

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, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information 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, 2024, and total comprehensive income (comprising of loss 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

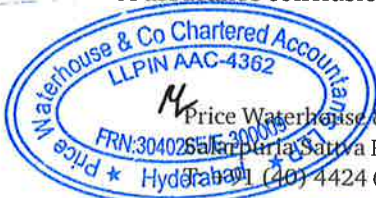
4. We draw your attention to Note 34 to the financial statements regarding the purchase of a business undertaking from Tata Projects Limited (the Holding Company) and the consequential restatement of the financial information in respect of the financial year ended March 31, 2023 as required by Appendix C to Ind AS 103 'Business Combinations'.

Our opinion is not modified in respect of this matter.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board 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.



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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/E300009 (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

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 judgement 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.



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INDEPENDENT AUDITOR'S REPORT

To the Members of TQ CERT SERVICES PRIVATE LIMITED
Report on Audit of the Financial Statements

- 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.

Other Matter

11. The amounts relating to the Testing, Inspection and Certification business division acquired from Tata Projects Limited as included in the restated comparative figures for the year ended March 31, 2023 in these financial statements have been extracted from divisional trial balance included in the audited financial statements of Tata Projects Limited for the year ended March 31, 2023 and no further procedures have been carried out by us.

Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

12. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 13(h)(vi) below



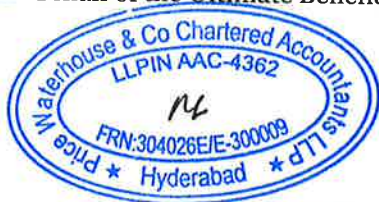
Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of TQ CERT SERVICES PRIVATE LIMITED
Report on Audit of the Financial Statements

on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").

- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the 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, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Rules.
- (g) 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".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and 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 was not required to recognise a provision as at March 31, 2024, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2024.
 - 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, 2024.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 36.5 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 36.6 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



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

- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
- vi. The Company has migrated to Oracle from Tally Prime version 4.0 during the year and is in the process of establishing necessary controls and maintaining documentation regarding audit trail. Consequently, we are unable to comment on the audit trail feature of these software's. Accordingly, the question of our commenting on whether the audit trail had operated throughout the year or was tampered with, does not arise.
14. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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



Manikanta Manoj B V
Partner
Membership Number: 229830
UDIN: 24229830BKHZDK6064

Place: Hyderabad
Date: June 28, 2024

Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 13(g) of the Independent Auditor's Report of even date to the members of TQ Cert Services Private Limited on the Financial Statements for the year ended March 31, 2024

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, 2024 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 ("the Guidance Note") 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.

Auditor's 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 and the 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 Auditor's Report

Referred to in paragraph 13(g) of the Independent Auditor's Report of even date to the members of TQ Cert Services Private Limited on the Financial Statements for the year ended March 31, 2024

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 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, 2024, 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 issued by ICAI.

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



Manikanta Manoj B V
Partner

Membership Number: 229830
UDIN: 24229830BKHZDK6064

Place: Hyderabad
Date: June 28, 2024

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 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, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The Company does not own any immovable properties (Refer Note 4) to the financial statements). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.
- ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from bank on the basis of security of current assets. The terms of sanction do not stipulate filing of quarterly returns or statements with such banks, and accordingly, the question of our commenting on whether the returns or statements are in agreement with the unaudited books of account of the Company, does not arise.
- iii. (a) The Company has made investments in three companies but not granted any loans/advances in nature of loans, or stood guarantee, or provided security.
(Also, refer Note 6 to the financial statements)
- (b) In respect of the aforesaid investments, the terms and conditions under which such investments were made are not prejudicial to the Company's interest.
- (c) The entity has not granted any loans and advances in the nature of loans hence, clause 3(iii)(c), (iii)(d), (iii)(e) and (iii)(f) 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 12 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, 2024

- iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the investments made by it.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.
- 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 and services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, goods and services tax, income tax and professional tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, 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) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) The Company has not defaulted in the payment of interest to any lender during the year.
- (b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, the term loans have been applied for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short-term basis. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) On an overall examination of the financial statements of the Company, we report that the Company has taken funds from the following entity on account of or to meet the obligations of its subsidiaries as per details below:



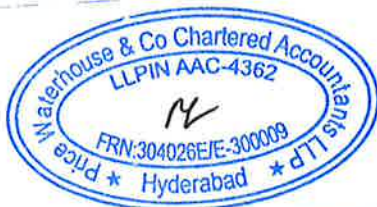
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Annexure B to Independent Auditors' Report

Referred to in paragraph 12 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, 2024

Nature of fund taken	Name of lender	Amount involved	Name of the subsidiary	Relation (subsidiary /JV/Associate)	Nature of transaction for which fund utilized	Remarks, if any
Compulsorily convertible debentures from holding company – 'Tata Projects Limited'	Tata Projects Limited	1,100 lakhs	1) TQ Services Europe GmbH 2) Industrial Quality Services LLC 3) Ind Project Engineering (Shanghai) Co. Ltd	Subsidiary	Investment	None

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has issued fully convertible debentures during the year, in compliance with the requirements of Section 42 and Section 62 of the Act. The funds raised have been used for the purpose for which funds were raised.
- xi. (a) 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, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) 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 as represented to us by the management, no whistle-blower complaints have been received during the year by the



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Annexure B to Independent Auditors' Report

Referred to in paragraph 12 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, 2024

- Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is 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 reporting under clause 3(xii) of the Order is 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 related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 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 reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Act.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has five CICs as part of the Group as detailed in note 36.3 to the financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios (also refer note 35) to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance



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sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

- xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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



Manikanta Manoj B V
Partner
Membership Number: 229830
UDIN: 24229830BKHZDK6064

Place: Hyderabad
Date: June 28, 2024

TQ Cert Services Private Limited
Balance Sheet as at March 31, 2024
 All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023 (Restated)
ASSETS			
Non-current assets			
(A) Property, plant and equipment	4	164.58	94.33
(B) Right-of-use assets	5(a)	57.31	100.30
(C) Intangible assets	5(b)	-	-
(D) Financial assets			
(i) Investments	6	6,380.37	-
(ii) Other financial assets	7	94.99	361.65
(E) Deferred tax assets (net)	8	-	31.80
(F) Non-current tax assets (net)	9	35.50	-
Total non-current assets		6,732.75	588.08
Current assets			
(A) Financial assets			
(i) Trade receivables	10	8,699.02	7,010.02
(ii) Cash and cash equivalents	11	1,274.76	941.68
(iii) Bank balances other than (ii) above	11	248.88	-
(iv) Other financial assets	7	2,845.40	5,371.16
(B) Other current assets	12	1,334.26	699.94
Total current assets		14,402.32	14,022.80
Total Assets		21,135.07	14,610.88
EQUITY AND LIABILITIES			
Equity			
(A) Equity share capital	13	2,192.44	163.86
(B) Other equity	14	12,565.03	3,759.68
Total equity		14,757.47	3,923.54
Liabilities			
Non-current liabilities			
(A) Financial liabilities			
(i) Borrowings	15	506.47	-
(ii) Lease liabilities	16	19.10	72.56
(B) Provisions	17	15.97	-
(C) Deferred tax liabilities (net)	8	36.57	-
Total non-current liabilities		578.11	72.56
Current liabilities			
(A) Financial liabilities			
(i) Trade payables	18		
(a) total outstanding dues of micro and small enterprises		224.32	172.04
(b) total outstanding dues other than (i) (a) above		3,900.07	3,058.31
(ii) Lease liabilities	16	53.46	46.71
(iii) Other financial liabilities	19	43.41	6,510.09
(B) Provisions	17	183.36	136.52
(C) Current tax liabilities (net)	9	-	15.67
(D) Other current liabilities	20	1,394.87	675.44
Total current liabilities		5,799.49	10,614.78
Total Liabilities		6,377.60	10,687.34
Total Equity and Liabilities		21,135.07	14,610.88

The above Balance Sheet should be read in conjunction with the accompanying notes
 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

Manoj
 Manikanta Manoj B V
 Partner

Membership Number : 229830

Place: Hyderabad
 Date: June 28, 2024



For and on behalf of the Board of Directors

Deepak
 Deepak Natarajan
 Director
 DIN: 06805859

Himanshu Chaturvedi
 Himanshu Chaturvedi
 Director
 DIN: 08254226

Place: Mumbai
 Date: June 28, 2024

Place: Mumbai
 Date: June 28, 2024

Devi Harish
 Devi Harish
 Chief Financial Officer

Place: Hyderabad
 Date: June 28, 2024

Ashish Sharma
 Ashish Sharma
 Company Secretary

Place: Hyderabad
 Date: June 28, 2024

TQ Cert Services Private Limited
Statement of Profit and Loss for the year ended March 31, 2024
All amounts are in ₹ Lakhs unless otherwise stated

	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
I Revenue from operations	21	24,731.43	22,241.56
II Other income	22	112.42	545.01
III Total Income (I + II)		24,843.85	22,786.57
IV Expenses			
(a) Contract execution expenses	23	17,823.90	15,698.87
(b) Employee benefits expense	24	3,434.04	4,394.68
(c) Finance costs	25	22.70	39.70
(d) Depreciation and amortisation expense	26	98.72	101.96
(e) Other expenses	27	3,588.62	3,235.06
Total expenses (IV)		24,967.98	23,470.27
V Loss before tax (III - IV)		(124.13)	(683.70)
VI Tax expense	28		
(a) Current tax expense		131.09	59.89
(b) Deferred tax credit		(82.79)	(9.49)
Total tax expense (VI)		48.30	50.40
VII Loss for the year (V-VI)		(172.43)	(734.10)
VIII Other comprehensive income			
Items that will not be reclassified subsequently to the statement of profit and loss			
- Re-measurements of the defined benefit plans		(32.63)	77.98
- Deferred tax relating to these items		0.17	-
Total other comprehensive income for the year, net of tax (VIII)		(32.80)	77.98
IX Total comprehensive income for the year (VII + VIII)		(205.23)	(656.12)
Earnings per equity share (of ₹ 10 each)	31		
Basic (₹)		(2.55)	(44.79)
Diluted (₹)		(2.55)	(44.79)

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes
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

Manoj

Manikanta Manoj B V
Partner
Membership Number : 229830

Place: Hyderabad
Date: June 28, 2024



For and on behalf of the Board of Directors

Deepak

Deepak Natarajan
Director
DIN: 06805859

Place: Mumbai
Date: June 28, 2024

Himanshu

Himanshu Chaturvedi
Director
DIN: 08254228

Place: Mumbai
Date: June 28, 2024

Delli Harish

Delli Harish
Chief Financial Officer

Place: Hyderabad
Date: June 28, 2024

Ashish

Ashish Sharma
Company Secretary

Place: Hyderabad
Date: June 28, 2024


TQ Cert Services Private Limited
Statement of Cash Flows for the year ended March 31, 2024
All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Year ended March 31, 2024	Year ended March 31, 2023 (Restated)
Cash flows from operating activities		
Loss before tax for the year	(124.13)	(683.70)
Adjustments for :		
Finance costs recognised in the statement of profit and loss	22.70	21.55
Interest income recognised in the statement of profit and loss	(22.56)	(12.36)
Depreciation and amortisation expense	98.72	101.96
Interest income from statutory authorities	(2.08)	(0.65)
Expected credit loss allowance (net of reversals)	659.99	(297.63)
Advances written off	-	463.59
Net foreign exchange (gain)/loss - unrealised	(14.69)	8.59
Adjustment due to reduction in net assets of division	(800.52)	-
	(182.57)	(398.65)
Movements in working capital		
(Increase)/decrease in trade receivables	(2,315.11)	760.61
Decrease/(increase) in Other financial assets	2,792.22	(2,106.22)
Increase other current assets	(634.32)	(448.15)
Increase in trade payables	880.76	2,096.50
(Decrease)/Increase in other financial liabilities	(34.52)	77.93
Increase in provisions	30.18	108.60
Increase in other current liabilities	718.72	31.09
Cash used in operations	1,255.36	121.71
Income taxes paid	(180.19)	(74.87)
Net cash generated from/(used in) operating activities	1,075.17	46.84
Cash flows from investing activities		
Interest received	9.15	20.65
Purchase of property, plant, equipment and intangible assets	(127.04)	(18.08)
Proceeds from sale of property, plant and equipment	1.06	-
Payment towards acquisition of business division (refer note 34)	(6,432.16)	-
(Increase)/decrease in other bank balances	(248.88)	-
Investments made towards acquisition of subsidiaries	(6,380.37)	-
Net cash generated used in investing activities	(13,178.24)	2.57
Cash flows from financing activities		
Proceeds from issue of shares (including securities premium)	11,712.55	-
Proceeds from borrowings	1,100.00	-
Payment of lease liabilities	(54.58)	(51.80)
Dividend paid	(321.82)	-
Net cash generated from/(used in) financing activities	12,436.15	(51.80)
Net Increase/(decrease) in cash and cash equivalents	333.08	(2.39)
Cash and cash equivalents at the beginning of the year (Refer note 11)	941.68	944.07
Cash and cash equivalents at the end of the year (Refer note 11)	1,274.76	941.68

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

For and on behalf of the Board of Directors


Manikanta Manoj B V
Partner
Membership Number : 229830
Place: Hyderabad

Date: June 28, 2024




Deepak Natarajan
Director
DIN: 06805859
Place: Mumbai

Date: June 28, 2024


Debi Harish
Chief Financial Officer

Place: Hyderabad
Date: June 28, 2024


Himanshu Chaturvedi
Director
DIN: 08254238
Place: Mumbai

Date: June 28, 2024


Ashish Sharma
Company Secretary

Place: Hyderabad
Date: June 28, 2024

TQ Cert Services Private Limited
Statement of Changes in Equity for the year ended March 31, 2024
All amounts are in ₹ Lakhs unless otherwise stated

A. Equity share capital

(1) Balance as at March 31, 2024

Balance as at April 01, 2023	Changes in equity share capital during the current year	Balance as at March 31, 2024
163.86	2,028.58	2,192.44

(2) Balance as at March 31, 2023

Balance as at April 01, 2022	Changes in equity share capital during the previous year	Balance as at March 31, 2023 (Restated)
163.86	-	163.86

B. Other equity

(1) Balance as at March 31, 2024

Particulars	Reserves and Surplus			Equity component of compound financial instruments	Total
	Securities premium	Capital reserve	Retained earnings		
Balance as at April 01, 2023	-	3,681.60	78.08	-	3,759.68
Loss for the year	-	-	(172.43)	-	(172.43)
Payment of dividend on equity shares	-	-	(321.82)	-	(321.82)
Other comprehensive income for the year	-	-	(32.80)	-	(32.80)
Premium received on rights issue	9,683.97	-	-	-	9,683.97
Equity portion of compound financial instruments issued during the year	-	-	-	599.94	599.94
Adjustment due to difference in net assets from the acquisition date of 01 January, 2024 and accounting date as per Ind AS 103 (refer note 34)	-	(800.52)	-	-	(800.52)
Deferred tax liability on Equity component of Compound financial instrument issued during the year	-	-	-	(150.99)	(150.99)
Balance as at March 31, 2024	9,683.97	2,881.08	(448.97)	448.95	12,565.03

(2) Balance as at March 31, 2023

Particulars	Reserves and Surplus			Equity component of compound financial instruments	Total
	Securities premium	Capital reserve	Retained earnings		
Balance as at April 01, 2022	-	-	734.20	-	734.20
Reserve on account of business combination (refer note 34)	-	3,681.60	-	-	3,681.60
Loss for the year	-	-	(734.10)	-	(734.10)
Other comprehensive income for the year	-	-	77.98	-	77.98
Balance as at March 31, 2023	-	3,681.60	78.08	-	3,759.68

(i) Retained earnings as at March 31, 2024 includes other comprehensive income - remeasurement of defined benefit plans, net of tax of ₹ (32.80) (March 31, 2023: ₹ 77.98).

(ii) 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

For and on behalf of the Board of Directors


Manikanta Manoj B V
Partner
Membership Number : 229830

Place: Hyderabad
Date: June 28, 2024




Deepak Natarajan
Director
DIN: 06805859

Place: Mumbai
Date: June 28, 2024


Dehil Harish
Chief Financial Officer

Place: Hyderabad
Date: June 28, 2024


Himanshu Chaturvedi
Director
DIN: 08257228

Place: Mumbai
Date: June 28, 2024


Ashish Sharma
Company Secretary

Place: Hyderabad
Date: June 28, 2024

TQ Cert Services Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2024
All amounts are in ₹ Lakhs unless otherwise stated

1. General Information:

TQ Cert Services Private Limited is a Private Limited Company incorporated in India on February 18, 2003. The address of its registered office is Room no 3, Fourth Floor, Mithona Towers 11-7-80 to 87, Prender ghaat Road, Hyderabad, Secunderabad, Telangana, India- 500003. The company is in the business of providing quality inspection services and certification services to customers.

New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amended certain accounting standards, and are effective April 01, 2023 :

- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the company's accounting policy already complies with the now mandatory treatment.

2. Summary of Material 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.

2.2 Basis of Preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities and defined benefit plans - plan assets 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 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 calculations as per 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 - The fair value of financial instruments traded in active markets and are based on quoted market prices at the end of the reporting period;
- Level 2 - The fair value of financial instruments that are not traded in an active market and are determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2; and
- Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.



TQ Cert Services Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2024
All amounts are in ₹ Lakhs unless otherwise stated

2.3 Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments 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 period. 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.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- estimation of current tax expense and current tax payable – refer note 3.10
- estimation used for useful life of property, plant and equipment and intangible asset – refer note 3.3
- estimation of defined benefit obligation (net of plan assets) – refer note 2.5
- recognition of deferred tax assets – refer note 2.9
- expected credit loss - impairment of trade receivables – refer note 2.11

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. 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.

2.4 Revenue Recognition

(i) Income from services is recognised in the accounting period in which the services are rendered. In case of quality inspection services, the Company recognises revenue on satisfaction of performance obligation to its customer over a period of time. Revenue is recognised on the basis of time spent by the consultants who are deployed to the customers premises. The same is billed on a monthly basis. However, time spent by the consultants but not invoiced until the reporting date is recognised on accrual basis as unbilled revenue.

In case of certification services, the Company recognises revenue on satisfaction of performance obligation at a point of time i.e., on issuance of certification report to the customer as agreed as per the terms and conditions of the contract.

(ii) Other income:– Interest income is accrued on a time basis using the effective interest method by reference to the principal outstanding and the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

2.5 Employee Benefits

Defined Contribution plan

The company contributes to superannuation fund, in respect of certain eligible employees to Life Insurance Corporation ('LIC'). The Company has no further payment obligation once the contributions have been paid. The contributions are recognised as employee benefit expense in the Statement of Profit and Loss during the year.



TQ Cert Services Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2024
All amounts are in ₹ Lakhs unless otherwise stated

The Company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. The contribution towards provident fund also includes contributions made on behalf of certain contract employees engaged by the company. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plans

The Company provides Gratuity benefit to its employees through a plan administered by the Life Insurance Corporation of India ('LIC'). The liability or asset recognised in the balance sheet in respect of these plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Short term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Other long term employee benefits

Other Long term employee benefit comprise of Leave encashment which is provided for based on the actuarial valuation carried out as at the end of the year.

These obligations are therefore measured as the present value of expected future payments to be made using the projected unit credit method. The benefits are discounted using the appropriate market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

2.6 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Contracts may contain both lease and non-lease components. The company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.



TQ Cert Services Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2024
All amounts are in ₹ Lakhs unless otherwise stated

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in a number of property and equipment leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

2.7 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.



TQ Cert Services Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

(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.

(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.

(iv) Financial liabilities :-

Compound financial instrument:-The fair value of the liability portion of a compound financial instrument is determined using a market interest rate for an equivalent financial instrument. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the instrument. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

(v) Investment in subsidiaries:- On initial recognition, these investments are recognized at fair value plus any directly attributable transaction cost. Subsequently, they are measured at cost.

2.8 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

2.9 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.

2.10 Business Combination and Goodwill/Capital Reserve:

The Company uses the pooling of interest method of accounting to account for common control business combination and acquisition method of accounting to account for other business combinations.

In case of Pooling of interest method of accounting, the assets and liabilities of the combining entities recognise at their carrying amounts. No adjustment is made to reflect the fair value or recognise any new assets and liabilities. The financial information in the financial statements in respect of prior



TQ Cert Services Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2024
All amounts are in ₹ Lakhs unless otherwise stated

periods restated as if the business combination had occurred from the beginning of the preceding period. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves.

2.11 Financial Instruments

Impairment of Financial Assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost i.e., 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.

Derecognition of Financial Assets

A financial asset is derecognized only when

1. The Company has transferred the rights to receive cash flows from the financial asset or
2. retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

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.

2.12 Exemption from preparing consolidated financial statements

These financial statements are the standalone financial statements of the Company. The Company is exempted from the preparation of consolidated financial statements as the Company is a wholly-owned subsidiary of Tata Projects Limited ("TPL"), a company incorporated in India which produces consolidated financial statements. The registered office of TPL where the consolidated financial statements can be obtained is as follows: Mithona Towers-1, 1-7-80 to 87, Prenderghast Road, Secunderabad, Hyderabad, Telangana, India, 500003.



TQ Cert Services Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2024
All amounts are in ₹ Lakhs unless otherwise stated

3. Summary of other Accounting Policies

3.1 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 which is also the presentation currency.

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.

3.2 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 (including additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares).

3.3 Property, plant and equipment & Intangible Assets

Property, plant and equipment are carried at cost less accumulated depreciation / amortisation 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

- licenses held for accounting, engineering and other technical softwares. The intangible assets are capitalised on implementation of such software and comprises of the cost paid for procuring the licence and implementation cost of such software.

Depreciation and amortisation, impairment

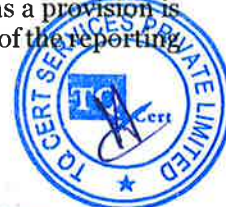
Depreciation is calculated using the straight line method, net of their residual value, considering the useful life prescribed in Schedule II of the Companies Act, 2013 .

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

All property, plant and equipment are tested for impairment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The impairment loss being the excess of carrying value over the recoverable value of the assets, if any, is charged to the statement of Profit and Loss in the respective financial year. 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.

3.4 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



TQ Cert Services Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

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 not recognised in the financial statements.

Contingent liabilities are not disclosed if the possibility of an outflow of resources embodying economic benefits is remote.

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.

3.5 Borrowings:

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

3.6 Segment reporting

The Company operates in only one business segment viz. Inspection & Certification services. Therefore, the segment wise reporting under INDS 108 is not applicable.

3.7 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.



TQ Cert Services Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2024
All amounts are in ₹ Lakhs unless otherwise stated

3.8 Operating cycle

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria as 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.

3.9 Trade and Other Payables

Trade payables 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 operating cycle of the Company. They are subsequently measured at amortized cost using the effective interest method.

3.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax expense comprises taxes on income from operations in India. Tax expense related to India is determined on the basis of the Income Tax Act, 1961 and quantified at the amount expected to be paid to the taxation authorities using the applicable tax rates. Tax expense relating to overseas operations is determined in accordance with the tax laws applicable in countries where such operations are domiciled.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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.

3.11 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.



TQ Cert Services Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2024
All amounts are in ₹ Lakhs unless otherwise stated

4. Property, plant and equipment

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)
Carrying amounts :		
Plant and equipments	-	-
Furniture & fixtures	0.68	0.78
Vehicles	-	-
Office equipments	10.45	16.22
Computers	153.45	77.33
Total	164.58	94.33

Particulars	Plant and equipments	Furniture & fixtures	Vehicles	Office equipments	Computers	Total
Cost						
Balance as at March 31, 2022	-	-	-	-	-	-
Transferred due to business combination (refer note 34)	0.02	18.41	0.07	170.73	403.15	592.38
Additions	-	-	-	-	18.08	18.08
Disposals	-	-	-	-	-	-
Balance as at March 31, 2023	0.02	18.41	0.07	170.73	421.23	610.46
Additions	-	-	-	-	127.04	127.04
Disposals	-	-	-	-	(21.55)	(21.55)
Balance as at March 31, 2024	0.02	18.41	0.07	170.73	526.72	715.95

Particulars	Plant and equipments	Furniture & fixtures	Vehicles	Office equipments	Computers	Total
Accumulated depreciation						
Balance as at March 31, 2022	-	-	-	-	-	-
Transferred due to business combination (refer note 34)	(0.02)	(17.51)	(0.07)	(145.34)	(304.03)	(466.97)
Disposals	-	-	-	-	-	-
Depreciation charge for the year	-	(0.12)	-	(9.17)	(39.87)	(49.16)
Balance as at March 31, 2023	(0.02)	(17.63)	(0.07)	(154.51)	(343.90)	(516.13)
Disposals	-	-	-	-	20.49	20.49
Depreciation charge for the year	-	(0.10)	-	(5.77)	(49.86)	(55.73)
Balance as at March 31, 2024	(0.02)	(17.73)	(0.07)	(160.28)	(373.27)	(551.37)

Particulars	Plant and equipments	Furniture & fixtures	Vehicles	Office equipments	Computers	Total
Net Carrying amount as at March 31, 2023	-	0.78	-	16.22	77.33	94.33
Net Carrying amount as at March 31, 2024	-	0.68	-	10.45	153.45	164.58

- 4.1 No impairment losses recognised during the year (March 31, 2023: Nil).
- 4.2 The company carries out physical verification of its property, plant and equipment, in a phased manner over a period of three years. Assets whose working life has expired, would be retired from the books after due approvals, as per the Schedule of Powers. Assets which are not in working condition are assessed and are retired on annual basis as per Schedule of Powers ("SOP"). Assets in working condition are deployed at project sites and are leveraged among multiple projects in its useful life.
- 4.3 None of the property, plant and equipment is pledged as security during the current period and previous year.
- 4.4 There are no contractual commitments as at March 31, 2024 (March 31, 2023: Nil) for the acquisition of property plant and equipment.



TQ Cert Services Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2024
 All amounts are in ₹ Lakhs unless otherwise stated

5(a). Right-of-use assets

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)
Carrying amounts of :		
Buildings	57.31	100.30
Total	57.31	100.30

Particulars	Buildings	Total
Cost		
Balance as at March 31, 2022	-	-
Transferred due to business combination (refer note 34)	214.93	214.93
Balance as at March 31, 2023	214.93	214.93
Balance as at March 31, 2024	214.93	214.93

Particulars	Buildings	Total
Accumulated depreciation		
Balance as at March 31, 2022	-	-
Transferred due to business combination (refer note 34)	(71.64)	(71.64)
Depreciation	(42.99)	(42.99)
Balance as at March 31, 2023	(114.63)	(114.63)
Depreciation	(42.99)	(42.99)
Balance as at March 31, 2024	(157.62)	(157.62)

Particulars	Buildings	Total
Net Carrying amount as at March 31, 2023	100.30	100.30
Net Carrying amount as at March 31, 2024	57.31	57.31

- 5(a)(i) Refer to note no 16 for disclosure related to Lease liabilities.
- 5(a)(ii) Refer to note no 25 for disclosure related to finance cost on lease liabilities.
- 5(a)(iii) Refer to note no 26 for disclosures related to depreciation charge on right-of-use of assets.
- 5(a)(iv) The total cash outflow for leases for the year was ₹ 54.58 (March 31, 2023: ₹ 51.80) (excluding low value assets and short term leases).
- 5(a)(v) The Payments not included in the measurement of lease liability and recognised as expense in the Statement of Profit and Loss during the year are as follows:
- (i) Low value assets - ₹ Nil (March 31, 2023: ₹ Nil)
- (ii) Short-term leases - ₹ 381.69 (March 31, 2023: ₹ 365.92)



TQ Cert Services Private Limited**Notes forming part of Financial Statements for the year ended March 31, 2024**

All amounts are in ₹ Lakhs unless otherwise stated

5(b). Intangible assets

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)
Carrying amounts of:		
Computer Software (Refer note 5(b)(i) below)	-	-
Total	-	-

Particulars	Computer Software	Total
Cost		
Balance as at March 31, 2022	-	-
Transferred due to business combination (refer note 34)	65.67	65.67
Additions	-	-
Disposals/Transfers	-	-
Balance as at March 31, 2023	65.67	65.67
Additions	-	-
Disposals/Transfers	-	-
Balance as at March 31, 2024	65.67	65.67

Particulars	Computer Software	Total
Accumulated amortisation		
Balance as at March 31, 2022	-	-
Transferred due to business combination (refer note 34)	(55.86)	(55.86)
Amortisation	(9.81)	(9.81)
Disposals	-	-
Balance as at March 31, 2023	(65.67)	(65.67)
Amortisation	-	-
Disposals	-	-
Balance as at March 31, 2024	(65.67)	(65.67)

Particulars	Computer Software	Total
Net Carrying amount as at March 31, 2023	-	-
Net Carrying amount as at March 31, 2024	-	-

5(b)(i) Computer Software

Computer Software comprises of licenses held for accounting, engineering and other technical softwares. The carrying amount of computer software as at March 31, 2024 is Nil (March 31, 2023 : Nil).



TQ Cert Services Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2024
 All amounts are in ₹ Lakhs unless otherwise stated

6. Investments

	As at March 31, 2024		As at March 31, 2023 (Restated)	
	Qty.	Amount	Qty.	Amount
Non-current				
Investments at amortised cost				
(i) Investments in Equity Instruments				
Subsidiaries				
A) Unquoted Investments - fully paid				
TQ Services Europe GmbH - Face value of EUR 1 each	125,000	980.72	-	-
Industrial Quality Services LLC - Face value of OMR 1 each	175,000	3,366.37	-	-
Ind Project Engineering (Shanghai) Co. Ltd	-	2,033.28	-	-
Total Aggregate Unquoted Investments (A)		<u>6,380.37</u>		<u>-</u>
Total Non Current Investments (I)		<u>6,380.37</u>		<u>-</u>
Less: Aggregate amount of impairment in value of investments		<u>-</u>		<u>-</u>
Carrying Value of total non current investments		<u>6,380.37</u>		<u>-</u>

Note:

- 6.1 Effective December 31, 2023, the Company acquired investment in TQ Services Europe GmbH, Industrial Quality Services LLC and Ind Project Engineering (Shanghai) Co. Ltd ('subsidiaries' or 'subsidiary entities') from Tata Projects Limited at a fair value of 6,380.37 lakhs (refer note 32).
- 6.2 The subsidiary entities are earning profits and have positive net worth hence, there are no indicator for impairment of investment as at balance sheet date.



TQ Cert Services Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2024
All amounts are in ₹ Lakhs unless otherwise stated

7. Other financial assets

	As at March 31, 2024	As at March 31, 2023 (Restated)
Non-current		
Security deposits	94.99	137.81
In deposit accounts with banks remaining maturity for more than 12 months	-	223.84
Total	94.99	361.65
Current		
Security deposits		
Unsecured, considered good	114.39	102.58
	114.39	102.58
Unbilled revenue		
Unsecured, considered good	2,721.21	2,506.27
Less: Expected credit loss allowance	(13.61)	(117.83)
	2,707.60	2,388.44
Contractual reimbursable expenses		
Unsecured, considered good	-	260.04
Less: Expected credit loss allowance	-	(247.07)
	-	12.97
Interest accrued on fixed deposit	23.41	10.00
Others (Receivable from related party)	-	2,857.17
Total	2,845.40	5,371.16

Note:

7.1 Disputed and undisputed Unbilled Revenue as at March 31, 2024 and March 31, 2023

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)
Disputed unbilled revenue- considered good	-	-
Undisputed unbilled revenue- considered good	2,721.21	2,506.27
Less: Expected credit loss allowance	(13.61)	(117.83)
Total	2,707.60	2,388.44

7.2. Contract Assets and Contract Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)
Contract assets - Unbilled revenue	2,707.60	2,388.44
Total Contract assets	2,707.60	2,388.44
Contract liabilities - Advances from customers including mobilisation advances received (refer note 20(a))	692.92	658.23
Total Contract Liabilities	692.92	658.23

7.3 Movement in Contract Assets and Contract Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)
Contract Assets		
Opening balance	2,388.44	2,218.27
Add: Revenue accrued during the year	24,731.43	22,241.56
Less: Amount billed during the year	(24,516.49)	(21,954.55)
Less: Movement in Expected credit loss related to unbilled revenue	104.22	(116.84)
Closing balance	2,707.60	2,388.44
Contract Liabilities		
Opening balance	658.23	648.10
Add: Advance received during the year	789.40	538.14
Less: Advance adjusted during the year	(795.11)	(528.01)
Closing balance	652.52	658.23



TQ Cert Services Pvt Ltd

Notes forming part of Financial Statements for the year ended March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

8. Deferred tax assets/(liabilities) (net)

	As at March 31, 2024	As at March 31, 2023 (Restated)
Deferred tax assets	-	31.80
Deferred Tax liabilities	(36.57)	-
Deferred tax assets/(liabilities)	(36.57)	31.80

2023-24	Opening Balance	Recognised in Statement of profit & loss	Recognised in Other comprehensive income	Equity Component in compound financial instruments	Closing balance
Deferred tax (liabilities) / assets in relation to					
Expected credit loss allowance	31.80	31.70	-	-	63.50
Property, plant and equipment	-	0.16	-	-	0.16
Provisions for retirement benefits	-	26.51	(0.17)	-	26.34
Disallowance under section 43B	-	20.16	-	-	20.16
Equity component of compound financial instruments	-	-	-	(150.99)	(150.99)
Right-of-use assets	-	4.26	-	-	4.26
	31.80	82.79	(0.17)	(150.99)	(36.57)

2022-23	Opening Balance	Recognised in Statement of profit & loss	Recognised in Other comprehensive income	Equity Component in compound financial instruments	Closing balance
Deferred tax (liabilities) / assets in relation to					
Expected credit loss allowance	22.31	9.49	-	-	31.80
	22.31	9.49	-	-	31.80

9. Non - current tax assets (net) and (Current tax liabilities) (net)

	As at March 31, 2024	As at March 31, 2023 (Restated)
Non - Current tax assets (net)		
Advance income tax	147.48	15.00
Tax deducted at source	412.48	362.70
Total	559.96	377.70
Current tax liabilities (net)		
Income Tax Payable	(524.46)	(393.37)
Total	(524.46)	(393.37)
Non - current tax assets / (Current tax liabilities)	35.50	(15.67)



TQ Cert Services Pvt Ltd

Notes forming part of Financial Statements for the year ended March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

10. Trade receivables

	As at March 31, 2024	As at March 31, 2023 (Restated)
Current		
Trade receivables		
(a) Unsecured, considered good	10,910.11	8,574.73
Less: Allowance for doubtful debts (expected credit loss allowance)(refer notes 10.1 to 10.3 below)	(2,211.09)	(1,564.71)
Total	8,699.02	7,010.02

10.1 Trade receivables

The average credit period allowed to customers is between 30 days to 45 days. The credit period is considered from the date of invoice.

The Company evaluates, the financial health, market reputation, credit rating of the customer, before entering into the contract. The company's customers comprise of public sector undertakings as well as private entities.

10.2 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. 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 percentages determined on historical basis over past 3 years and determined the percentage of such allowance and moderated for current and envisaged future businesses including time based provisions. Expected Credit Loss Allowance is determined on the closing balances of all applicable financial assets as at each reporting date.

10.3 Movement in the expected credit loss allowance

Balance at the beginning of the year	1,929.61	2,227.24
Movement in expected credit loss allowance	659.99	(297.63)
	2,589.60	1,929.61
Less: Provision utilized for balance written off	(364.90)	-
Less: Expected credit loss allowance related to unbilled revenue and contractual reimbursable expenses	(13.61)	(364.90)
Expected credit loss allowance related to trade receivables	2,211.09	1,564.71

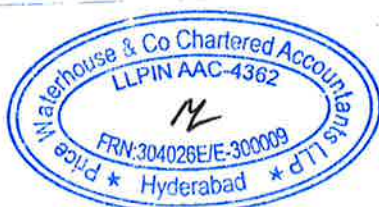
10.4 Trade receivables Ageing Schedule

a. Current trade receivables ageing schedule for the year ended March 31, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3,013.40	3,501.86	1,804.37	686.22	507.36	1,224.91	10,738.12
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	171.99	171.99
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(vii) Allowance for doubtful debts (expected credit loss allowance)	-	-	-	-	-	-	-
Total	3,013.40	3,501.86	1,804.37	686.22	507.36	1,396.90	8,699.02

b. Current trade receivables ageing schedule for the year ended March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	2,699.71	3,693.05	612.13	172.94	802.16	422.75	8,402.74
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	171.99	171.99
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(vii) Allowance for doubtful debts (expected credit loss allowance)	-	-	-	-	-	-	-
Total	2,699.71	3,693.05	612.13	172.94	802.16	594.74	7,010.02



TQ Cert Services Pvt Ltd

Notes forming part of Financial Statements for the year ended March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

11. Cash and bank balances

	As at March 31, 2024	As at March 31, 2023 (Restated)
Cash and cash equivalents		
Balances with Banks		
- In current accounts	1,274.76	941.68
Total	1,274.76	941.68
Other bank balances		
Deposits with maturity of more than 3 months and less than 12 months (refer note 11.1)	248.88	-
Total	248.88	-

Note :

11.1 Deposits with maturity of more than 3 months and less than 12 months includes deposits with banks to the extent held as margin money against bank guarantee of ₹ 25.04 (March 31, 2023: Nil)

12. Other current assets

	As at March 31, 2024	As at March 31, 2023 (Restated)
Current		
(a) Advances to employees	327.58	165.31
(b) Prepaid expenses	-	16.81
(c) Employee benefit assets	-	62.78
(d) Project related advances to others		
Unsecured, considered good	1,006.68	455.04
	1,006.68	455.04
Less: Provision for doubtful advances	-	-
	1,006.68	455.04
Total	1,334.26	699.94



TQ Cert Services Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

13. Equity share capital

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of ₹ 10 each (March 31, 2023 of ₹ 10 each) with voting rights	22,000,000	2,200.00	2,000,000	200.00
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10 (March 31, 2023 of ₹ 10 each) each with voting rights	21,924,373	2,192.44	1,638,600	163.86
Total	21,924,373	2,192.44	1,638,600	163.86

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year**Equity shares with voting rights**

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	1,638,600	163.86	1,638,600	163.86
Rights Issue during the year (Refer note no (v) below)	20,285,773	2,028.58	-	-
Balance at the end of the year	21,924,373	2,192.44	1,638,600	163.86

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

The Company has only one class of equity shares having a par value of ₹ 10 each per share (March 31, 2023: ₹ 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. Every holder of equity shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

(iii) Details of shareholders holding more than 5% of the equity shares in the company and shares of the company held by holding company and its promoter

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	%	Number of shares	%
Equity shares of ₹ 10 each (as at March 31, 2023: ₹ 10 each) with voting rights				
Tata Projects Limited, Holding Company	21,924,363	99.99%	1,638,590	99.99%

(iv) There are no shares reserved for issue under options.**(v)** On August 29, 2023, the company has offered 15,78,948 equity shares under rights issue to the existing shareholders of the company at an issue price of ₹ 57 each per share (₹ 47 each per share towards securities premium and ₹ 10 each per share towards paid up capital). The same has been subscribed by the existing shareholders.

On January 10, 2024, the company has offered 1,87,06,825 equity shares under right issue to the existing shareholders of the company at an issue price of ₹ 57.8 each per share (₹ 47.8 each per share towards securities premium and ₹ 10 each per share towards paid up capital). The same has been subscribed by the existing shareholders.



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14. Other equity

	As at March 31, 2024	As at March 31, 2023 (Restated)
Equity component of compound financial instruments		
Reserves & Surplus	448.95	-
a) Securities premium	9,683.97	-
b) Retained earnings	(448.97)	78.08
c) Capital Reserve	2,881.08	3,681.60
Total	12,565.03	3,759.68

14.1 Equity component of compound financial instruments

	As at March 31, 2024	As at March 31, 2023 (Restated)
Balance at the beginning of the year	-	-
Add: Equity portion of compound financial instruments issued during the year (refer note below)	599.94	-
Less: Deferred tax liability on equity component of compound financial instruments issued during the year (refer note below)	(150.99)	-
Balance at the end of the year	448.95	-

During the current year, the company issued Compulsory convertible debentures with a coupon rate of 1% aggregating to ₹ 1,100 Lakhs. However, the incremental borrowing rate of the Company is 9.80%. As per Ind AS, the company determined the liability portion of these debentures i.e, at amortised cost to be ₹ 500.06 Lakhs. The difference between the liability portion determined using effective interest method and the issued amount i.e, ₹ 599.94 Lakhs was recognised and included under other equity.

14.2 Securities premium

	As at March 31, 2024	As at March 31, 2023 (Restated)
Balance at the beginning of the year	-	-
Add: Premium received on issue of right shares (refer note 13.(v))	9,683.97	-
Balance at the end of the year	9,683.97	-

Securities premium is used to record the premium on issue of shares. This reserve can be utilised in accordance with the provisions of the Act.

14.3 Retained earnings

	As at March 31, 2024	As at March 31, 2023 (Restated)
Balance at the beginning of the year	78.08	734.20
Loss for the year	(172.43)	(734.10)
Items of other comprehensive income recognised directly in retained earnings		
-Remeasurement of defined benefit plans net of income tax	(32.80)	77.98
Payment of dividends on equity shares	(321.82)	-
Balance at the end of the year	(448.97)	78.08

14.4 Capital Reserve

	As at March 31, 2024	As at March 31, 2023 (Restated)
Balance at the beginning of the year	3,681.60	-
Reserve created on account of business combination (Refer note 34)	-	3,681.60
Adjustment due to difference in net assets from the acquisition date of January 01, 2024 and accounting date as per Ind AS 103 (refer note 34)	(800.52)	-
Balance at the end of the year	2,881.08	3,681.60



TQ Cert Services Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2024

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15. Non current borrowings

	As at March 31, 2024	As at March 31, 2023 (Restated)
Debentures - Liability component of compound financial instruments	506.47	-
Total	506.47	-

Note:

15.(i) Terms of Debentures - Liability component of Compound Financial Instruments :

Sl. No.	Series	Face Value per debenture (In ₹)	No. of Debentures	Date of Allotment	Current maturities as at March 31, 2024	Interest rate	Terms of conversion
1	J	100,000	1,100	February 08, 2024	-	1% payable annually	To be converted into equity shares after completion of 8 years but before completion of 10 years from date of allotment.

Net debt reconciliation

This section sets out the changes in liabilities arising from financing activities in the statement of cash flows:

	As at March 31, 2024	As at March 31, 2023 (Restated)
Opening balance (Borrowings and lease liabilities)	119.27	159.74
Add: Proceeds from borrowings	1,100.00	-
Less: Payment of lease liabilities	(54.58)	(51.80)
Add: Interest expense	14.99	11.33
Add: Tax deducted on interest payable	(0.71)	-
Less: Interest paid	-	-
Less: Equity portion of compound financial instruments	(599.94)	-
Closing balance	579.03	119.27

16. Lease liabilities

	As at March 31, 2024	As at March 31, 2023 (Restated)
Non-Current		
Lease Liabilities	19.10	72.56
Current		
Lease Liabilities	53.46	46.71
Total	72.56	119.27

17. Provisions

	As at March 31, 2024	As at March 31, 2023 (Restated)
Non-current		
Gratuity	15.97	-
Sub-Total	15.97	-
Current		
Compensated absences (refer note below)	183.36	136.52
Sub-Total	183.36	136.52
Total	199.33	136.52

Note: The entire amount of provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However based on past experience on a group level, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months. The amount not expected to be settled within next 12 months as per actuarial valuation is INR 118.18 lakhs (As at March 31, 2023 - 96.59 lakhs).



TQ Cert Services Private Limited
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18. Trade payables

	As at March 31, 2024	As at March 31, 2023 (Restated)
Trade payables		
(a) total outstanding dues of micro and small enterprises *	224.32	172.04
(b) total outstanding dues other than (a) above	3,900.07	3,058.31
Total	4,124.39	3,230.35

The average credit period ranges from 30 days to 90 days. 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.

Note:

Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 #

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	198.46	153.89
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	7.71	10.22
(c) The amount of interest paid by the buyer in terms of section 16 of MSMED Act, along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	25.86	18.15
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act	25.86	18.15

amounts unpaid to micro and small enterprises on account of retention money has not been considered for the purpose of interest calculations.

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

Trade Payables ageing schedule for the year ended March 31, 2024

Particulars	Unbilled dues	Outstanding for following periods from accounting date					Total
		Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	
Undisputed							
Micro and small enterprises	25.86	180.14	18.32	-	-	-	224.32
Others	2,605.00	1,239.85	37.93	14.78	0.66	1.85	3,900.07
Disputed							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	2,630.86	1,419.99	56.25	14.78	0.66	1.85	4,124.39

Trade Payables ageing schedule for the year ended March 31, 2023

Particulars	Unbilled dues	Outstanding for following periods from accounting date					Total
		Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	
Undisputed							
Micro and small enterprises	18.15	153.89	-	-	-	-	172.04
Others	634.77	2,278.70	102.33	40.66	1.35	0.50	3,058.31
Disputed							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	652.92	2,432.59	102.33	40.66	1.35	0.50	3,230.35



TQ Cert Services Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2024
All amounts are in ₹ Lakhs unless otherwise stated

19. Other financial liabilities

	As at March 31, 2024	As at March 31, 2023 (Restated)
Current		
(a) Payable to Parent Company (TPL) (Refer note 34)	-	6,432.16
(b) Contractual reimbursable expenses payable to related party	43.41	77.93
Total	43.41	6,510.09

20. Other current liabilities

	As at March 31, 2024	As at March 31, 2023 (Restated)
(a) Advances from customers including mobilisation advances (refer note 7.2 and 7.3)	692.92	658.23
(b) Employee benefits payable	211.35	4.97
(c) Others		
i) Other payables		
- Statutory remittances	489.80	12.24
- Security deposits received	0.80	-
Total	1,394.87	675.44

21. Revenue from operations

	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
Income from services	24,731.43	22,241.56
Total	24,731.43	22,241.56
Notes:		
Disaggregated revenue Information: The Company has disaggregated the revenue basis on the nature of work performed.		
(i) Income from services comprises :		
- Quality inspection services (over the period of time)	23,687.97	20,857.93
- Certification services (at a point in time)	1,043.46	1,383.63
Total	24,731.43	22,241.56

22. Other Income

	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
(a) Interest Income from financial assets carried at amortised cost		
Bank deposits	22.56	12.36
	22.56	12.36
(b) Other non-operating Income (net of expenses directly attributable to such Income)		
Interest income from statutory authorities	2.08	0.65
Miscellaneous income	87.78	-
Reversal of Expected credit loss allowance	-	297.63
Net foreign exchange gain	-	234.37
	89.86	532.65
Total	112.42	545.01

23. Contract execution expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
(a) Manpower supply expenses	17,109.97	15,539.28
(b) Machinery hire charges	154.66	86.69
(c) Other contract execution expenses	559.27	72.90
Total	17,823.90	15,698.87

24. Employee benefits expense

	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
(a) Salaries and wages	2,909.79	4,025.79
(b) Contribution to provident fund (refer note 33)	106.49	129.33
(c) Gratuity (refer note 33)	46.12	47.73
(d) Superannuation (refer note 33)	55.64	74.73
(e) Leave compensation (refer note 33)	155.26	24.96
(f) Staff welfare expenses	160.74	92.14
	3,434.04	4,394.68



TQ Cert Services Private Limited**Notes forming part of Financial Statements for the year ended March 31, 2024**

All amounts are in ₹ Lakhs unless otherwise stated

25. Finance costs

	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
Interest expense on		
(a) Compulsory convertible Debentures-CCD	7.12	-
(b) Lease Liabilities	7.87	11.33
(c) Interest on delayed payment of MSME	7.71	10.22
(d) Others	-	18.15
Total	22.70	39.70

26. Depreciation and amortisation expense

	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
(i) Depreciation of property, plant and equipment (refer note 4)	55.73	49.16
(ii) Amortisation of intangible assets (refer note 5(b))	-	9.81
(iii) Depreciation of Right-of-use assets (refer note 5(a))	42.99	42.99
Total	98.72	101.96

27. Other expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
Rent [refer note 5 (a) (v)]	381.69	365.92
Repairs and maintenance		
- Others	95.13	111.66
Power, fuel and utility expenses	34.24	59.79
Rates and taxes	84.96	19.59
Motor vehicle expenses	386.41	270.46
Travelling and conveyance	1,546.44	1,588.29
Legal and professional	53.52	23.60
Payment to auditors (refer note below)	14.00	1.88
Communication expenses	58.17	83.54
Printing and stationery	5.97	6.83
Staff recruitment and training expenses	38.96	14.46
Business development expenditure	36.88	52.68
Bank charges	42.75	52.78
Expected credit loss allowance	659.99	-
Net foreign exchange loss	140.02	-
Advances Write off	-	463.59
Miscellaneous expenses	9.49	119.99
Total	3,588.62	3,235.06

Note:

Payment to statutory auditors comprises of:

Audit fees	4.50	1.45
Tax audit fees	0.50	0.28
Fees for other services which are mandatorily required to be obtained from statutory auditors	8.00	-
Reimbursement of expenses	1.00	0.15
Total	14.00	1.88



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Notes forming part of Financial Statements for the year ended March 31, 2024
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28 Tax expense

28.1 Income taxes recognised in statement of profit and loss

	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
Current tax		
Current tax	131.09	59.89
Deferred tax		
Decrease/(increase) in deferred tax assets	(82.79)	(9.49)
Total income tax expense	48.30	50.40

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

	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
Loss before tax	(124.13)	(683.70)
Less: Loss of TIC business acquired for 9 months ended December 31, 2023 (refer note 34 (c) and (d))	(308.34)	(883.96)
Profit for the purpose of income tax	184.21	200.26
Income tax expense calculated*	46.36	50.40
Effect of expenses that are not deductible in determining taxable profit	1.94	-
Income tax expense recognised in statement of profit and loss	48.30	50.40

*The tax rate used for the year FY 2023-24 and FY 2022-23 reconciliations above is the corporate tax rate of 25.168% (including surcharge and education cess) payable by corporate entities in India on taxable profits under the Indian Tax Law.

28.3 Income tax expenses recognised in other comprehensive income

	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
Current tax		
Remeasurements of defined benefit plans	-	-
Deferred tax		
Remeasurements of defined benefit plans	0.17	-
Total income tax recognised in other comprehensive income	0.17	-

29 There are no contingent liabilities and commitments for the year ended March 31, 2024 (March 31, 2023 - Nil).



TQ Cert Services Private Limited
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30 Financial Instruments

(i) Capital Management

The company's business model is working capital centric. The company manages its working capital needs and long term capital expenditure, through a balanced mix of capital (including retained earnings) and borrowings.

The capital structure of the company comprises of net debt (borrowings reduced by cash and bank balances) and equity.

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 gearing ratio as at March 31, 2024 is -8.90% (March 31, 2023: Nil).

(ii) Gearing Ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)
Total Borrowings (Current and Non-Current)	506.47	-
Less: Cash and bank balances (Cash and cash equivalents and other bank balances)	1,523.64	941.68
Adjusted net debt	-1,017.17	-941.68
Total Equity (Equity share capital + Other equity - Equity component of compound financial instruments - Capital reserve)	11,427.44	241.94
Adjusted net debt to adjusted equity ratio	-8.90%	0.00%

(iii) Categories of Financial Instruments

a) Financial Assets

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)
Non-current		
Investments	6,380.37	-
Other financial assets	94.99	361.65
Current		
Trade receivables	8,699.02	7,010.02
Cash and cash equivalents	1,274.76	941.68
Bank balances other than those mentioned above	248.88	-
Other financial assets	2,845.40	5,371.16
Total	19,543.42	13,684.51

b) Financial Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)
Financial liabilities		
Non-current		
Borrowings	506.47	-
Lease liabilities	19.10	72.56
Current		
Trade payables	4,124.39	3,230.35
Lease liabilities	53.46	46.71
Other financial liabilities	43.41	6,510.09
Total	4,746.83	9,859.71

(iv) Financial risk management objectives

The company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international markets, monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate and other price risk), credit risk and liquidity risk.

The Corporate treasury function reports monthly to Holding Company and periodically to the Board of Directors, who monitor risks and policies implemented to mitigate risk exposures.

(v) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as commodity price risk. There has been no significant changes to company's exposure to market risk or the methods in which they are managed or measured. The Company has a policy of investing surplus cash balances in instruments which are subject to minimum market risk.

(vi) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Currency	Liabilities		Assets	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
US Dollar	USD	813.81	567.56	3,685.32	145.04
United Arab Emirates Dirham	AED	525.99	-	900.21	-
Euro	EUR	141.60	74.97	228.57	-
Great Britain Pound	GBP	0.82	-	-	-
Qatar Rial	QAR	7.23	-	-	-
South Korea	KRW	-	-	6.80	-



TQ Cert Services Private Limited
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30 Financial Instruments (Continued..)

(vii) Foreign currency sensitivity analysis

The above exposures when subjected to a sensitivity of 4% have the following impact:

Particulars	Currency	Impact on loss before tax as at March 31, 2024		Impact on loss before tax as at March 31, 2023	
		Increase in rate by 4%*	Decrease in rate by 4%*	Increase in rate by 4%*	Decrease in rate by 4%*
US Dollar	USD	114.86	(114.86)	(16.90)	16.90
United Arab Emirates Dirham	AED	14.97	(14.97)	-	-
Euro	EUR	3.48	(3.48)	(3.00)	3.00
Great Britain Pound	GBP	(0.03)	0.03	-	-
Qatari Rial	QAR	(0.29)	0.29	-	-
South Korea	KRW	0.27	(0.27)	-	-

*Holding all other variables constant. Negative amounts represents increase in loss before tax.

(viii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any interest rate risk as it has only fixed rate borrowings from the Holding Company.

(ix) Other price risks

Company's investments in equity instruments are restricted to its investment in its subsidiaries which are held for strategic purposes rather than for trading. The Company, as on the reporting date of March 31, 2024 has three subsidiaries which include companies incorporated in abroad. All the subsidiaries are closely held companies and unlisted. However the purpose of all such investments being strategic rather than for trading, as mentioned above, the Company does not recognise any impact of sensitivity in the equity prices.

(x) Credit Risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss. To manage this, the company periodically assesses the financial reliability of its customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables.

Expected credit loss allowance on financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current		
Trade Receivables	-	-
Construction revenue receivable	-	-
Current		
Trade Receivables	(7,211.09)	(3,564.71)
Contractual reimbursable expense	-	(247.07)
Unbilled revenue	(13.61)	(117.83)

Expected credit loss allowance of trade receivables for year ended March 31, 2024

Ageing	Gross carrying amount	Expected credit loss allowance	Carrying amount of trade receivables net of expected credit loss
Not due	3,013.40	260.05	2,753.35
Less than 6 months	3,501.86	290.27	3,211.59
6 months - 1 year	1,804.37	396.95	1,407.42
1 - 2 years	686.27	264.90	421.37
2 - 3 years	507.36	279.05	228.31
More than 3 years	1,396.90	719.87	677.03
Total	10,910.11	2,211.09	8,699.02

Expected credit loss allowance of trade receivables for year ended March 31, 2023

Ageing	Gross carrying amount	Expected credit loss allowance	Carrying amount of trade receivables net of expected credit loss
Not due	2,699.71	134.99	2,564.72
Less than 6 months	3,693.05	317.44	3,375.61
6 months - 1 year	612.13	153.79	458.34
1 - 2 years	172.94	96.73	76.21
2 - 3 years	802.16	475.19	326.97
More than 3 years	594.74	386.57	208.17
Total	8,574.73	1,564.71	7,010.02

(xi) Liquidity Risk Management

Liquidity risk is the risk that the company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due. Company's treasury maintains flexibility in funding by maintaining availability under deposits in banks, adequate limits in the current accounts etc. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Liquidity Risk:

(i) Contractual maturities of financial liabilities:

Particulars	As at March 31, 2024			
	Less than 6 months	6 - 12 months	More than 12 months	Total
Non-Current				
Borrowings	-	-	506.47	506.47
Lease Liabilities	-	-	19.10	19.10
Current				
Trade payables	1,419.99	73.54	-	1,493.53
Lease Liabilities	25.74	21.72	-	47.46
Other Financial liabilities	43.41	-	-	43.41

Particulars	As at March 31, 2023			
	Less than 6 months	6 - 12 months	More than 12 months	Total
Non-Current				
Lease Liabilities	-	-	72.56	72.56
Current				
Trade payables	2,432.59	144.84	-	2,577.43
Lease Liabilities	22.43	24.28	-	46.71
Other Financial liabilities	6,510.09	-	-	6,510.09



TQ Cert Services Private Limited**Notes forming part of Financial Statements for the year ended March 31, 2024**

All amounts are in ₹ Lakhs unless otherwise stated

30 Financial Instruments (Continued..)(xii) Fair value measurements

Fair value of financial assets and liabilities measured at amortised cost.

Trade receivables, cash and cash equivalents, other bank balances, loans and other financial assets are at carrying values that approximate fair value. Borrowings, 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.

All the financial assets and financial liabilities of the Company are measured at amortized cost.

Fair value hierarchy of financial assets and liabilities as at March 31, 2024

Particulars	Level 1	Level 2	Level 3
Non-current financial assets			
(i) Investments			
a) Other investments	-	-	6,380.37
(ii) Other financial assets	-	-	94.99
Total	-	-	6,475.36
Current financial assets			
(i) Trade receivables	-	-	8,699.02
(ii) Cash and cash equivalents	-	-	1,274.76
(iii) Other bank balances	-	-	248.88
(iv) Other financial assets	-	-	2,845.40
Total	-	-	13,068.06
Non-current financial liabilities			
(i) Borrowings	-	-	506.47
(ii) Lease Liabilities	-	-	19.10
Total	-	-	525.57
Current financial liabilities			
(i) Borrowings	-	-	-
(ii) Trade Payables	-	-	4,124.39
(iii) Lease Liabilities	-	-	53.46
(iv) Other financial liabilities	-	-	43.41
Total	-	-	4,221.26

Fair value hierarchy of financial assets and liabilities as at March 31, 2023

Particulars	Level 1	Level 2	Level 3
Non-current financial assets			
(i) Investments	-	-	-
a) Other investments	-	-	-
(ii) Other financial assets	-	-	361.65
Total	-	-	361.65
Current financial assets			
(i) Trade receivables	-	-	7,010.02
(ii) Cash and cash equivalents	-	-	941.68
(iii) Other financial assets	-	-	5,371.16
Total	-	-	13,322.86
Non-current financial liabilities			
(i) Lease Liabilities	-	-	72.56
Total	-	-	72.56
Current financial liabilities			
(i) Trade Payables	-	-	3,230.35
(ii) Lease Liabilities	-	-	46.71
(iii) Other financial liabilities	-	-	6,510.09
Total	-	-	9,787.15

(xiii) The company does not have any offsetting financial instruments as at March 31, 2024 and March 31, 2023.



TQ Cert Services Private Limited**Notes forming part of Financial Statements for the year ended March 31, 2024**

All amounts are in ₹ Lakhs unless otherwise stated

31 Earnings per Share

		Year ended March 31, 2024	Year ended March 31, 2023 (Restated)
Loss for the year	A	(172.43)	(734.10)
Basic and Diluted			
Weighted average number of equity shares of ₹ 10/- each outstanding during the year	B	67.62	16.39
Earnings per share (face value of ₹ 10/- each)			
Earnings per share - Basic and Diluted	A/B	(2.55)	(44.79)

Weighted average number of equity shares used as the denominator in calculating earnings per share

	Number of shares March 31, 2024	Number of shares March 31, 2023
Shares at beginning of the year	1,638,600	1,638,600
Rights issue during the year (Refer note 13(v))	5,122,985	-
Weighted average number of equity shares used as the denominator in calculating Basic and Diluted earnings per share	6,761,585	1,638,600

Note:

Compulsorily Convertible Debentures (CCD's) issued during the year are considered to be potential equity shares. The CCD's has not been included in the calculation of diluted earning per share because they are antidilutive in nature for the year ended March 31, 2024.



TQ Cert Services Private Limited**Notes forming part of Financial Statements for the year ended March 31, 2024**

All amounts are in ₹ Lakhs unless otherwise stated

32 Related party transactions**Details of related parties with whom the Company had transactions and account balances:**

Description of relationship	Names of related parties
(i) Ultimate Holding Company (w.e.f October 27, 2023)	Tata Sons Private Limited
(ii) Holding Company	Tata Projects Limited
(iii) Subsidiaries (w.e.f December 31, 2023) Fellow subsidiaries (from April 01, 2023 till December 30, 2023)	TQ Services Europe Gmbh (w.e.f December 31, 2023) Industrial Quality Services LLC Oman (w.e.f December 31, 2023) IND Project Engineering (Shanghai) Co. Ltd. (w.e.f December 31, 2023)
(iv) Associate of Holding Company	Arth Designbuild India Private Limited
(v) Associate of Ultimate Holding company (w.e.f October 27, 2023)	Tata Chemicals Limited Tata Motors Limited Tata Steel Limited Titan Company Limited
(vi) Entity holding more than 20% in Holding Company	Tata Power Company Limited Tata Sons Private Limited (from April 28, 2023 to October 26, 2023)
(vii) Jointly Controlled Operations of Holding Company	Daewoo-TPL JV Gulermak - TPL Pune Metro Joint Venture TPL-JBTPL Joint Venture
(ix) Subsidiaries of Associate of Ultimate Holding company (w.e.f October 27, 2023)	Jaguar Land Rover Technology and Business Services India Private Limited Neelachal Ispat Nigam Limited Roots Corporation Limited Tata Chemicals Magadi Limited Tata Metaliks Ltd Tata Coffee Limited Tata Steel Utilities and Infrastructure Services Limited Universal MEP Projects & Engineering Services Limited Voltas Qatar W.L.L
(x) Subsidiaries of Entity holding more than 20% in Holding Company	Maithon Power Limited Tata Power Solar Systems Ltd. TP Northern Odisha Distribution Limited TP Saurya Limited TP Solar Limited Coastal Gujarat Power Limited
(xi) Subsidiaries of Ultimate Holding company (w.e.f October 27, 2023) and Subsidiaries of entity holding more than 20% in Holding Company (from April 28, 2023 till October 26, 2023)	Tata AIG General Insurance Company Ltd Tata Electronics Private Limited Tata International Limited Tata Medical and Diagnostics Limited Tata Teleservices Limited Tata Advanced Systems Limited
(xii) Fellow Subsidiaries	TPL CIL Construction LLP TPL Services Private Limited (incorporated on June 27, 2023)
(xiii) Key Management Personnel	Sridhar Parameswaran - CEO (W.E.F January 02, 2024) Delli Harish - CFO (W.E.F January 02, 2024) Ashish Sharma - CS (W.E.F January 02, 2024) Himanshu Chaturvedi - Director (W.E.F February 16, 2023) Sanjay Sharma - Additional Director (W.E.F September 08, 2023) Deepak Natarajan - Additional Director (W.E.F June 10, 2024) Vinayak Ratnakar Pai - Additional Director (W.E.F September 08, 2023)

Note:

Transactions with related parties disclosed as part of this note includes transactions entered into by TQ Cert Services Private Limited and doesn't have transactions which was entered into by Tata Projects Limited and has been transferred as part of acquisition of TIC business and being disclosed as part of financial statement as explained in note 34.



TQ Cert Services Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2024
 All amounts are in ₹ Lakhs unless otherwise stated

32 Related party transactions (Continued)

Nature of relation with the entity	Name of the counterparty	Transactions during the year	Balances outstanding at the end of the year	Transactions during the year	Balances outstanding at the end of the year
		March 31, 2024	March 31, 2024	March 31, 2023	March 31, 2023
Holding Company	Tata Projects Limited				
	Revenue from operations	519.98	-	707.37	-
	Contract execution expenses	67.05	-	391.79	-
	Dividend Paid	321.82	-	-	-
	Issue of Compulsory Convertible Debentures	1,100.00	1,100.00	-	-
	Purchase of investment in foreign subsidiaries	6,380.37	-	-	-
	Purchase of business division	6,432.16	-	-	-
	Interest payable on debentures	-	6.40	-	-
	Trade Receivables	-	1,146.57	-	101.99
	Interest on Debentures	7.12	-	-	-
	Contractual reimbursement expense - payable	-	9.25	-	77.93
Fund assets receivable	-	167.20	-	-	
Jointly Controlled Operations of Holding Company	Daewoo-TPL JV				
	Revenue from operations	13.20	-	-	-
Subsidiaries (w.e.f December 31, 2023) Fellow subsidiaries (from April 01, 2023 till December 30, 2023)	IND Project Engineering (Shanghai) Co. Ltd.				
	Revenue from operations	39.77	-	-	-
	Contract execution expenses	182.86	-	-	-
	Trade Receivables	-	77.81	-	-
	Contractual reimbursement expense - receivable	-	34.90	-	-
Trade payables	-	267.48	-	-	
Subsidiaries (w.e.f December 31, 2023) Fellow subsidiaries (from April 01, 2023 till December 30, 2023)	Industrial Quality Services LLC Oman				
	Contract execution expenses	2.53	-	-	-
	Revenue from operations	4.53	-	-	-
	Trade Receivables	-	24.70	-	-
	Contractual reimbursement expense - receivable	-	1.95	-	-
Trade Payables	-	23.00	-	-	
Subsidiary of Associate of Ultimate Holding company (w.e.f October 27, 2023)	Jaguar Land Rover Technology and Business Services India Private Limited				
	Revenue from operations	6.74	-	-	-
Trade Receivables	-	0.13	-	-	
Subsidiary of Associate of Ultimate Holding company (w.e.f October 27, 2023)	Roots Corporation Limited				
	Contract execution expenses	0.06	-	-	-
Trade payables	-	0.07	-	-	
Subsidiaries of Ultimate Holding company (w.e.f October 27, 2023) and Subsidiaries of entity holding more than 20% in Holding Company (from April 28, 2023 till October 26, 2023)	Tata Advanced Systems Limited				
	Revenue from operations	94.38	-	-	-
Trade Receivables	-	18.91	-	-	
Subsidiaries of Ultimate Holding company (w.e.f October 27, 2023) and Subsidiaries of entity holding more than 20% in Holding Company (from April 28, 2023 till October 26, 2023)	TATA AIG GENERAL INSURANCE COMPANY LTD				
	Contract execution expenses	0.04	-	-	-
	Advances given	-	1.38	-	-
	Trade payables	-	0.82	-	-
Associate of Ultimate Holding company (w.e.f October 27, 2023)	Tata Chemicals Limited				
	Revenue from operations	27.41	-	-	-
Trade Receivables	-	48.39	-	-	
Subsidiaries of Ultimate Holding company (w.e.f October 27, 2023) and Subsidiaries of entity holding more than 20% in Holding Company (from April 28, 2023 till October 26, 2023)	Tata Electronics Private Limited				
	Revenue from operations	32.87	-	-	-
Trade Receivables	-	8.37	-	-	
Subsidiaries of Ultimate Holding company (w.e.f October 27, 2023) and Subsidiaries of entity holding more than 20% in Holding Company (from April 28, 2023 till October 26, 2023)	Tata International Limited				
	Revenue from operations	26.65	-	-	-
Trade Receivables	-	24.77	-	-	



TQ Cert Services Private Limited**Notes forming part of Financial Statements for the year ended March 31, 2024**

All amounts are in ₹ Lakhs unless otherwise stated

32 Related party transactions (Continued)

Nature of relation with the entity	Name of the counterparty	Transactions during the year	Balances outstanding at the end of the year	Transactions during the year	Balances outstanding at the end of the year
		March 31, 2024	March 31, 2024	March 31, 2023	March 31, 2023
Subsidiaries of Ultimate Holding company (w.e.f October 27, 2023) and Subsidiaries of entity holding more than 20% in Holding Company (from April 28, 2023 till October 26, 2023)	Tata Medical and Diagnostics Limited	Revenue from operations	1.26	-	-
	Trade Receivables	-	0.66	-	-
Subsidiaries of Associate of Ultimate Holding company (w.e.f October 27, 2023)	Tata Metaliks Ltd	Revenue from operations	8.69	-	-
	Trade Receivables	-	11.22	-	-
Subsidiaries of Entity holding more than 20% in Holding Company	Tata Power Solar Systems Ltd.	Revenue from operations	15.23	-	-
	Trade Receivables	-	80.22	-	-
	Advances received	-	4.08	-	-
Associate of Ultimate Holding company (w.e.f October 27, 2023)	Tata Steel Limited	Revenue from operations	170.66	-	-
	Trade Receivables	-	264.54	-	-
Subsidiaries of Ultimate Holding company (w.e.f October 27, 2023) and Subsidiaries of entity holding more than 20% in Holding Company (from April 28, 2023 till October 26, 2023)	Tata Teleservices Limited	Contract execution expenses	0.40	-	-
Entity holding more than 20% in Holding Company	Tata Power Company Limited	Revenue from operations	1.21	-	-
	Trade Receivables	-	6.65	-	-
	Advances given	-	0.02	-	-
Subsidiaries of Entity holding more than 20% in Holding Company	TP Solar Limited	Revenue from operations	15.73	-	-
	Trade Receivables	-	21.66	-	-
Fellow Subsidiaries	TPL CIL Construction LLP	Revenue from operations	18.00	-	-
	Trade Receivables	-	6.64	-	-
Subsidiaries (w.e.f December 31, 2023) Fellow subsidiaries (from April 01, 2023 till December 30, 2023)	TQ Services Europe GmbH	Revenue from operations	1.47	-	-
	Contract execution expenses	42.54	-	-	-
	Trade Receivables	-	257.50	-	-
	Trade payables	-	51.73	-	-
Fellow Subsidiaries	TPL Services Private Limited	Contractual reimbursement expense - payable	-	71.01	-



TQ Cert Services Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2024
All amounts are in ₹ Lakhs unless otherwise stated

32 Related party transactions (Continued)

Nature of relation with the entity	Name of the counterparty	Transactions during the year	Balances outstanding at the end of the year	Transactions during the year	Balances outstanding at the end of the year
		March 31, 2024	March 31, 2024	March 31, 2023	March 31, 2023
Associate of Holding Company	Arth Designbuild India Private Limited	Advances given	-	27.40	-
		Trade payables	-	55.29	-
Subsidiaries of Entity holding more than 20% in Holding Company	Coastal Gujarat Power Limited	Trade Receivables	-	0.07	-
Jointly Controlled Operations of Holding Company	Gulermak - TPL Pune Metro Joint Venture	Trade Receivables	-	0.07	-
Jointly Controlled Operations of Holding Company	TPL-JBTPL Joint Venture	Revenue from operations	1.39	-	-
Subsidiaries of Entity holding more than 20% in Holding Company	Malthon Power Limited	Trade Receivables	-	0.42	-
Subsidiaries of Associate of Ultimate Holding company (w.e.f October 27, 2023)	Neelachal Ispat Nigam Limited	Trade Receivables	-	0.11	-
Subsidiaries of Associate of Ultimate Holding company (w.e.f October 27, 2023)	Tata Chemicals Magadi Limited	Revenue from operations	0.16	-	-
		Trade Receivables	-	0.19	-
Subsidiaries of Associate of Ultimate Holding company (w.e.f October 27, 2023)	Tata Coffee Limited	Trade Payables	-	1.31	-
Associate of Ultimate Holding company (w.e.f October 27, 2023)	Tata Motors Limited	Trade Receivables	-	36.72	-
Subsidiaries of Associate of Ultimate Holding company (w.e.f October 27, 2023)	Tata Steel Utilities and Infrastructure Services Limited	Trade Receivables	-	0.02	-
Associate of Ultimate Holding company (w.e.f October 27, 2023)	Titan Company Limited	Trade Receivables	-	2.27	-
Subsidiaries of Entity holding more than 20% in Holding Company	TP Northern Odisha Distribution Limited	Security Deposit given	-	0.05	-
Subsidiaries of Entity holding more than 20% in Holding Company	TP Saurya Limited	Trade Receivables	-	6.63	-
Subsidiaries of Associate of Ultimate Holding company (w.e.f October 27, 2023)	Universal MEP Projects & Engineering Services Limited	Trade Receivables	-	2.23	-
Subsidiaries of Associate of Ultimate Holding company (w.e.f October 27, 2023)	Voltas Qatar W.L.L	Trade Receivables	-	0.23	-
Key Management Personnel	Key Management Personnel	Short Term Employee Benefits	68.35	-	-



TQ Cert Services Private Limited**Notes forming part of Financial Statements for the year ended March 31, 2024**

All amounts are in ₹ Lakhs unless otherwise stated

33 Employee benefit plan**Defined Contribution plan**

The Company makes contributions to Provident Fund and Superannuation Fund which are defined contribution plans for qualifying employees. Under these Schemes, the Company contributes a specified percentage of the payroll costs to the respective funds.

The Company has recognized as an expense in the Statement of Profit and Loss the following:

- ₹ 55.64 lakhs (March 31, 2023: ₹ 74.73 lakhs) for Superannuation fund contributions with Life Insurance Corporation ('LIC')
- ₹ 106.49 lakhs (March 31, 2023: ₹ 129.33 lakhs) for Provident Fund with Employees' Provident Fund Organization ('EPFO')

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset / (liability), which need to be provided for in the books of accounts of the Company.

As required by Ind AS19, the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian government security yields prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation.

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a net asset position, the recognized asset is limited to the present value of economic benefits available in form of reductions in future contributions.

Remeasurements arising from defined benefit plans comprises of actuarial gains and losses on benefit obligations, the return on plan assets in excess of what has been estimated and the effect of asset ceiling, if any, in case of over funded plans. The Company recognizes these items of remeasurements immediately in other comprehensive income and all the other expenses related to defined benefit plans as employee benefit expenses in the statement of profit and loss.

(a) Gratuity

The following tables set out the funded status of Gratuity and the amounts of Gratuity recognized in the company's financial statements as at March 31, 2024 and March 31, 2023.

Change In Defined Benefit Obligation (DBO) during the year	Year ended March 31, 2024	Year ended March 31, 2023 (Restated)
	Gratuity (funded)	Gratuity (funded)
Opening defined benefit obligations	724.00	702.78
Current service cost	50.86	49.91
Interest Cost	49.66	44.70
Actuarial (Gains)/losses arising from changes in demographic assumptions	(31.19)	-
Actuarial (Gains)/losses arising from changes in financial assumptions	12.04	(37.38)
Actuarial (Gains)/losses arising from experience assumptions	57.73	(36.01)
Closing defined benefit obligation	863.10	724.00

Change in fair value of plan assets during the year	Year ended March 31, 2024	Year ended March 31, 2023 (Restated)
	Gratuity (funded)	Gratuity (funded)
Opening fair value of plan assets	786.78	735.31
Interest income on plan assets	54.40	46.88
Remeasurement gains/(losses)	5.95	4.59
Closing fair value of plan assets *	847.13	786.78

* The above balance as at March 31, 2024 includes amount of Rs 167.2 lakhs receivable from parent entity pursuant to division purchase transaction as mentioned in note 34.

Amount recognised in Balance sheet	Year ended March 31, 2024	Year ended March 31, 2023 (Restated)
	Gratuity (funded)	Gratuity (funded)
Present value of funded defined benefit obligation	863.10	724.00
Fair value of plan assets	847.13	786.78
Funded status	15.97	(62.78)
Net liability/(assets) arising from defined benefit obligation	15.97	(62.78)
Net Defined benefit obligation bifurcated as follows		
Current (refer note 17)	-	-
Non-Current (refer note 17)	15.97	-
Total	15.97	-

For the year ended March 31, 2023, the entity has excess fund asset balance over the defined benefit obligation as determined by actuary, hence the same has been disclosed as 'other current assets' (refer note 12).

The gratuity plan of the company is administered through a trust formed by the company and the trustees of the fund have outsourced the investment management of the fund to Life Insurance Corporation (LIC). The Insurance company in turn manages gratuity fund as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations.



TQ Cert Services Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2024
All amounts are in ₹ Lakhs unless otherwise stated

GRATUITY: The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

Components of employer expense	Year ended March 31, 2024	Year ended March 31, 2023 (Restated)
	Gratuity (funded)	Gratuity (funded)
Current service cost	50.86	49.91
Interest Cost on net defined benefit liability/(asset)	(4.74)	(2.18)
Components of defined benefit costs recognised in statement of profit and loss	46.12	47.73
Opening amount recognised in OCI outside statement of profit and loss	(77.98)	-
Remeasurement:		
Return on plan assets	(5.95)	(4.59)
Actuarial (Gains)/losses arising from changes in demographic assumptions	(31.19)	-
Actuarial (Gains)/losses arising from changes in financial assumptions	12.04	(37.38)
Actuarial (Gains)/losses arising from experience assumptions	57.73	(36.01)
Adjustment to recognise the effect of asset ceiling	-	-
Components of defined benefit costs recognised in other comprehensive income	32.63	(77.98)

The current service cost and the net interest expense for the year are included in the "Employee benefits expense" line item in the statement of profit and loss.

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

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

	Fair value of plan assets as at	
	March 31, 2024	March 31, 2023 (Restated)
	Gratuity (funded)	Gratuity (funded)
Insurer Managed funds	847.13	786.78
Total	847.13	786.78

The plan does not invest directly in any property occupied by the Company nor in any financial securities issued by the Company.

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

	Year ended March 31, 2024	Year ended March 31, 2023 (Restated)
	Gratuity (funded)	Gratuity (funded)
Discount rate	7.20%	7.55%
Expected rate of salary increase	8.00%	8.00%
Retirement Age*		

* Mortality (applicable to Gratuity): Published rates under the Indian Assured Lives Mortality (2012-14) Ult table.

Sensitivity Analysis Company

	Year ended March 31, 2024	Year ended March 31, 2023 (Restated)
	Gratuity (funded)	Gratuity (funded)
Discount rate		
Impact of increase in 50 bps on DBO	-1.98%	-2.83%
Impact of decrease in 50 bps on DBO	2.06%	2.98%
Salary Escalation Rate		
Impact of increase in 50 bps on DBO	2.04%	2.95%
Impact of decrease in 50 bps on DBO	-1.97%	-2.83%

The expected cash flow profile of the benefits to be paid to the current membership of the plan, are as follows:

Maturity Profile	Year ended March 31, 2024	Year ended March 31, 2023 (Restated)
	Gratuity (funded)	Gratuity (funded)
Expected Benefits for year 1	230.05	132.61
Expected Benefits for year 2	152.66	82.88
Expected Benefits for year 3	112.21	92.99
Expected Benefits for year 4	107.73	65.34
Expected Benefits for year 5	130.58	71.70
Expected Benefits for year 6*	89.63	124.06
Expected Benefits for year 7*	66.33	86.11
Expected Benefits for year 8*	54.20	63.62
Expected Benefits for year 9*	55.72	51.90
Expected Benefits for year 10 and above*	213.90	454.63
Weighted average duration to the payment of these cash flows (in years)	4.04	-

Gratuity: The expected contribution payable to the gratuity plan next year is Nil.

(b) Employee benefits expense includes expenditure in relation to compensated absences (privileged and sick leave) aggregating to ₹ 155.26 (March 31, 2023 - ₹ 24.96).

The leave obligations cover the company's liability for earned leave which are classified as other long-term benefits.

The company does not have an unconditional right to defer settlement of any of these obligations. However, based on past experience, the group does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023 (Restated)
Leave obligations not expected to be settled within the next 12 months	118.18	96.59



TQ Cert Services Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2024
All amounts are in ₹ Lakhs unless otherwise stated

34 Business combination

Pursuant to the Agreement To Sell Business between Tata Projects Limited ("TPL", parent company) and TQ Cert Services Private Limited ("TQ Cert" or 'the Company'), the Testing, Inspection and Certification Business Undertaking ("TIC Business") of TPL has been transferred as a going concern and on a Slump sale basis effective January 1, 2024. The transfer of TIC Business is part of the TPL's overall transformation exercise. As TIC Business is transferred from parent company, the same has been accounted for in accordance with "Pooling of Interest Method" laid down by Appendix C of Indian Accounting Standard 103 (IND AS 103): (Business Combinations of entities under common control), notified under the Companies Act, 2013. Accordingly, all assets, liabilities of TIC Business have been recorded in the books of accounts of the Company at their existing carrying amount and in their same form. Further, as per Appendix C of Ind AS 103, the effect of amalgamation as per 'Pooling of Interest Method', at carrying value has been considered in the books retrospectively and the figures for the comparative year ended March 31, 2023 have been restated as if the transfer had occurred from the beginning of the comparative year in the financial statements i.e. April 1, 2022. Accordingly, the figures for the year ended March 31, 2023 and March 31, 2024 include the results of the Company and the TIC Business. The previous year's figures in the financial statements have been accordingly restated from April 1, 2022.

(a) Based on the assets and liabilities transferred as at December 31, 2023 the following table summarises the amounts of assets and liabilities which are assumed to be acquired as of April 1, 2022

Particulars	₹ In lakhs As at April 1, 2022
Non-current assets	
Property, plant and equipment	
Right to use assets	125.41
Intangible assets	143.29
Financial assets	9.81
(i) Other financial assets	
Total non-current assets	233.75
Current assets	512.26
Financial assets	
(i) Trade receivables	6,925.07
(ii) Other financial assets	2,944.17
Other current assets	709.68
Total current assets	10,578.92
Total Assets (A)	11,091.18
Non-current liabilities	
Financial liabilities	
(i) Lease liabilities	159.74
Provisions	105.90
Total non-current liabilities	265.64
Current liabilities	
Financial liabilities	
(i) Trade payables	472.52
(ii) Lease liabilities	-
Other current liabilities	239.26
Total current liabilities	711.78
Net Assets (A) - (B)	977.42
Less: Consideration paid for purchase of TIC Business from TPL (refer note 19)	10,113.76
Capital Reserve (recognised under reserves and surplus) (refer note 14)	6,432.16
	3,681.60



TQ Cert Services Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2024
All amounts are in ₹ Lakhs unless otherwise stated

(b) Re-stated Balance sheet as on March 31, 2023

Based on the assets and liabilities transferred as at December 31, 2023 the following table summarises the amounts of assets and liabilities which are assumed to be acquired as of March 31, 2023.

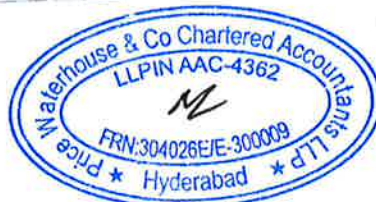
Particulars	As at March 31, 2023		
	Before effect of Business combination	Effect of TIC Business undertaking from TPL	Revised balance post effect of business combination
Non-current assets			
Property, plant and equipment	-	94.33	94.33
Right-of-use assets	-	100.30	100.30
Financial assets	-	-	-
(i) Investments	-	-	-
(ii) Other financial assets	233.84	127.81	361.65
Deferred tax assets (net)	31.80	-	31.80
Total non-current assets	265.64	322.44	588.08
Current assets			
Financial assets	-	-	-
(i) Trade receivables	312.27	6,697.75	7,010.02
(ii) Cash and cash equivalents	941.68	-	941.68
(iii) Other financial assets	79.79	5,291.37	5,371.16
Other current assets	42.82	657.12	699.94
Total current assets	1,376.56	12,646.24	14,022.80
Total Assets (A)	1,642.20	12,968.68	14,610.88
Non-current liabilities			
Financial liabilities	-	-	-
(i) Borrowings	-	-	-
(ii) Lease liabilities	-	72.56	72.56
Total non-current liabilities	-	72.56	72.56
Current liabilities			
Financial liabilities	-	-	-
(i) Trade payables	-	-	-
(a) total outstanding dues of micro and small enterprises	-	172.04	172.04
(b) total outstanding dues other than (a) above	165.78	2,892.53	3,058.31
(ii) Lease liabilities	-	46.71	46.71
(iii) Other financial liabilities	77.93	6,432.16	6,510.09
Provisions	-	136.52	136.52
Current tax liabilities (net)	15.67	-	15.67
Other current liabilities	334.90	340.54	675.44
Total current liabilities	594.28	10,020.50	10,614.78
Total liabilities (B)	594.28	10,093.06	10,687.34
Net Assets (A) - (B)	1,047.92	2,875.62	3,923.54
Equity share capital	163.86	-	163.86
Other Equity	884.06	2,875.62	3,759.68
Total	1,047.92	2,875.62	3,923.54

(c) Re-stated Statement of Profit or Loss account for the year ended March 31, 2023

Particulars	As at March 31, 2023		
	Before effect of Business combination	Effect of TIC Business undertaking from TPL	Revised balance post effect of business combination
Revenue from operations	1,383.63	20,857.93	22,241.56
Other income	12.95	532.06	545.01
Total Income	1,396.58	21,389.99	22,786.57
Expenses			
(a) Contract execution expenses	1,091.89	14,606.98	15,698.87
(b) Employee benefit expense	-	4,394.68	4,394.68
(c) Finance costs	-	39.70	39.70
(d) Depreciation and amortisation expense	-	101.96	101.96
(e) Other expenses	104.43	3,130.63	3,235.06
Total expenses	1,196.32	22,273.95	23,470.27
Profit/(loss) before tax	200.26	(883.96)	(683.70)
Tax expense			
(a) Current tax expense	59.89	-	59.89
(b) Deferred tax credit	(9.49)	-	(9.49)
Total tax expense	50.40	-	50.40
Profit/(loss) for the year	149.86	(883.96)	(734.10)
Other comprehensive income			
Items that will not be reclassified subsequently to the Statement of profit and loss	-	77.98	77.98
(i) Remeasurement on defined benefit plans	-	77.98	77.98
(ii) Income tax relating to these items	-	-	-
Total comprehensive income, net of taxes	149.86	(805.98)	(656.12)
Total comprehensive income for the year	149.86	(805.98)	(656.12)

Note:

The difference between net assets taken over as at April 01, 2022 adjusted with results of operations for the year ended March 2023 and net assets assumed to be acquired as at March 31, 2023 amounting to Rs 2,857.17 lakhs has been reported as receivable from related party under note 7.



TQ Cert Services Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2024
All amounts are in ₹ Lakhs unless otherwise stated

(d) Statement of Profit and Loss for the period ended December 31, 2023

Particulars	Effect of TIC Business undertaking from TPL
Revenue from operations	17,273.47
Other Income	85.80
Total Income	17,359.27
Expenses	
(a) Contract execution expenses	12,292.38
(b) Employee benefit expense	2,688.34
(c) Finance costs	6.26
(d) Depreciation, amortisation and impairment expense	70.32
(e) Other expenses	2,610.31
Total expenses	17,667.61
Profit/(loss) before exceptional item and tax (III - IV)	(308.34)
Exceptional Items	
(a) Cost of purchase of TIC Business undertaking	-
Loss before tax	(308.34)
Tax expense	
(a) Current tax expense	-
(b) Tax - earlier years	-
(c) Deferred tax credit	-
Total tax expense	-
Loss for the period	(308.34)
Other comprehensive Loss	(33.29)
Total comprehensive Loss for the year	(341.63)

Note:

The difference between net assets taken over as at April 01, 2022 adjusted with results of operations for the year ended March 2023 and for the period ended December 31, 2023 and net assets acquired as at December 31, 2023, amounting to Rs 800.52 lakhs has been adjusted to Capital reserve under note 14.



TQ Cert Services Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2024
All amounts are in ₹ Lakhs unless otherwise stated

35 Key Financial ratios

The ratios for the year ended March 31, 2024 and March 31, 2023 are as follows:

Particulars	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023 (Restated)	Variance %	Reason for variance if more than 25%
Current ratio (Number of times)	Total current assets	Total current liabilities	2.48	1.32	86%	On account of decrease in other current liabilities due to decrease in payable to parent company on account of business combination.
Debt Equity ratio (no of times)	Borrowings (Current + Non-current)	Equity Share capital + Other Equity (Less: Equity component of compound financial instruments and Capital reserve)	0.04	-	100%	On account of borrowings which were Nil as at March 31, 2023.
Debt service coverage ratio (no of times)	Loss for the year after tax + Interest on Borrowings + Depreciation and amortisation expense + Expected credit loss allowance (net of reversals) - Liabilities no longer required written back + other non cash items as included in the statement of cash flows	Interest on Borrowings + Principle Repayments of non-current borrowings	81.28	-	100%	On account of borrowings which were Nil as at March 31, 2023.
Return on Equity Ratio (%)	Loss for the year	Average Shareholders equity***	(1.80)	(30.45)	-9.4%	The variance is on account of increase in equity share capital and other equity on issue of shares during the year.
Trade receivables turnover ratio (no of times)	Revenue from operations for the year	Average trade receivables (Non current & Current)	3.15	3.07	3%	Not applicable
Trade payables turnover ratio (no of times)	Contract execution expenses + Other expenses	Average trade payables	5.82	8.73	-33%	The variance is on account of Increase in trade payables during the year.
Net capital turnover ratio (no of times)	Revenue from operations	Average working capital	4.12	5.77	-29%	On account of decrease in other current liabilities due to decrease in payable to parent company on account of business combination.
Net profit ratio (%)	Loss for the year	Revenue from operations	(0.70)	(3.30)	-79%	On account of decrease in loss before tax.
Return on Capital employed (%)	Loss before tax + Interest on borrowings	Tangible network** + Total Debt**	(0.77)	(17.43)	-96%	On account of borrowings which were Nil as at March 31, 2023.
Return on Investments (%)	Earning before Interest and taxes	Average Total assets	(0.57)	(4.65)	-88%	The variance is on account of Increase in investments during the year.

* Tangible network = Network - Intangible assets

** Total Debt = Non-current borrowings + Current borrowings - Interest accrued but not due on current borrowings - Interest accrued but not due on non-current borrowings

*** Average Share holders equity = Equity share capital + Other equity - Equity component of compound financial Instruments

a) Inventory turnover ratio is not applicable as there is no Inventory balance as at March 31, 2024 and March 31, 2023.



TQ Cert Services Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2024
All amounts are in ₹ Lakhs unless otherwise stated

36 Other notes

- 36.1 The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956 for the year ended March 31, 2024 and March 31, 2023.
- 36.2 During the current year and previous year, there are no charges or satisfaction of charges which are yet to be registered with the Registrar of Companies beyond the statutory period.
- 36.3 The Company is a subsidiary of Tata Projects Limited which is part of the TATA Group (the "Group"). The Group includes the following Core Investment Company (CIC) in its structure:
- Tata Sons Private Limited
 - Tata Industries Limited
 - Panatone Finvest Limited
 - TMF Holdings Limited
 - T S Investments (unregistered)
- 36.4 The Company has not received any whistleblower complaints during the financial year ended March 31, 2024 and March 31, 2023.
- 36.5 The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- 36.6 The Company has not received any funds from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- 36.7 There is no income surrendered or disclosed as income during the current and previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- 36.8 The Company has not traded or invested in crypto currency or virtual currency during the year ended March 31, 2024 and March 31, 2023.
- 36.9 The Company is not declared wilful defaulter by any bank or financial institution or government or any government authority during the current year and previous year.
- 36.10 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013, read with companies (Restriction on number of Layers) Rules 2017, and there are no Companies beyond the specified layers.
- 36.11 No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- 36.12 The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current and previous year.
- 36.13 The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- 37 **Operating segments**
 Ind AS 108 establishes standards for the way that business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Operating segments are defined as components of an enterprise for which discrete financial information is available. This is evaluated regularly by the Chief Operating Decision Maker ("CODM"), in deciding how to allocate resources and assessing the Company's performance. The Company is engaged in the Inspection and Certification services and operates in a single operating segment. Hence, as per Ind AS 108 'Operating Segment' specified under Section 133 of the Companies Act, 2013, there are no reportable segments applicable to the Company.

Information about geographical areas

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue, net		
India	15,238.83	15,016.33
Outside India	9,492.60	7,225.23

All the non current assets of the Company are located within India.

Information about major customers

No customer accounts for more than 10% of the revenue in the year ended March 31, 2024 (March 31, 2023: Nil).

- 38 Previous year's figures have been restated as per the requirements of Ind AS 103 'Business Combinations' (refer note 34).
- 39 **Approval of financial statements**
 The financial statements were approved for issue by the Board of Directors on June 28, 2024.

The financial statements have been prepared and presented in accordance with the amended Division II of Schedule III to the Companies Act, 2013 issued vide notification dated March 24, 2021 (the "Notification").

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


Manikanta Manoj BV
 Partner
 Membership Number: 229830

Place: Hyderabad
 Date: June 28, 2024

For and on behalf of the Board of Directors


Deepak Natarajan
 Director
 DIN: 06805859

Place: Mumbai
 Date: June 28, 2024


Debi Harish
 Chief Financial Officer

Place: Hyderabad
 Date: June 28, 2024


Himanshu Chaturvedi
 Director
 DIN: 08254228

Place: Mumbai
 Date: June 28, 2024


Ashish Sharma
 Company Secretary

Place: Hyderabad
 Date: June 28, 2024

