as per ECLA.

**7.3 Movement in the expected credit loss allowance**

Balance at the beginning of the year	18,22,510	2,09,672
Movement in expected credit loss allowance (Refer Notes 16 and 21)	(88,073)	16,12,838
<b>Balance at the end of the year</b>	<b>17,34,437</b>	<b>18,22,510</b>

**8. Cash and cash equivalents**

Balances with banks		
- In current accounts	1,39,00,173	2,45,11,712
<b>Total</b>	<b>1,39,00,173</b>	<b>2,45,11,712</b>

There are no repatriation restrictions with regard to the cash and cash equivalents as at the end of the reporting year and prior year.

**9. Other Assets**

**Current**

Advances to Consultants	1,63,980	18,271
<b>Total</b>	<b>1,63,980</b>	<b>18,271</b>



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**All amounts are in ₹ unless otherwise stated**

**10. Equity share capital**

	As at Mar 31, 2019		As at Mar 31, 2018	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised Share Capital</b>				
Equity shares of ₹10 each with voting rights	20,00,000	2,00,00,000	20,00,000	2,00,00,000
<b>Issued, subscribed and fully paid-up</b>				
Equity share capital of ₹10 each with voting rights	16,38,600	1,63,86,000	16,38,600	1,63,86,000
<b>Total</b>	<b>16,38,600</b>	<b>1,63,86,000</b>	<b>16,38,600</b>	<b>1,63,86,000</b>

**Note:**

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

	Number of shares	Equity Share Capital amount(₹)
<b>Issued and Subscribed capital</b>		
Balance as at March 31, 2017	16,38,600	1,63,86,000
Changes during the year		
Balance as at March 31, 2018	16,38,600	1,63,86,000
Changes during the year		
Balance at March 31, 2019	16,38,600	1,63,86,000

**(ii) Rights, preferences and restriction attached to the equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 each per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(iii) Shareholders holding more than 5% of the equity shares**

	As at Mar 31, 2019		As at Mar 31, 2018	
	Number of shares	%	Number of shares	%
<b>Equity share capital of ₹10 each with voting rights</b>				
Tata Projects Limited	16,38,590	99.99%	16,38,590	99.99%

(iv) There are no shares reserved for issue under options.

(v) There are no shares allotted as fully paid up to contracts without payment being received in cash during five years immediately preceding March 31, 2019.



**TQ CERT SERVICES PRIVATE LIMITED**  
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**All amounts are in ₹ unless otherwise stated**

	As at March 31, 2019	As at March 31, 2018
<b>11. Other equity</b>		
<b>Retained Earnings</b>		
Balance at the beginning of the year	14,18,261	(55,80,839)
Profit for the year	1,09,57,145	69,99,100
<b>Balance at the end of the year</b>	<b>1,23,75,406</b>	<b>14,18,261</b>
<b>12. Trade payables</b>		
(a) total outstanding dues of micro and small enterprises	1,27,81,033	52,94,451
(b) total outstanding dues other than (a) above		
<b>Total</b>	<b>1,27,81,033</b>	<b>52,94,451</b>
Trade payables of the company comprise of payables to professional consultants hired for rendering the certification services and other liabilities. Credit period for making these payments is between 30 days to 60 days. There are no micro and small enterprises to which the Company owes dues based on the information available with the Company. No interest is payable for delay in payments, unless otherwise specifically agreed in the order or as required by a legislation, like Micro, Small and Medium Enterprises Development Act ("MSMED Act"). The company has a well defined process for ensuring regular payments to the vendors.		
<b>13. Other financial liabilities</b>		
Contractual reimbursible expenses to related party	1,37,26,184	15,84,548
<b>Total</b>	<b>1,37,26,184</b>	<b>15,84,548</b>
<b>14. Other Current liabilities</b>		
(a) Advance from Customers	86,01,804	45,10,488
(b) Other payables		
- Statutory remittances	32,00,956	14,88,382
<b>Total</b>	<b>1,18,02,760</b>	<b>59,98,870</b>



**TQ CERT SERVICES PRIVATE LIMITED**  
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	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>15. Revenue from Operations</b>		
Income from services	5,76,67,060	3,45,66,375
Income from sale of goods	15,36,000	-
<b>Total</b>	<b>5,92,03,060</b>	<b>3,45,66,375</b>
<b>16. Other Income</b>		
<b>(a) Interest income from financial assets carried at amortised cost</b>		
Bank deposits	9,93,211	-
<b>(b) Other non-operating income</b>		
Provision no longer required written back	88,073	-
Miscellaneous income	27,888	-
<b>Total</b>	<b>11,09,172</b>	<b>-</b>
<b>17. Accreditation Expenses</b>		
Accreditation Expenses	10,06,636	11,12,727
<b>Total</b>	<b>10,06,636</b>	<b>11,12,727</b>
<b>18. Purchase of stock in trade</b>		
Purchase of stock in trade	7,66,671	-
<b>Total</b>	<b>7,66,671</b>	<b>-</b>
<b>19. Finance cost</b>		
Interest on Income Tax	-	50,933
<b>Total</b>	<b>-</b>	<b>50,933</b>
<b>20. Amortization expense</b>		
Amortization of intangible assets	18,668	14,001
<b>Total</b>	<b>18,668</b>	<b>14,001</b>
<b>21. Other expenses</b>		
Rates and taxes	5,16,329	45,088
Insurance	-	1,44,400
Travelling and conveyance	32,46,912	14,43,376
Legal and professional	80,82,722	4,01,269
Consulting expenses	2,55,14,896	1,63,62,563
Payment to auditor (Refer Note below)	75,000	75,000
Telephone expenses	9,871	34,623
Printing and stationery	1,47,644	2,55,543
Postage, courier and web designing charges	2,82,490	4,94,238
Business development expenditure	10,13,086	19,36,179
Bank charges	2,235	14,559
Provision for trade receivables	-	16,12,838
Lab testing charges	19,76,000	12,54,600
Exam conducting fees	4,06,621	5,19,230
Miscellaneous expenses	16,15,377	3,87,107
<b>Total</b>	<b>4,28,89,183</b>	<b>2,49,80,613</b>
<b>Note</b>		
Payment to Auditors comprises		
To Statutory Auditors		
a) Statutory audit fees	50,000	60,000
b) Tax audit fees	25,000	15,000
<b>Total</b>	<b>75,000</b>	<b>75,000</b>



**TQ CERT SERVICES PRIVATE LIMITED**

(Formerly known as Food Cert India Private Limited)

Notes forming part of the financial statements for the year ended March 31, 2019

All amounts are in ₹ unless otherwise stated

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>22. Tax expense</b>		
<b>22.1 Income taxes recognised in statement of profit and loss</b>		
<b>Current tax</b>		
Current tax on profits for the year	44,78,817	19,79,932
	<b>44,78,817</b>	<b>19,79,932</b>
<b>Deferred tax</b>		
Deferred tax charge/ (credit)	1,95,112	(5,70,931)
	<b>1,95,112</b>	<b>(5,70,931)</b>
<b>Total income tax expense recognised in the statement of profit and loss</b>	<b>46,73,930</b>	<b>14,09,001</b>

**22.2 The income tax expense for the year can be reconciled to the accounting profit as follows:**

Profit before tax	1,56,31,074	84,08,101
Income tax expense calculated*	43,48,565	21,65,086
Effect of expenses that are not deductible in determining taxable profit	3,25,365	23,000
Effect of different tax rates in income	-	(2,04,245)
Effect of unabsorbed depreciation on which no deferred tax has been recognised	-	(5,74,840)
Others	-	-
	<b>46,73,930</b>	<b>14,09,001</b>
Adjustments recognised in the current year in relation to the current tax of previous years	-	-
Income tax expense recognised in profit or loss (relating to continuing operations)	<b>46,73,930</b>	<b>14,09,001</b>

\*The tax rate used for the years 2018-2019 and 2017-2018 reconciliations above is the corporate tax rate of 27.82% and 25.75% respectively (including surcharge and education cess) payable by corporate entities in India on taxable profits under the Indian tax law.



TQ CERT SERVICES PVT LTD

**TQ CERT SERVICES PRIVATE LIMITED**

**(Formerly known as Food Cert India Private Limited)**

**Notes forming part of the financial statements for the year ended March 31, 2019**

**All amounts are in ₹ unless otherwise stated**

**23. Earnings per share**

		<b>For the year ended March, 31 2019</b>	<b>For the year ended March, 31 2018</b>
<b>Profit for the year Basic and Diluted</b>	A	1,09,57,145	69,99,100
Weighted average number of equity shares of ₹ 10/- each outstanding during the year	B	16,38,600	16,38,600
<b>Earnings per share (face value of ₹ 10/- each)</b>			
<b>Earnings per share - Basic and Diluted</b>	A/B	<b>6.69</b>	<b>4.27</b>



**TQ CERT SERVICES PRIVATE LIMITED**  
 (Formerly known as Food Cert India Private Limited)  
 Notes forming part of the Financial Statements for the year ended March 31, 2019  
 All amounts are in ₹ unless otherwise stated

**24 Financial Instruments**

**24.1 Capital Management**

The Company's business model is Manpower centric which necessitates availability of working capital to bridge the timing gap in realization of financial assets. Company is currently able to meet its working capital requirements through timely realisation of its financial assets. Therefore, company as at March 31, 2019 does not have any external borrowing. The company is not subject to any externally imposed capital requirements.

The Company reviews its capital requirements on an annual basis, in the form of Annual Operating Plan (AOP). The AOP of the company aggregates the capital required for execution of projects identified and the financing mechanism of such requirements is determined as part of AOP. The company, as part of its AOP for 2018-19, has not budgeted for any external borrowing, due to adequate realisation of financial assets to meet its working capital. Hence there is no capital gearing ratio targeted by the company.

**24.2 Categories of Financial Instruments**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Financial Assets</b>		
<b>Non-current</b>		
Other financial assets	1,88,03,890	
<b>Current</b>		
Cash and cash equivalents	1,39,00,173	2,45,11,712
Trade receivables	3,21,04,779	44,70,711
Other financial assets	11,42,315	1,87,125
<b>Financial Liabilities</b>		
Trade payables	1,27,81,033	52,94,451
Other financial liabilities	1,37,26,184	15,84,548

**24.3 Financial Risk Management Objectives**

The Company's financial risk management objective is to liquidate all its financial liabilities in time by timely realisation of its financial assets. This is achieved by balanced management of company's financial assets and liabilities.

**24.4 Market risk**

The Company's ability to generate revenues is based on its accreditations which empowers the company to issue certifications for various services. These accreditations are renewable on periodic basis. The Company is exposed to market risk of non renewal of such accreditation. However, company does not envisage such risks, on account of (a) diversified customer profile and (b) strict compliance with the terms of accreditation and strong history of sustained renewals.

**24.5 Credit and Liquidity Risk Management**

The credit risk to the company arises from Customers, who default on their contractual obligations, thus resulting in financial loss to the company.

Company mitigates the credit risk through effective evaluation of the financial health and reputation of its customers. Company provides for credit loss, of its receivables, based on estimated Credit Loss Allowance method.

**24.6 Fair value measurements**

Fair value of financial assets and liabilities measured at amortised cost. Trade receivables, cash and cash equivalents, other bank balances and other financial assets are financial assets with carrying values that approximate fair value. Trade payables and other financial liabilities are financial liabilities with carrying values that approximate fair value. If measured at fair value in the financial statements, these financial instruments would be classified as Level 3 in the fair value hierarchy.

**24.7 Details on derivative instruments and unhedged foreign currency exposures**

- There are no outstanding forward exchange contracts as at the end of the reporting period and the prior period.
- There is no foreign currency exposure as at the end of the reporting period and the prior period.
- The net difference in foreign exchange credited to the statement of profit and loss is Nil (March 31, 2018: Nil)

**25 Changes in accounting policies**

The Ministry of Corporate Affairs notified Ind AS 115 "Revenue from Contracts with Customers" in respect of accounting periods commencing on or after April 1, 2018, superseding Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue".

The Company does not have any significant impact on transition to the new accounting standard.

**26 Segment Reporting**

The Company operates in only one business segment viz. verification of Industrial services in India. Therefore segment wise reporting under IND AS 108 is not applicable.

**27 Related Party Transactions**

**27.1 Details of related parties:**

Description of relationship	Names of related parties
Holding Company	Tata Projects Limited

Key Managerial Personnel

- Mr. Teenu Koshi Cherkia (Director)
- Mr. Sourav Chakraborty (Director)
- Mr. Bhoompathy Muthiah (Director)



27.2 Details of related party transactions during the year ended March 31, 2018 and balance outstanding as at March 31, 2019

Particulars	Transactions during the year		Balances outstanding at the end of the year	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Tata Projects Limited				
Income from services	1,43,18,665	-	-	-
Income from sale of goods	15,36,000	-	-	-
Other financial liabilities:				
Reimbursement of expenses to related party (net)*	51,56,402	-	1,37,26,184	15,84,548
Trade receivables	-	-	1,57,03,000	-

\*Reimbursable expenses payable to Tata Projects Limited (Holding Company) pertains to expenses which were paid by the holding company on behalf of the Company.


- 28 **Approval of financial statements**  
The financial statements were approved for issue by the Board of Directors on May 16, 2019.
- 29 Previous year figures have been regrouped / reclassified / restated wherever necessary to correspond with the current year classification / disclosure.

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number : 304026E/E-300009

  
Sandeep Kumar Basu  
Partner  
Membership Number : 55000

Place : Mumbai  
Date : May 16, 2019

For and on behalf of the Board of Directors

  
Tenny Koshi Cheria  
Director

  
Sourav Chakraborty  
Director

  
TQCERT SERVICES PVT LTD

Place : Mumbai  
Date : May 16, 2019