

# 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, 2020, 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, 2020, 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.

### Emphasis of matter

4. We draw your attention to Note 23 to the financial statements which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.



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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  
Report on audit of the financial statements

### Other Information

5. 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.

### Responsibilities of management and those charged with governance for the financial statements

6. 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.
7. 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

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



# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of TQ Cert Services Private Limited  
Report on audit of the financial statements

- 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.
  - 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.
10. 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

11. 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.
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.
  - (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.



# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of TQ Cert Services Private Limited  
Report on audit of the financial statements

- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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".
- (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, 2020 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at March 31, 2020.
  - 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, 2020.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
- 13. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

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



Sunit Kumar Basu  
Partner  
Membership Number: 55000  
UDIN: 20055000AAAACB8060

Place: Hyderabad  
Date: May 14, 2020

# Price Waterhouse & Co Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 12(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, 2020

### 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, 2020 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 12(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, 2020

### 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, 2020, 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. Also refer paragraph 4 of our main audit report.

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



Sunit Kumar Basu  
Partner  
Membership Number: 55000  
UDIN: 20055000AAAACB8060

Place: Hyderabad  
Date: May 14, 2020

# Price Waterhouse & Co Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 11 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, 2020

- 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 income tax, goods and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, sales tax, service tax, duty of customs, duty of excise, value added tax, 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, sales-tax, service-tax, duty of customs, duty of excise, value added tax and goods and service 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. 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.



# Price Waterhouse & Co Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 11 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, 2020

- 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.
- 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 Sections 177 and 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



Sunit Kumar Basu  
Partner  
Membership Number: 55000  
UDIN: 20055000AAAACB8060

Place: Hyderabad  
Date: May 14, 2020


**TQ CERT SERVICES PRIVATE LIMITED**

Balance Sheet as at March 31, 2020

All amounts are in ₹ unless otherwise stated


ASSETS	Note No.	As at March 31, 2020	As at March 31, 2019
<b>Non-current assets</b>			
(a) Goodwill	3	8,23,715	8,23,715
(b) Intangible assets	3	-	9,331
(c) Financial assets			
(i) Other financial assets	4	-	1,88,93,890
(d) Deferred tax assets (net)	5	-	3,75,818
<b>Total non-current assets</b>		<b>8,23,715</b>	<b>2,01,02,754</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Trade receivables	6	6,93,86,923	3,21,04,770
(ii) Cash and cash equivalents	7	8,68,664	1,39,00,173
(iii) Bank balances other than (ii) above	7	1,80,00,000	-
(iv) Other financial assets	4	1,11,04,371	11,42,315
(b) Other current assets	8	1,58,837	1,63,980
<b>Total current assets</b>		<b>9,95,18,795</b>	<b>4,73,11,238</b>
<b>Total Assets</b>		<b>10,03,42,510</b>	<b>6,74,13,992</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	9	1,63,86,000	1,63,86,000
(b) Other equity	10	3,60,11,351	1,23,75,406
<b>Total equity</b>		<b>5,23,97,351</b>	<b>2,87,61,406</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Deferred tax liabilities (net)	5	24,435	-
<b>Total non-current liabilities</b>		<b>24,435</b>	<b>-</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	11	-	-
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues other than (a)(i) above		1,26,50,510	1,27,81,033
(ii) Other financial liabilities	12	1,72,96,273	1,37,26,184
(b) Current tax liabilities (net)	13	57,31,655	3,42,608
(c) Other current liabilities	14	1,22,42,286	1,18,02,761
<b>Total current liabilities</b>		<b>4,79,20,724</b>	<b>3,86,52,586</b>
<b>Total liabilities</b>		<b>4,79,45,159</b>	<b>3,86,52,586</b>
<b>Total Equity and Liabilities</b>		<b>10,03,42,510</b>	<b>6,74,13,992</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 : Hyderabad  
 Date: May 14, 2020

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

  
**Sourav Chakraborty**  
 Director

  
**Tenny Koshy Cherian**  
 Director

Place : Hyderabad  
 Date: May 14, 2020

Place : Mumbai  
 Date: May 14, 2020



**TQ CERT SERVICES PRIVATE LIMITED**  
**Statement of Profit and Loss for the year ended March 31, 2020**  
**All amounts are in ₹ unless otherwise stated**

	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from operations	15	10,21,40,209	5,92,03,060
II Other income	16	15,09,351	11,09,172
III Total Income (I + II)		<u>10,36,49,560</u>	<u>6,03,12,232</u>
IV Expenses			
(a) Accreditation expenses	17	12,53,800	10,06,636
(b) Purchase of stock in trade	18	46,41,440	7,66,671
(c) Amortisation expense	19	9,331	18,668
(d) Other expenses	20	6,61,20,246	4,28,89,183
Total expenses (IV)		<u>7,20,24,817</u>	<u>4,46,81,158</u>
V Profit before tax (III - IV)		<u>3,16,24,743</u>	<u>1,56,31,074</u>
VI Tax expense	21		
(a) Current tax expense		75,88,545	44,78,817
(b) Deferred tax expense		4,00,253	1,95,112
Total tax expense (VI)		<u>79,88,798</u>	<u>46,73,929</u>
VII Profit for the year (V - VI)		<u>2,36,35,945</u>	<u>1,09,57,145</u>
VIII Other comprehensive income		-	-
IX Total comprehensive income for the year (VII + VIII)		<u>2,36,35,945</u>	<u>1,09,57,145</u>
Earnings per equity share (of ₹10 each)			
Basic (₹)	22	14.42	6.69
Diluted (₹)	22	14.42	6.69

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 : Hyderabad  
Date : May 14, 2020

For and on behalf of the Board of Directors

  
**Sourav Chakraborty**  
Director

  
**Tenny Koshy Cherian**  
Director

Place : Hyderabad  
Date : May 14, 2020

Place : Mumbai  
Date : May 14, 2020

**TQ CERT SERVICES PRIVATE LIMITED**  
**Statement of Cash Flows for the year ended March 31, 2020**  
All amounts are in ₹ unless otherwise stated

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Cash flows from operating activities</b>		
Profit before tax	3,16,24,743	1,56,31,074
Adjustments for :		
Amortisation expense	9,331	18,668
Provision for doubtful trade receivables and unbilled revenue (net of reversals)	(13,63,835)	-
Interest income	(15,09,351)	(9,93,211)
Provision no longer required written back	-	(88,073)
	<b>2,87,60,888</b>	<b>1,45,68,458</b>
<b>Movements in working capital</b>		
Increase in trade receivables	(3,57,84,176)	(2,75,45,986)
Increase in other financial assets	(78,30,641)	(9,75,190)
(Increase)/Decrease in other current assets	5,143	(1,45,710)
Increase/(Decrease) in trade payables	(1,30,523)	74,86,582
Increase in other financial liabilities	35,70,089	1,21,41,636
Increase in other current liabilities	4,39,525	58,03,892
<b>Cash generated from/(used in) operations</b>	<b>(1,09,69,695)</b>	<b>1,13,33,682</b>
Income Taxes paid	(20,61,814)	(39,45,222)
<b>Net cash generated from/(used in) operating activities (A)</b>	<b>(1,30,31,509)</b>	<b>73,88,461</b>
<b>Cash flows from investing activities</b>		
Increase in other bank balances	-	(1,80,00,000)
<b>Net cash used in investing activities (B)</b>	<b>-</b>	<b>(1,80,00,000)</b>
<b>Cash generated from financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(1,30,31,509)</b>	<b>(1,06,11,539)</b>
<b>Cash and cash equivalents at the beginning of the year (refer note 7)</b>	<b>1,39,00,173</b>	<b>2,45,11,712</b>
<b>Cash and cash equivalents at the end of the year (refer note 7)</b>	<b>8,68,664</b>	<b>1,39,00,173</b>

This is the Statement of Cash Flows referred to in our report of even date

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



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

Place : Hyderabad  
Date : May 14, 2020

For and on behalf of the Board of Directors



**Sourav Chakraborty**  
Director

Place : Hyderabad  
Date : May 14, 2020



**Tenny Koshy Cherian**  
Director

Place : Mumbai  
Date : May 14, 2020



**TQ CERT SERVICES PVT LTD**

**TQ CERT SERVICES PRIVATE LIMITED**  
**Statement of Changes in Equity for the year ended March 31, 2020**  
 All amounts are in ₹ unless otherwise stated

**A. Equity share capital**

	Amount
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
Changes in equity share capital during the year	-
Balance as at March 31, 2020	1,63,86,000

**B. Other equity**

Particulars	Reserves and Surplus	Total
	Retained earnings	
Balance as at March 31, 2018	14,18,261	14,18,261
Profit 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
Profit for the year	2,36,35,945	2,36,35,945
Balance as at March 31, 2020	3,60,11,351	3,60,11,351

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



Sunit Kumar Basu  
 Partner  
 Membership Number : 55000

Place : Hyderabad  
 Date : May 14, 2020

For and on behalf of the Board of Directors



Sourav Chakraborty  
 Director

Place : Hyderabad  
 Date : May 14, 2020



Tenny Koshy Cherian  
 Director

Place : Mumbai  
 Date : May 14, 2020



**TQ CERT SERVICES PVT LTD**

## TQ CERT SERVICES PRIVATE LIMITED

Notes forming part of the financial statements for the year ended March 31, 2020

### 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 :

There is no such notification which would have been applicable from April 1, 2020.

### 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.

#### 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 116, 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 and other services related to Yoga, Asset and fleet management and vendor assessment. 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 Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.



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Notes forming part of the financial statements for the year ended March 31, 2020

### 2.6 Taxation

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

#### 2.6.2 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.

#### 2.6.3 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.

### 2.7. 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.



## TQ CERT SERVICES PRIVATE LIMITED

Notes forming part of the financial statements for the year ended March 31, 2020

### 2.8 Leasing

The Company's lease asset classes primarily consist of leases for premises and equipments. The Company assess whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (1) The contract involves the use of an identified asset;
- (2) The Company has substantially all the economic benefits from use of the asset through the period of the lease and
- (3) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, The Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, The Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

### 2.9 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.

When it is probable at any stage of the contract, that the total cost will exceed the total contract revenue, the expected loss is recognised immediately.

### 2.10 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.



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Notes forming part of the financial statements for the year ended March 31, 2020

**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 115, 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.

**2.11 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.

**2.12 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.

**2.13 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.

**2.14 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.

**2.15 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.

**2.16 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**  
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**All amounts are in ₹ unless otherwise stated**

**3. Intangible assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Carrying amounts of:		
Software	-	9,331
	-	<b>9,331</b>
Goodwill	8,23,715	8,23,715
	<b>8,23,715</b>	<b>8,23,715</b>

Particulars	Software	Goodwill	Total
Cost			
Balance as at March 31, 2018	42,000	10,29,644	10,71,644
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2019	42,000	10,29,644	10,71,644
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2020	42,000	10,29,644	10,71,644

Particulars	Software	Goodwill	Total
Accumulated amortisation			
Balance as at March 31, 2018	14,001	2,05,929	2,19,930
Amortisation expense	18,668	-	18,668
Balance as at March 31, 2019	32,669	2,05,929	2,38,598
Amortisation expense	9,331	-	9,331
Balance as at March 31, 2020	42,000	2,05,929	2,47,929

Particulars	Software	Goodwill	Total
Net carrying amount as at March 31, 2019	9,331	8,23,715	8,33,046
Net carrying amount as at March 31, 2020	-	8,23,715	8,23,715

**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.



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**Notes forming part of the financial statements for the year ended March 31, 2020**

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	As at March 31, 2020	As at March 31, 2019
<b>4. Other financial assets</b>		
<b>Non-current</b>		
In deposit accounts with bank, remaining maturity greater than twelve months	-	1,80,00,000
Interest accrued on deposits	-	8,93,890
<b>Total</b>	<b>-</b>	<b>1,88,93,890</b>
<b>Current</b>		
Unbilled revenue	89,42,831	11,12,190
Less: Allowance for doubtful debts (expected credit loss allowance) (refer note 6.2 and 6.3)	(1,34,142)	-
Security deposits	30,125	30,125
Interest accrued on deposits	22,65,557	-
<b>Total</b>	<b>1,11,04,371</b>	<b>11,42,315</b>
<b>5. Deferred tax assets/(liabilities) (net)</b>		
Deferred tax assets	93,273	3,75,818
Deferred tax liabilities	(1,17,708)	-
<b>Total</b>	<b>(24,435)</b>	<b>3,75,818</b>

**Movement in deferred tax assets/(liabilities) (net)**

FY 2019-20	Opening balance	Recognised in the statement of profit and loss	Closing balance
<b>Deferred tax assets/(liabilities) in relation to</b>			
Allowance for doubtful debts	2,69,116	(1,75,843)	93,273
Intangible assets	1,06,702	(2,24,410)	(1,17,708)
<b>Total</b>	<b>3,75,818</b>	<b>(4,00,253)</b>	<b>(24,435)</b>

FY 2018-19	Opening Balance	Recognised in the statement of profit and loss	Closing balance
<b>Deferred tax assets/(liabilities) in relation to</b>			
Allowance for doubtful debts	4,19,338	(1,50,222)	2,69,116
Intangible assets	1,51,592	(44,890)	1,06,702
<b>Total</b>	<b>5,70,930</b>	<b>(1,95,112)</b>	<b>3,75,818</b>



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**Notes forming part of the financial statements for the year ended March 31, 2020**  
**All amounts are in ₹ unless otherwise stated**

	As at March 31, 2020	As at March 31, 2019
<b>6. Trade receivables</b>		
<b>Current</b>		
(a) Unsecured, considered good	6,93,86,923	3,21,04,770
(b) Unsecured, considered doubtful	2,36,460	17,34,437
Less: Allowance for doubtful debts (expected credit loss allowance) (refer note 6.1 to 6.3 below)	<u>(2,36,460)</u>	<u>(17,34,437)</u>
<b>Total</b>	<u>6,93,86,923</u>	<u>3,21,04,770</u>

**6.1 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.

**6.2 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 (other than intercompany receivables) outstanding for more than two years at 50% and for more than three years at 100%. The Company further computes the provision as per ECLA and shall carry such provision in books, at the higher of (a) 50% of receivables outstanding for more than two years and 100% for receivables outstanding for more than three years or (b) provision computed as per ECLA.

Until the previous year ended March 31, 2019, the Company computed provision at the higher of (a) 100% of receivables outstanding beyond 180 days or (b) provision computed as per ECLA. The net impact of the change in provisioning policy has resulted in a net decrease in the allowance for doubtful debts by Rs.5,723,537 (March 31, 2019: Nil).

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

Balance at the beginning of the year	17,34,437	18,22,510
Movement in expected credit loss allowance (Refer note 16 and 20)	<u>(13,63,835)</u>	<u>(88,073)</u>
<b>Balance at the end of the year</b>	<b>3,70,602</b>	<b>17,34,437</b>
Less: Expected credit loss allowance related to other financial assets (refer note 4)	<u>(1,34,142)</u>	<u>-</u>
<b>Expected credit loss allowance related to trade receivables</b>	<u><b>2,36,460</b></u>	<u><b>17,34,437</b></u>

**7. Cash and cash equivalents**

Balances with banks in current accounts*	8,68,664	1,39,00,173
<b>Total</b>	<u>8,68,664</u>	<u>1,39,00,173</u>

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

**Other bank balances**

Deposits with maturity of more than three months and less than twelve months	1,80,00,000	-
<b>Total</b>	<u>1,80,00,000</u>	<u>-</u>

**8. Other current assets**

Advance to consultants	1,58,837	1,63,980
<b>Total</b>	<u>1,58,837</u>	<u>1,63,980</u>



**TQ CERT SERVICES PRIVATE LIMITED**

Notes forming part of the financial statements for the year ended March 31, 2020

All amounts are in ₹ unless otherwise stated

**9. Equity share capital**

	As at March 31, 2020		As at March 31, 2019	
	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 shares of ₹10 each with voting rights	16,38,600	1,63,86,000	16,38,600	1,63,86,000
<b>Total</b>	16,38,600	1,63,86,000	16,38,600	1,63,86,000

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(₹)
Balance as at March 31, 2018	16,38,600	1,63,86,000
Changes during the year	-	-
Balance as at March 31, 2019	16,38,600	1,63,86,000
Changes during the year	-	-
Balance as at March 31, 2020	16,38,600	1,63,86,000

(ii) Terms and rights 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) Shares of the company held by holding company

	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	% age of holding	Number of Shares	% age of holding
Equity shares of ₹ 10 each				
Tata Projects Limited	16,38,590	99.99%	16,38,590	99.99%

(iv) Details of shareholders holding more than 5% shares in the company

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% age of holding	Number of shares	% age of holding
Equity shares of ₹10 each				
Tata Projects Limited, Holding Company	16,38,590	99.99%	16,38,590	99.99%

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

(vi) There are no shares issued and allotted as fully paid up pursuant to contracts without payment being received in cash during five years immediately preceding March 31, 2020.



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Notes forming part of the financial statements for the year ended March 31, 2020

All amounts are in ₹ unless otherwise stated

	As at March 31, 2020	As at March 31, 2019
<b>10. Other equity</b>		
Retained earnings	3,60,11,351	1,23,75,406
<b>Total</b>	<b>3,60,11,351</b>	<b>1,23,75,406</b>
<b>10.1 Retained Earnings</b>		
Balance at the beginning of the year	1,23,75,406	14,18,261
Profit for the year	2,36,35,945	1,09,57,145
<b>Balance at the end of the year</b>	<b>3,60,11,351</b>	<b>1,23,75,406</b>
<b>11. Trade payables</b>		
(a) total outstanding dues of micro and small enterprises	-	-
(b) total outstanding dues of other than the above	1,26,50,510	1,27,81,033
<b>Total</b>	<b>1,26,50,510</b>	<b>1,27,81,033</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 and this has been relied upon by the auditors. 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>12. Other financial liabilities</b>		
<b>Current</b>		
Contractual reimbursable expenses to related party	1,72,96,273	1,37,26,184
<b>Total</b>	<b>1,72,96,273</b>	<b>1,37,26,184</b>
<b>13. Current tax liabilities (net)</b>		
<b>Non-current tax assets (net)</b>		
Advance income tax	15,00,000	15,00,000
TDS receivable	70,73,064	48,73,566
	<b>85,73,064</b>	<b>63,73,566</b>
<b>Current tax liabilities</b>		
Income tax payable	1,43,04,719	67,16,174
	<b>1,43,04,719</b>	<b>67,16,174</b>
<b>Current tax liabilities (net)</b>	<b>57,31,655</b>	<b>3,42,608</b>
<b>14. Other Current liabilities</b>		
Advance from customers	93,97,160	86,01,805
Other payables		
- Statutory remittances	28,45,126	32,00,956
<b>Total</b>	<b>1,22,42,286</b>	<b>1,18,02,761</b>



TQ CERT SERVICES PVT LTD

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Notes forming part of the financial statements for the year ended March 31, 2020

All amounts are in ₹ unless otherwise stated

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>15. Revenue from operations</b>		
Income from services	9,82,42,559	5,76,67,060
Income from sale of goods	38,97,650	15,36,000
<b>Total</b>	<b>10,21,40,209</b>	<b>5,92,03,060</b>
<b>16. Other income</b>		
<b>Interest income from financial assets carried at amortised cost</b>		
Bank deposits	15,09,351	9,93,211
<b>Other non-operating income</b>		
Provision no longer required written back	-	88,073
Miscellaneous income	-	27,888
<b>Total</b>	<b>15,09,351</b>	<b>11,09,172</b>
<b>17. Accreditation expenses</b>		
Accreditation expenses	12,53,800	10,06,636
<b>Total</b>	<b>12,53,800</b>	<b>10,06,636</b>
<b>18. Purchase of stock in trade</b>		
Purchase of stock in trade	46,41,440	7,66,671
<b>Total</b>	<b>46,41,440</b>	<b>7,66,671</b>
<b>19. Amortisation expense</b>		
Amortisation of intangible assets	9,331	18,668
<b>Total</b>	<b>9,331</b>	<b>18,668</b>
<b>20. Other expenses</b>		
Rates and taxes	9,11,783	5,16,329
Travelling and conveyance	61,88,064	32,46,912
Legal and professional	2,18,79,654	80,82,722
Consulting expenses	3,06,79,938	2,55,14,896
Payment to auditors (refer note below)	84,400	75,000
Communication expenses	2,48,340	9,871
Printing and stationery	6,16,940	4,30,134
Business development expenditure	4,12,618	10,13,086
Bank charges	2,055	2,235
Provision for doubtful trade receivables and unbilled revenue	-	-
Less: Reversal of provision for doubtful receivables	(13,63,835)	-
Lab testing charges	43,16,579	19,76,000
Miscellaneous expenses	21,43,710	20,21,998
<b>Total</b>	<b>6,61,20,246</b>	<b>4,28,89,183</b>
<b>Note :</b>		
Payment to Auditors comprises		
To statutory auditors		
a) Statutory audit fees	50,000	50,000
b) Tax audit fees	25,000	25,000
c) Reimbursement of expenses	9,400	-
<b>Total</b>	<b>84,400</b>	<b>75,000</b>



TQ CERT SERVICES PVT LTD

**TQ CERT SERVICES PRIVATE LIMITED**  
**Notes forming part of the financial statements for the year ended March 31, 2020**  
**All amounts are in ₹ unless otherwise stated**

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>21. Tax expense</b>		
<b>21.1 Income taxes recognised in statement of profit and loss</b>		
<b>Current tax</b>		
Current tax on profit for the year	75,88,545	44,78,817
	<u>75,88,545</u>	<u>44,78,817</u>
<b>Deferred tax</b>		
Decrease in deferred tax assets	4,00,253	1,95,112
	<u>4,00,253</u>	<u>1,95,112</u>
<b>Total income tax expense recognised in the current year</b>	<u>79,88,798</u>	<u>46,73,929</u>

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

<b>Profit before tax</b>	<u>3,16,24,743</u>	<u>1,56,31,074</u>
Income tax expense calculated*	79,59,315	43,48,565
Effect of expenses that are not deductible in determining taxable profit	-	3,25,364
Effect of different tax rates in income	35,826	-
Others	(6,343)	-
<b>Income tax expense recognised in the Statement of profit and loss</b>	<u>79,88,798</u>	<u>46,73,929</u>

\*The tax rate used for the years 2019-2020 and 2018-2019 reconciliations above is the corporate tax rate of 25.168% and 27.82% 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**

Notes forming part of the financial statements for the year ended March 31, 2020

All amounts are in ₹ unless otherwise stated

**22. Earnings per share**

		<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
<b>Profit for the year</b>	A	2,36,35,945	1,09,57,145
<b>Basic and Diluted</b>			
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>14.42</b>	<b>6.69</b>



TQ CERT SERVICES PVT LTD

**TQ CERT SERVICES PRIVATE LIMITED**

Notes forming part of the financial statements for the year ended March 31, 2020

All amounts are in ₹ unless otherwise stated

**23. Impact assessment of the global health pandemic- COVID-19 and related estimation uncertainty**

During the last few months the global Pandemic Covid-19 has had significant impact on the economic activity globally and in India and is disrupting supply chains with closing of national and state borders and also imposing lock down and the economic activity have come to a grinding halt except in the areas of health and food. Post announcement by WHO as a global pandemic, numerous steps have been taken by the Government and the companies to contain the spread of virus. The extent to which the business/operations of the entity shall be impacted will depend on future developments that are highly uncertain.

The extent to which the business/operations of the Company shall be impacted will depend on future developments that are difficult to predict.

While the entity has been formed to undertake and provide industrial services relating to certification and other services like Yoga, Asset and fleet management and vendor assessment , there is an uncertainty to the extent that Covid-19 shall affect the business and operations of the entity due to:

To address the execution challenges, the entity has initiated following actions.

- a) assessment of contractual rights and obligations and engaging with customers to get extensions
- b) focus on reducing fixed costs
- c) managing customer exposure and continuous monitoring of their financial health
- d) re-engineering the operations to achieve efficiencies
- e) evaluating the supply chain risks and working with vendors to ensure they honour the contractual commitments.

Further, the entity has based on certain assumptions, cumulative knowledge and understanding of the business, current indicators of future economic conditions made assessments around:

- a) Going concern based on cash flows as per approved Annual operating plan
- b) Recoverability of receivables including unbilled receivables
- c) Recovery of contract assets

and has made adjustments wherever necessary and it expects to recover the carrying amount of these assets as at the balance sheet date.

However, the actual impact may be different from that estimated as at the date of approval of these financial statements and the entity will continue to closely monitor any material changes to the assumptions made or future economic conditions.



**TQ CERT SERVICES PRIVATE LIMITED**  
**Notes forming part of the financial statements for the year ended March 31, 2020**  
**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 realisation 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, 2020 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 ADP 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 2019-20, 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, 2020	As at March 31, 2019
<b>Financial assets</b>		
<b>Non-current</b>		
Other financial assets		1,88,93,890
<b>Current</b>		
Trade receivables	6,93,86,923	3,21,04,770
Cash and cash equivalents	8,68,664	1,39,00,173
Other bank balances	1,80,00,000	-
Other financial assets	1,11,04,971	11,42,315
<b>Total</b>	<b>9,93,50,558</b>	<b>6,60,41,148</b>
<b>Financial liabilities</b>		
Trade payables	1,26,50,510	1,27,81,033
Other financial liabilities	1,72,06,273	1,37,26,184
<b>Total</b>	<b>2,99,46,783</b>	<b>2,65,07,217</b>

**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 at carrying values that approximate fair value. Trade payables and other financial liabilities are at 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.

**25. 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 foreign exchange gain credited to the statement of profit and loss is Nil (March 31, 2019: Nil)

**26. 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.

**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. Tenny Kosly Cheriai (Director) Mr. Sourav Chakraborty (Director) Mr. Bhoopathy Muthiah (Director)



*(Handwritten signature)*

**TQ CERT SERVICES PRIVATE LIMITED**  
**Notes forming part of the financial statements for the year ended March 31, 2020**  
**All amounts are in ₹ unless otherwise stated**

**27.2 Details of related party transactions during the year ended March 31, 2020 and balance outstanding as at March 31, 2020**

Particulars	Transactions during the year ended		Balances outstanding at the end of the year	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Tata Projects Limited				
Income from services	3,92,57,472	1,43,18,665	-	-
Income from sale of goods	-	15,36,000	-	-
Reimbursement of expenses to related party (net)*	-	51,56,402	1,72,96,273	1,37,26,184
Trade receivables	-	-	4,14,27,255	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 14, 2020.


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


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

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

Place : Hyderabad  
Date : May 14, 2020

For and on behalf of the Board of Directors

  
**Sourav Chakraborty**  
Director

  
**Tenny Koshy Cherian**  
Director

Place : Hyderabad  
Date : May 14, 2020

Place : Mumbai  
Date : May 14, 2020

