



# Safa Systems & Technologies Limited

CIN NO:L52100KL2021PLC071051; GST No: 32ABGCS8921G1ZB

To,  
Department of Corporate  
Affairs, BSE Limited,  
28<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400001

Date: 07.09.2024

Company Symbol: SSTL  
Script Code: 543461

**SUBJECT: SUBMISSION OF ANNUAL REPORT FOR THE YEAR 2023-2024 IN COMPLIANCE OF REGULATION 34 OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

Dear Sir,

This is to inform you that the Third (3<sup>rd</sup>) Annual General Meeting ("AGM") of the Company will be held on Monday, 30<sup>th</sup> September, 2024 at 01:00 P.M IST through Video Conferencing / Other Audio visual Means in compliance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to Regulation 30 read with Part A of Schedule III and Regulation 34(1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, please find enclosed Annual Report of the Safa Systems & Technologies Limited (the 'Company') for the Financial year 2023-24 along with the Notice of the 3<sup>rd</sup> Annual General Meeting for the Financial year 2023-24.

Pursuant to Regulation 44 of Listing Regulations, Company is providing facility for remote e- Voting to its members whose names are recorded in Register of Members or Register of Beneficial owner maintained by the Depositories as on the cut-off date i.e. Monday 23<sup>rd</sup> September, 2024 as the "Cut-off Date".

The remote e-voting shall commence at 9:00 A.M. on Friday, 27<sup>th</sup> September, 2024 and shall end at 5:00 P.M. on Sunday, 29<sup>th</sup> September, 2024.

This is for your information and records.

Thanking You

For Safa Systems & Technologies Limited

Sd/-  
Faizal Bavaraparambil Abdul Khader  
Managing Director  
DIN: 07729191

# 3<sup>rd</sup> ANNUAL REPORT

BOARD OF DIRECTORS	Faizal Bavaraparambil Abdul Khader Bavaraparambil Abdhulkadher Hydrose Sruthi Muhammed Ali Bengolan Anilkumar Sankaranarayanan Nair Sreejith	(Managing Director) (Non-Executive Director) (Non-Executive Director) (Independent Director) (Independent Director)
COMPANY SECRETARY	Divya Modi (Appointed w.e.f. (17 <sup>th</sup> April, 2024) Rupal Pandey (Resigned on 04 <sup>th</sup> April 2024)	
CHIEF FINANCIAL OFFICER	Alingal Pandian Rajeswari	
AUDITORS	Kapish Jain and Associates (Chartered Accountants) 504, B Wing , Statesman House, 148, Barakhamba Road, Connaught Place, New Delhi-110001	
BANKERS	ICICI Bank Limited	
REGISTERED OFFICE & WORK	46/2631 B, Safa Arcade, Kaniyapilly Road, Chakkaraparambu, Ernakulam Kerala- 682028, India.	
E-MAIL CIN	office@sssinfo.in L52100KL2021PLC071051	
REGISTRARS & SHARE TRANSFER AGENTS	Cameo Corporate Services Ltd, 'Subramanian Building', Club House Road, Chennai, Tamil Nadu,600002 Ph.: 044- 40020700 Email : investor@cameoindia.com	
STOCK EXCHANGE	BSE Limited	
ISIN	INE0JNA01014	
SECRETARIAL AUDITOR	Vikas Verma & Associates, Company Secretaries, B-502, Statesman House, 148, Barakhamba Road, New Delhi- 110001	

## CONTENTS:

Notice	3-15
Directors' Report	16-30
Annexures	31-40
Management Discussion and Analysis and Annexures	41-48
Standalone Auditors' Report	49-59
Standalone Balance Sheet	60
Standalone Statement of Profit & Loss	61
Standalone Cash Flow Statement	62
Standalone Notes on Accounts	63-75
Consolidated Auditors' Report	76-84
Consolidated Balance Sheet	85
Consolidated Statement of Profit & Loss	86
Consolidated Cash Flow Statement	87
Consolidated Notes on Accounts	88-105

**NOTICE OF ANNUAL GENERAL MEETING**

**Notice** is hereby given that the 3<sup>rd</sup> Annual General Meeting of the members of Safa Systems & Technologies Limited will be held on Monday, 30<sup>th</sup> September 2024 at 01:00 P.M. through Video Conferencing (“VC”)/Other Audio- Visual means (“OAVM”) to transact the following business:

**ORDINARY BUSINESS:**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**Item 1: To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31<sup>st</sup>, 2024 and the reports of the Board of Directors and Auditors thereon.**

“Resolved that the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2024 and the reports of the Board of Directors and Auditors thereon as circulated to the Members, be and are hereby considered and adopted.”

**Item 2: To appoint Mr. Bavaraparambil Abdhulkadher Hydrose (DIN 01390977) as a Director liable to retire by rotation, offers himself for Re-appointment.**

“Resolved that in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Bavaraparambil Abdhulkadher Hydrose (DIN 01390977) who retires by rotation and being eligible offers himself for re-appointment be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

**By Order of the Board of Directors  
For Safa Systems & Technologies Limited**

**Place: Ernakulam  
Date: 06/09/2024**

**Sd/-  
DIVYA MODI  
Company Secretary and Compliance Officer  
Membership No.: A69806**

**NOTES:**

1. The Ministry of Corporate Affairs (“MCA”) inter-alia vide its General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 (collectively referred to as “MCA Circulars”) has permitted the holding of the annual general meeting through Video Conferencing (“VC”) or through other audio-visual means (“OAVM”), without the physical presence of the Members at a common venue.

In compliance with the provisions of the Companies Act, 2013 (“the Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the 3rd Annual General Meeting (“Meeting” or “AGM”) of the Company is being held through VC / OAVM on Monday, September 30, 2024, at 01:00 P.M. (IST). The proceedings of the AGM deemed to be conducted at the Registered Office of the Company situated at 46/2631 B, Safa Arcade, Kaniyapilly Road Chakkaraparambu, Ernakulam, Kerala - 682028 India.

2. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC OR OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH.

ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.

3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated December 28, 2022, May 05, 2022, December 14, 2021, January 13, 2021, April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of

casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Pursuant to Regulation 44(6) of Listing Regulations, the Company is also providing a live webcast of the proceedings of the AGM. The Members will be able to view the proceedings on Central Depository Services (India) Limited's ('CDSL') e-Voting website at [www.cdslindia.com](http://www.cdslindia.com). The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors etc. who are allowed to attend the AGM, without restriction on account of a first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.sssinfo.in](http://www.sssinfo.in). The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
8. Listing Regulations has mandated that for making dividend payments, companies whose securities are listed on the stock exchanges shall use electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer etc. The companies and the registrar and share transfer agents are required to seek relevant bank details of shareholders from depositories/ investors for making payment of dividends in electronic mode. It is also mandatory to print the bank details on the physical instrument if the payment is made in physical mode. Accordingly, shareholders are requested to provide or update (as the case may be) their bank details with the respective depository participant for the shares held in dematerialised form and with the registrar and share transfer agent in respect of shares

held in physical form. For further details about registration process, please contact your depository/ R&TA of the Company.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's RTA. You are also requested to update your Bank details by writing to the Company's RTA.
10. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 01, 2019 unless the securities are held in dematerialized form with the depositories. Therefore, shareholders are requested to take action to dematerialize the equity shares of the Company.
11. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and other documents referred to in the Notice and explanatory statement, will be available electronically for inspection via a secured platform without any fee by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to **office@sssinfo.in**.
12. Members are requested to notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
13. Non-Resident Indian members are requested to inform RTA/respective DPs, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
14. The Board of Directors of the Company has appointed M/s Vikas Verma & Associates, New Delhi as Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner.

15. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday 24<sup>st</sup> September 2024 to Monday 30<sup>th</sup> September 2024 (both day inclusive).
16. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting and shall within 02 working days of conclusion of the AGM shall submit a consolidated Scrutinizer's report of the total votes cast in favor of or against, if any, to the Chairman or any other person authorized by the Chairman, who shall countersign the same and declare the result of the voting forthwith.
17. The results along with Scrutinizer's Report, shall be displayed at the Registered Office and Corporate office of the Company and placed on the Company's website at [www.sssinfo.in](http://www.sssinfo.in) and the website of CDSL immediately after the result is declared. The results shall be simultaneously communicated to the Stock Exchange where the securities of the Company are listed. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.
18. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- 19. THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**
  - (i) The voting period begins on 27<sup>th</sup> September, 2024 at 9:00 A.M. and ends on 29<sup>th</sup> September, 2024 at 5:00 P.M. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 23<sup>rd</sup> September, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.



Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the</p>

	<p>system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></p>

	<p>either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <b>helpdesk.evoting@cdslindia.com</b> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <b>evoting@nsdl.co.in</b> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website i.e. **www.evotingindia.com.**
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN of the SAFA SYSTEMS & TECHNOLOGIES LIMITED.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Facility for Non - Individual Shareholders and Custodians -Remote Voting
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to **www.evotingindia.com** and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [office@sssinfo.in](mailto:office@sssinfo.in) , if they have voted from

individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. **For Demat shareholders** - Please update your email id & mobile no. with your respective Depository Participant (DP)
2. **For Individual Demat shareholders** - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [office@sssinfo.in](mailto:office@sssinfo.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [office@sssinfo.in](mailto:office@sssinfo.in). These queries will be replied to by the Company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to **helpdesk.evoting@cdslindia.com** or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to **helpdesk.evoting@cdslindia.com** or call on 022-23058542/43.

**ANNEXURE TO NOTICE**

**Details of Director seeking appointment/re-appointment in the forthcoming Annual General Meeting**

**[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings]**

<b>Name</b>	<b>Mr. Bavaraparambil Abdhulkadher Hydrose</b>
<b>DIN</b>	01390977
<b>Date of Birth</b>	10/03/1953
<b>Date of first Appointment</b>	21/09/2021
<b>Qualifications</b>	Under Graduate
<b>Expertise in specific functional area</b>	Business Management
<b>Directorship in other Companies</b>	a. Safa Plywood Private Limited b. Safa Formulations Private Limited c. Baba Infra Tech Private Limited
<b>Memberships / Chairmanship of Committees across all Public Companies *</b>	Nil
<b>Relationship with other Directors / Key Managerial Personnel</b>	Father of Faizal Bavaraparambil Abdul Khader
<b>No. of shares held in the Company either by self or on a beneficial basis for any other person</b>	Nil



## DIRECTORS' REPORT

To,  
The Members of  
Safa Systems & Technologies Limited

Your Directors have pleasure in presenting the 3<sup>rd</sup> Directors' Report on the business and operations of **Safa Systems & Technologies Limited** (The Company) together with the Audited Financial Statements of Accounts of the Company for the Financial Year ended March 31, 2024

### 1. FINANCIAL HIGHLIGHTS:

(Rupees in Lakhs)

PARTICULARS	Standalone		Consolidated	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
<b>Total Revenue</b>	<b>62966.97</b>	<b>41982.98</b>	<b>62972.98</b>	-
<b>Total Expenses</b>	<b>62675.15</b>	<b>41757.29</b>	<b>62679.16</b>	-
Profit/Loss Before Tax	291.82	225.69	304.61	--
Less: Tax Expense	78.27	67.44	79.21	-
<b>Profit &amp; Loss after Tax</b>	<b>213.56</b>	<b>158.25</b>	<b>225.43</b>	-
Earning Per Shares (Basic)	1.42	1.05	1.50	-
Earning Per Shares (Diluted)	1.42	1.05	1.50	-

### 2. STATE OF COMPANY AFFAIRS AND REVIEW OF OPERATIONS:

During the Financial Year ended 31st March, 2024, the Company has recorded total revenue of INR 62966.97 Lakhs as against INR 41982.98 Lakhs in Financial Year 2022-23 and the Company has earned Net Profit of INR 213.56 Lakh in the Financial Year 2023-24 as against INR 158.25 Lakhs in the Financial Year 2022-23.

### 3. SHARE CAPITAL:

#### (i) Changes in the Capital Structure:

##### Authorized Share Capital:

The Authorised shares capital of the Company stood Rs. 27,50,00,000 (Rupees Twenty-Seven Crore and Fifty Lakh) divided into 2,75,00,000 (Two crore Seventy-Five Lakh) Equity Shares of Rs 10 (Ten) each.

During the Financial year 2023-24 the Authorised Share Capital of the Company has increased from 15,50,00,000 to 27,50,00,000.

**Issued, Subscribed and Paid-Up Share Capital:**

The Issued, subscribed and paid up share capital of the Company on March 31, 2024, stood at INR 24,97,75,500/- (Indian Rupees Twenty Four Crore Ninety Seven Lakh Seventy Five Thousand Five Hundred Only) divided into 2,49,77,550 Equity Shares of INR 10/- (Indian Rupees Ten Only) each.

During the year the Issued, subscribed and paid-up share capital of the Company has increased from 1,50,77,500 to 24,97,75,500 through Shareholders approval

**4. DEPOSITS:**

During the reporting period, your Company has not accepted any deposits, falling within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

**5. DIVIDEND:**

The Board of Directors did not recommend any dividend for the year.

**6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

Pursuant to provisions of Section 125 of the Act, the dividends which have remained unpaid / unclaimed for a period of Seven (7) years from the date of transfer the unpaid dividend amount is mandatorily required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

The provisions of above section are not applicable to the Company since no dividend was lying in unpaid dividend account.

**7. AMOUNTS, IF ANY, WHICH IT PROPOSES TO CARRY TO ANY RESERVES:**

We do not propose to transfer any amount to general reserve.

**8. CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

During the reporting period there was no changes in the nature of the business of the Company.

**9. REVISION OF FINANCIAL STATEMENT, IF ANY:**

There was no revision in the financial statements of the Company.

10. **DIRECTORS & KEY MANAGERIAL PERSONNEL:**

The Board of the Company was duly constituted in accordance with the provisions of the Companies Act, 2013. As of the date of the report, your company has the following Directors on its Board.

DIN No. / PAN	Name Of Director/KMP	Designation	Date of Appointment	Date of cessation
01390977	Mr. Bavaraparambil Abdhulkadher Hydrose	Non-Executive Director	21/09/2021	-
07729191	Mr. Faizal Bavaraparambil Abdul Khader	Managing Director	21/09/2021	-
09237016	Ms. Sruthi Muhammed Ali	Whole-time Director	21/09/2021	-
09248528	Mr. Bengolan Anilkumar	Independent Director	06/12/2021	-
09250652	Mr. Sankaranarayanan Nair Sreejith	Independent Director	06/12/2021	-
APCPR2843D	Mr. Alingal Pandian Rajeswari	Chief Financial Officer	20/06/2022	
BSTPD0037L	Ms. Rupal Pandey	Company Secretary and Compliance Officer	02/01/2023	04/04/2024
BCXPM8130M	Divya Modi	Company Secretary and Compliance Officer	17.04.2024	

Following changes took place in the Board of Directors and Key Managerial Persons before the date of this report.

- Ms. Divya Modi appointed as Company Secretary and compliance Officer of the company w.e.f 17.04.2024
- Ms. Rupal Pandey Resigned from the Post of as Company Secretary and Compliance Officer of the Company w.e.f. 04.04.2024
- Change in designation of Ms. Sruthi Muhammed Ali (DIN: 09237016) From Executive Director To Non-Executive Non - Independent Director.w.e.f 02.04.2024

#### 11. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2023-24, total 08 (Eight) meetings of the Board of Directors were held. Following are the dates on which the said meetings were held:

- 05<sup>th</sup> May, 2023
- 26<sup>th</sup> May 2023
- 21<sup>st</sup> August, 2023
- 11<sup>th</sup> July, 2023
- 07<sup>th</sup> November, 2023
- 17<sup>th</sup> February, 2024
- 06<sup>th</sup> Mach, 2024
- 28<sup>th</sup> March 2024

The intervening gap between the Meetings was within the period prescribed under the SEBI (LODR) Regulations, 2015 and Companies Act, 2013.

S. No.	Name Of Director	Designation	No. of Board Meeting eligible to attend	No. of Meetings attended	No. Meeting in which absent
1.	Mr. Faizal Bavaraparambil Abdul Khader	Managing Director	8	8	0
2.	Mr. Bavaraparambil Abdhulkadher Hydrose	Director	8	8	0
3.	Ms. Sruthi Muhammed Ali	Director	8	8	0
4.	Mr. Bengolan Anilkumar	Independent Director	8	8	0

5.	Mr. Sankaranarayanan Nair Sreejith	Independent Director	8	8	0
----	--	-------------------------	---	---	---

**Retirement by Rotation:**

As per the provisions of the Companies Act, 2013, Mr. Bavaraparambil Abdhulkadher Hydrose (DIN: 01390977), Director, whose office is liable to retire by rotation in accordance with the provision of Companies Act, 2013 and being eligible, offers himself for re-appointment at the 03<sup>rd</sup> Annual General Meeting of the Company.

**Declaration by Independent Directors:**

Pursuant to Section 149 (7) of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Company has received declarations from all the Independent Directors of the Company confirming that they meet the ‘criteria of Independence’ as prescribed under Section 149 (6) of the Act and have submitted their respective declarations as required under Section 149 (7) of the Act and the Listing Regulations. In terms of Section 150 of the Act read with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

**Board Committees:**

Currently, the Board has following committees: Audit Committee, Nomination & Remuneration Committee and stakeholder relationship committee.

**Audit Committees:**

The Audit Committee of the Company is constituted in accordance with the provisions of Section 177 of the Companies Act, 2013. The Audit Committee is constituted to monitor and provide effective supervision of the management’s financial reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity, and quality of Financial Reporting.

During the Financial Year under review 02 (Two) meeting of the Audit Committee were held. Following are the dates on which the said meetings were held:

- 26<sup>th</sup> May,2023
- 07<sup>th</sup> November, 2023

S. No	Name of the Members	Designation	No. of Audit Committee Meetings attended during the year
1.	Bengolan Anilkumar	Chairman	2
2.	Bavaraparambil Abdhulkadher Hydrose	Member	2
3.	Sankaranaryan Nair Sreejith	Member	2

During the year, all recommendations of the audit committee were approved by the Board of Directors.

#### **Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee of the Board was constituted as per the provisions of Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee recommends the appointment of Directors and KMPs and their remuneration.

The level and structure of appointment and remuneration of all Key Managerial personnel and Senior Management Personnel of the Company, as per the Remuneration Policy, is also overseen by this Committee.

During the Financial Year under 01 (one) meeting of the Nomination and Remuneration Committee were held. On 11<sup>th</sup> July, 2023.

S. No	Name of the Members	Designation	No. of Meetings attended during the year
1.	Mr. Sankaranaryan Nair Sreejith	Chairman	1
2.	Mr. Bengolan Anilkumar	Member	1
3.	Mr Bavaraparambil Abdhulkader Hydrose	Member	1

#### **Stakeholders Relationship Committee:**

The Company has a Stakeholder Relationship Committee of Directors in compliance with provisions of the Companies Act, 2013 to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices /annual reports, etc.

During the Financial Year under review meeting of **Stakeholders Relationship Committee** were held 11<sup>th</sup> July, 2023

S. No	Name of the Members	Designation	No. of Stakeholders Relationship Committee Meetings attended during the year
1.	Bengolan Anilkumar	Chairman and Independent Director	1
2.	Faizal Bavaraparambil Abdul Khader	Member and Independent Director	1
3.	Bavaraparambil Abdhulkadher Hydrose	Member and Non-Executive Director	1

**12. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY:**

There is no material changes and commitment affecting financial position of the Company occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;

**13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE U/S 186 OF THE COMPANIES ACT, 2013:**

Particulars of loan given, investment made, guarantees given and security provided under section 186 of the Companies Act, 2013, if any, are provided in the notes of financial statement.

**13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

According to Section 134(5) (e) of the Companies Act, 2013, the term “Internal Financial Control (IFC)” means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to the company’s policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. The company has a well-placed, proper and adequate Internal Financial Control System which ensures that all the assets are safeguarded and protected and that the transactions are authorized recorded and reported correctly. To further strengthen the internal control process, the company has developed the very comprehensive compliance management tool to drill down the responsibility of the compliance from the top management to executive level.

The compliance relating to Internal Financial controls have been duly certified by the statutory auditors.

**14. CORPORATE SOCIAL RESPONSIBILITY:**

Provisions of Corporate Social Responsibility are not applicable on the Company. Therefore, Company has not developed and implemented any Corporate Social Responsibility Initiatives as provisions of Section 135(1) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

**15. CORPORATE GOVERNANCE:**

Provisions of Para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 are not applicable to your Company. Hence, report on Corporate Governance is not annexed.

**16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars as prescribed under sub-section (3)(m) of Section 134 of the Companies Act, 2014 read with Rule 8(3) of Companies (Accounts) Rules, 2014 are annexed herewith at "Annexure-I".

**17. BOARD EVALUATION:**

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations").

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was



evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

The Board evaluated the performance of Independent Directors and Individual Directors considering various parameters such as their familiarity with the Company's vision, policies, values, code of conduct, their attendance at Board and Committee Meetings, whether they participate in the meetings constructively by providing inputs and provide suggestions to the Management/Board in areas of domain expertise , whether they seek clarifications by raising appropriate issues on the presentations made by the Management/reports placed before the Board, practice confidentiality, etc. It was observed that the Directors discharged their responsibilities in an effective manner. The Directors possess integrity, expertise and experience in their respective fields.

**20. STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE AS PER RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:**

Disclosure pertaining to remuneration and other details as required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in “Annexure-II” to this Report.

The Statement containing the particulars of employees as required under section 197(12) of the Companies Act, 2013 read with rule 5(2) and other applicable rules (if any) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report.

**21. POLICY ON DIRECTORS’ APPOINTMENT AND REMUNERATION AND OTHER DETAILS:**

The Nomination & Remuneration Committee of Directors have approved a Policy for Selection, Appointment, Remuneration and determine Directors’ Independence of Directors which inter-alia requires that composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and senior management employees and the Directors appointed shall be of high integrity with relevant expertise and experience so as to have diverse Board and the Policy also lays down the positive attributes/criteria while recommending the candidature for the appointment as Director. Nomination & Remuneration Policy is uploaded on the website of the Company i.e. at [www.sssinfo.in](http://www.sssinfo.in)

**22. RISK MANAGEMENT:**

The Company is taking every care for minimizing the risk involved in the manufacturing process of the unit, business of dealers and agents and Investment Business. Our Company believes that managing helps in maximizing returns. Responsible staff is employed to take every care to minimize the risk factor in the factory. Our company does not have any separate Risk Management Policy as the unit run by it is small in size and the elements of risk threatening the company's existence is almost negligible.

**22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

During the year, there is no transaction entered with related parties referred to in Section 188(1) of the Companies Act, 2013 read with Rule 8(2) of Companies (Accounts) Rules, 2014. Therefor there is no requirement to attached Form AOC-2 in Annexure -III Related party transactions if any, are disclosed in the notes to financial statements.

**23. NO FRAUDS REPORTED BY STATUTORY AUDITORS**

During the Financial Year 2023-24, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

**24. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

The Company had the following Subsidiaries/ Associate Company as on 31st March, 2024. Disclosure in Form AOC-1 is Annexed as Annexure-VI

S.No	Name of the company	Relation
1.	Effective Lifestyle Private Limited	Subsidiary Company
2.	Kanone Technologies Private Limited.	Associate Company

**25. VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in exceptional cases.

**26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

During the reporting period, no material orders have been passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**27. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013, with respect to Directors Responsibilities Statement, it is hereby confirmed:

- (a) That in the preparation of the annual accounts for the financial year ended, 31<sup>st</sup> March, 2024 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year review;
- (c) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) That the directors had prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2024 on a going concern basis;
- (e) That the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- (f) That the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**28. AUDITORS & AUDITOR'S REPORT:**

**Statutory Auditor:**

The Auditor's Report for financial year ended March 31, 2024, does not contain any qualification, reservation or adverse remarks. All Observations made in the Independent Auditors' Report and Notes forming part of the Financial Statements are self-explanatory and do not call for any further comments and also, there is no incident of fraud requiring reporting by the auditors under section 143(12) of the Companies Act, 2013 during the year. The Auditor's report is enclosed with the financial statements in this Auditor's Report.

**Secretarial Auditor:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s Vikas Verma & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the Financial Year 2023-24.

The Secretarial Audit Report for the financial year ended 31st March, 2024 does not contain any qualification, reservation or adverse remark. A copy of the Secretarial Audit Report (Form MR-3) as provided by the Company Secretary in Practice has been annexed to the Report. **(Annexure-IV)**

**Cost Auditor:**

Pursuant to Section 148 of the Companies Act, 2013 maintenance of cost accounts and requirement of cost audit is not applicable.

**Internal Auditor:**

The Company has complied with the requirement of the Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, and other applicable provisions of the Act.

**29. SECRETARIAL STANDARDS**

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

**30. ANNUAL RETURN**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an annual return is uploaded on website of the Company [www.sssinfo.in](http://www.sssinfo.in)

**31. FAMILIARISATION PROGRAMMES**

The Company familiarises its Independent Directors on their appointment as such on the Board with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc. through familiarisation programme. The Company also conducts orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis.

The familiarisation programme for Independent Directors is disclosed on the Company's website [www.sssinfo.in](http://www.sssinfo.in).

**32. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Management's Discussion and Analysis Report for the year under review, as stipulated under regulation 34 (3) and Part B of schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 is annexed to this Annual Report as "Annexure - V".

**33. CODE OF CONDUCT:**

Commitment to ethical professional conduct is a must for every employee, including Board Members and Senior Management Personnel of the Company. The Code is intended to serve as a basis for ethical decision-making in conduct of professional work. The Code of Conduct enjoins that each individual in the organization must know and respect existing laws, accept and provide appropriate professional views, and be upright in his conduct and observe corporate discipline. The duties of Directors including duties as an Independent Director as laid down in the Companies Act, 2013 also forms part of the Code of Conduct. All Board Members and Senior Management Personnel affirm compliance with the Code of Conduct annually.

**34. INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which redresses complaints received on sexual harassment. During the financial year under review, the Company has not received any complaints of sexual harassment from any of the women employees of the Company.

**36. DETAILS OF APPLICATION MADE OR ANY PROCEEDINGS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:**

During the reporting period, no application made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

**37. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH REASONS THEREOF:**

During the reporting period, no such valuation has been conducted in the financial year.

**38. STATEMENT ON OTHER COMPLIANCES**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the reporting period:

- a. Details relating to deposits covered under Chapter V of the Act.
- b. Issue of equity shares with differential voting rights as to dividend, voting or otherwise;
- c. Issue of shares (including sweat equity shares) to employees of the Company.
- d. Neither the Managing Director nor any of the Whole-time Directors of the Company receive any remuneration or commission.;

**39. WEBSITE OF THE COMPANY:**

Your Company maintains a website [www.sssinfo.in](http://www.sssinfo.in) where detailed information of the Company and specified details in terms of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 have been provided.

**40. PREVENTION OF INSIDER TRADING:**

The Company has a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and certain designated employees of the Company. The Code requires preclearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

**ACKNOWLEDGEMENT:**

The Directors regret the loss of life are deeply grateful and have immense respect for every person. The Directors wish to convey their appreciation to all of the Company's employees for their contribution towards the Company's performance. The Directors would also like to thank the shareholders, employee unions, customers, dealers, suppliers, bankers, governments and all other business associates for their continuous support to the Company and their confidence in its management.



Date: 06/09/2024  
Place: Ernakulam

For & on behalf of the Board  
Safa Systems & Technologies Limited

Sd/-  
Faizal Bavaramparambil Abdul Khader  
Managing Director  
DIN: 07729191

Sd/-  
Sruthi Muhammed Ali  
Wholetime Director  
DIN: 09237016

**"ANNEXURE-I"**

**CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

[Pursuant to Section 134 (3) (m) read with Rule 8(3) of Companies (Accounts) Rules, 2014]

**(A) Conservation of Energy**

(i)	The steps taken or impact on conservation of energy;	NA
(ii)	The steps taken by the company for utilizing alternate sources of energy;	NA
(iii)	The capital investment on energy conservation equipments.	NA

**(B) Technology absorption**

(i)	The efforts made towards technology absorption;	NA
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution;	NA
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NA
	(a) The details of technology imported;	NA
	(b) The year of import;	NA
	(c) Whether the technology been fully absorbed;	NA
	(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NA
(iv)	The expenditure incurred on Research and Development.	NA

**(C) Foreign exchange earnings and Outgo-**



(i)	The Foreign Exchange earned in the terms of actual inflows during the year;	NA
(ii)	Foreign Exchange outgo during the year in terms of actual outflow.	NA
		NA

**Date: 06/09/2024**  
**Place:Ernakulam**

**For & on behalf of the Board**  
**Safa Systems & Technologies Limited**

**Sd/-**  
**Faizal Bavaraparambil Abdul Khader**  
**Managing Director**  
**DIN: 07729191**

**Sd/-**  
**Sruthi Muhammed**  
**Ali Wholetime**  
**Director**  
**DIN: 09237016**

**"ANNEXURE-II"**

Information of Particulars of employees pursuant to Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S.NO.	PARTICULARS	REMARKS
1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	During the Financial Year, Company has paid remuneration to the Key Managerial Personnel are mentioned below 1. Faizal Bavaraparambil Abdul Khader- INR 17.80 Lakh 2. Sruthi Muhammed Ali- INR 17.80 Lakh
3	The percentage increase in the median remuneration of employees in the financial year.	-
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	-
6	Affirmation that the remuneration is as per the remuneration policy of the Company	The Directors affirm that the remuneration paid to Directors, KMPs and employees is as per the Remuneration Policy of the Company.

**INFORMATION ABOUT REMUNERATION AND PARTICULARS OF EMPLOYEES**

Name of Employee	Ms. Divya Modi
Designation of the Employee	Company Secretary
Remuneration received	Nil
Nature of employment	Permanent
Qualification and Experience of Employee	Company Secretary 2 year
Date of Commencement of Employment	Appointed on 17/04/2024
Age of Employee	35
Last Employment held by such employee before joining the company	NA
Percentage of Equity Shares held by the employee	NIL
whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	NO

- Ms. Rupal Pandey Resigned from the Post of as Company Secretary and Compliance Officer of the Company w.e.f. 04.04.2024

**Date: 06.09.2024**  
**Place: Ernakulam**

**For & on behalf of the Board**  
**Safa Systems & Technologies Limited**

**Sd/-**  
**Faizal Bavaraparambil Abdul Khader**  
**Managing Director**  
**DIN: 07729191**

**Sd/-**  
**Sruthi Muhammed Ali**  
**Whole-time Director**  
**DIN: 09237016**

**FORM NO. AOC-2**

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

**M/s Safa Systems & Technologies Limited** has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length basis during financial year 2023-24.

**2. Details of material contracts or arrangements or transactions at arm's length basis:**

**M/s Safa Systems & Technologies Limited** has entered into contract or arrangement or transaction with its related parties which is at arm's length basis during financial year 2023-24 are as follows:

Name of Related Party and Nature of Relationship	Nature of contracts/ arrangement/ transactions	Duration of contracts/ arrangement/ transactions	Salient terms of contracts/ arrangements /transactions including the value, if any	Date(s) of approval by the board, if any	Amount paid as advance, if any
NIL	NIL	NIL	NIL	NIL	NIL

Date: 06.09.2024  
Place: Ernakulam

For & on behalf of the Board  
Safa Systems & Technologies Limited

Sd/-  
Faizal Bavaraparambil Abdul Khader  
Managing Director  
DIN: 07729191

Sd/-  
Sruthi Muhammed Ali  
Whole-time Director  
DIN: 09237016

**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**

(For the financial year ended 31<sup>st</sup> March, 2024)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
**The Board of Directors,**  
**Safa Systems & Technologies Limited**  
**46/2631 B, Safa Arcade, Kaniyapilly Road, Chakkaraparambu,**  
**Ernakulam Kerala- 682028**

We have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by **Safa Systems & Technologies Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes book, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Safa Systems & Technologies Limited** for the financial year ended on 31<sup>st</sup> March, 2024 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable as the Company has not issued securities under Employee Stock Option Scheme and Employee Stock Purchase Scheme during the financial year under review)**
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable as the neither Company has existing Debt Securities nor have issued any fresh securities during the year under review);**
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable as the securities of the Company have not been delisted from any Stock Exchange during the year under review)**
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable as the Company has not bought back any of its securities during the financial year under review)**
- The Securities and Exchange board of India (Listing obligation and Disclosure requirement) Regulation, 2015.

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- The Listing Agreements entered into by the Company with Stock Exchange BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following: -

- *During the year the Company has neither maintained the cost record nor appointed the Cost auditor in accordance with the Provision of Section 148 of Companies Act, 2013 read with relevant rules made thereunder.*

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Vikas Verma & Associates,  
(Company Secretaries)**

**Sd  
Vikas Kumar Verma  
Managing Partner  
M. No. F9192  
COP.- 10786**

**UDIN-  
Place; Delhi  
Date:06.09.2024**

*\*This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.*

**'ANNEXURE A'**

To,

**Safa Systems & Technologies Limited**  
46/2631 B, Safa Arcade,  
Kaniyapilly Road ,Chakkaraparambu,  
Ernakulam Kerala- 682028

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit to the extent there are shown to us during the Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Vikas Verma & Associates,  
(Company Secretaries)**

**Sd**  
**Vikas Kumar Verma**  
**Managing Partner**  
**M. No. F9192**  
**COP.- 10786**

**UDIN-**  
**Place; Delhi**



**Date:06.09.2024**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

**I. Overview:**

The objective of this report is to convey the Management’s perspective on the external environment and trading and distribution of mobile phones, electronic gadgets as well as strategy, operating and financial performance, material developments in human resources and industrial relations, risks and opportunities and internal control systems and their adequacy in the Company during the FY 2023-24. This should be read in conjunction with the Company’s financial statements, the schedules and notes thereto and other information included elsewhere in the Integrated Report. The Company’s financial statements have been prepared in accordance with Indian Accounting Standards (‘Ind AS’) complying with the requirements of the Companies Act, 2013, as amended and regulations issued by the Securities and Exchange Board of India (‘SEBI’) from time to time.

**Industry Structure and Developments:**

**Global Economy:**

The global economy continues to gradually recover from the pandemic.

In past years, the technology industry has seen significant fluctuations. The years 2020 and 2021 were characterized by rapid innovation, substantial growth, and a boost in workforce numbers. However, in 2022 and 2023, the sector faced challenges such as widespread layoffs, declining market valuations, and reduced global tech spending.

As we move through 2024, the tech industry seems set for a strong recovery. With inflation expected to moderate and exciting new technologies drawing interest from consumers, investors, and business leaders, the scene is ripe for revitalization.

At the same time, major tech companies are placing a strong emphasis on sustainability and cyber security. This is because managing environmental impact and ensuring data protection are crucial for long-term growth and success. With growing dynamics and opportunities, we combine business knowledge and industry expertise of our domain specialists and the technical knowledge and implementation skills of our delivery team leveraging our products, platforms, partnerships and solutions in our development centers located in different cities. Overall, the IT industry is poised for significant growth and transformation over the next five years, driven by technological advancements and evolving business needs and we will make sure to stay ahead of these trends and adapt to changes which will put us well-positioned for success.

**Indian Economy:**

India may well be on track to becoming the third largest economy in the world in the coming years, but a number of factors including the performance of other countries, skilling of our workforce as well as a sustained revival in domestic consumption demand would play a key role in achieving this. The Indian economy, however, has the potential to grow by a robust 6.5–7% per annum, according to economists.

India is very much on target to becoming the third largest economy based on the IMF's projections as well as domestic estimates. Our real rate of investment is about 33%, the current account deficit is lowering and our demographic dividend is coming into play," said DK Srivastava, Chief Policy Adviser, EY, while noting that India has also managed to meet the challenges thrown up by the Russian-Ukraine war that has led to supply side bottlenecks for many countries.

### **Technology Industry:**

Economic headwinds seem to be gathering for business in general, and for the technology industry specifically. But there are many regulatory incentives that may spur innovation and growth in 2024 and beyond. To survive and thrive, technology companies should rededicate their efforts to improving supply operations, modernizing infrastructure, and leveraging growth opportunities.

The technology industry has not just weathered the pandemic-driven disruptions of the past few years; it has flourished. The crisis thrust many organizations into the future, accelerating digital transformation and changing work models dramatically. But in 2023, the tech industry will likely continue to grapple with issues around supply chains, workforce, and innovation – now exacerbated by considerable macroeconomic and global uncertainties:

### **Risks, Concerns and Threats:**

With the financial reforms likely to add impetus to industry growth and likelihood of stable political environment, the domestic market should pose better opportunities in terms of volume growth.

Achieving sustainable growth can also present challenges. The skills, expertise, the supply chain to develop products, are major threats for sustaining in the long term.

As companies seek business solutions to address remote work, social distancing and the need for in-store alternatives, the demand for developer and engineering talent is likely to increase. Retaining top talent will be essential.

Expect relatively high impact on the smartphone industry because of its labor-intensive supply chain. Smartphone production is projected to decline by 12% YoY in 1Q20; server revenue is projected to decline by 16% YoY in 1Q20.

### **Internal Control Systems and Their Adequacy**

The Company strongly believes that a robust internal control mechanism is a prerequisite to ensure that an organization functions ethically, complies with all legal and regulatory requirements and observes the generally accepted principles of good corporate governance. To enable this, the Company has established a strong internal control system for the Company, which is comprised of policies, guidelines and procedures to ensure the orderly and efficient financial and business conduct.

The Company has adopted strong internal control systems backed by constant reviews and up-gradation. Internal Audit, Statutory Audit by external agencies and the Audit Committee, look into the internal control aspects and further advice on the corrective measures as and when required.

#### **Human Resources Development/Industrial Relations**

Human resources are valuable assets for any organization. The employees of the Company have extended a very productive cooperation in the efforts of the management to carrying the Company to greater heights. The Company is giving emphasis to upgrade the skills of its human resources and continuous training down the line is a normal feature in the Company to upgrade the skills and knowledge of the employees of the Company

#### **Outlook:**

The Board of Directors and the Management of the Company are pursuing various available options to rehabilitate the Company and considering future business plans for the Company.

#### **Cautionary Statement:**

The statements in this section describe the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other incidental factors.

<b>Date: 06.09.2024</b> <b>Place: Ernakulam</b>	<b>For &amp; on behalf of the Board</b> <b>Safa Systems &amp; Technologies Limite</b>	
	<b>Sd/-</b> <b>Faizal Bavaraparambil Abdul Khader</b> <b>Managing Director</b> <b>DIN: <u>07729191</u></b>	<b>Sd/-</b> <b>Sruthi Muhammed Ali</b> <b>Whole-time Director</b> <b>DIN: <u>09237016</u></b>

**Form AOC-1**

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

**Part A - Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

<b>Sl. No.</b>	<b>Name of the Subsidiary</b>	<b>Effective Lifestyle Private Limited</b>
1.	The date since when subsidiary was acquired	28 <sup>th</sup> March 2024
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
4.	Share capital	6,77,00,000
5.	Reserves and surplus	-1,52,275.18
6.	Total assets	6,91,87,099.86
7.	Total Liabilities	1,639,375.05
8.	Investments	3,81,851.40
9.	Turnover	6,00,000.00
10.	Profit before taxation	2,00,656.86
11.	Provision for taxation	91,639.37
12.	Profit after taxation	<b>1,09,017.49</b>
13.	Proposed Dividend	NIL
14.	Extent of shareholding (in percentage)	69.42

**Notes:** The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year

**Part B – Associates and Joint Ventures**

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

<b>Name of Associates or Joint Ventures</b>	<b>KANONE TECHNOLOGIES PRIVATE LIMITED</b>
1. Latest audited Balance Sheet Date	31.03.2024
2. Date on which the Associate or Joint Venture was associated or acquired	28 <sup>th</sup> March 2024
3. Shares of Associate or Joint Ventures held by the company on the year end	52,00,000
(a) No. Of Shares held	52,00,000
(b) Amount of Investment in Associate/Joint Venture	780.00 Lakhs
(c) Extent of holding %	49.74%
4. Description of how there is significant influence	Shareholding
5. Reason why the associate/joint venture is not consolidated	NA
6. Net worth attributable to shareholding as per latest audited Balance Sheet	10.79 Lakhs
7. Profit or Loss for the year	21.69 Lakhs
i. Considered in Consolidation	10.79 Lakhs
ii. Not Considered in Consolidation	10.90 Lakhs

**Notes:**

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

**CHAIRMAN'S DECLARATION ON CODE OF CONDUCT**

To,

**The Members of  
Safa Systems & Technologies Limited**

This is to certify that the Company has laid down a Code of Conduct (the Code) for all Board Members and Senior Management Personnel of the Company and a copy of the Code is put on the website of the Company viz **www.sssinfo.in**

It is further confirmed that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management Personnel, as approved by the Board, for the financial year ended on March 31, 2024

**For & on behalf of the Board  
Safa Systems & Technologies Limited**

Sd/-  
**Faizal Bavaraparambil Abdul Khader**  
**Managing Director**  
DIN: 07729191  
Date: 06/09/2024  
Place: Ernakulam



To,  
The Board of Directors,  
Safa Systems & Technologies Limited  
46/2631 B, Safa Arcade, Kaniyapilly Road, Chakkaraparambu,  
Ernakulam Kerala- 682028

Dear Members of the Board I, Alingal Pandian Rajeswari, Chief Financial Officer of Safa Systems & Technologies Limited, to the best of my knowledge and belief hereby certify that:

(a) We have reviewed financial statements and the cash flow statements for the year ended 31<sup>st</sup> March, 2024 and that to the best of my knowledge and belief;

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct;

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which I am aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee:

- (i) Significant changes in the internal control over financial reporting during the year under reference;
- (ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
- (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For & on behalf of the Board  
Safa Systems & Technologies Limited**

**Sd/-  
Faizal Bavaraparambil Abdul Khader  
Managing Director  
DIN: 07729191**

**Date: 04/09/2024  
Place: Ernakulam**

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **Safa Systems & Technologies Limited**  
**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the accompanying standalone financial statements of **Safa Systems & Technologies Limited (“the Company”)** which comprises the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss and Statement of Cash Flows for the period then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024 and profit and its cash flows for the period ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Companies Act, 2013 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 on the Standalone Financial Statements.

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Director's report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Safa Systems & Technologies Limited Report on the Audit of the Standalone Financial Statements**

#### **Management's and Board of Director's Responsibilities for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other accounting principles generally accepted in India. 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of Standalone Financial Statement**

Our objectives are to obtain reasonable assurance about whether the Standalone 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.

## INDEPENDENT AUDITOR'S REPORT

### To the Members of **Safa Systems & Technologies Limited** **Report on the Audit of the Standalone Financial Statements**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal and Regulatory Requirements**

1. 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 Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
  - (e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

## INDEPENDENT AUDITOR'S REPORT

### To the Members of **Safa Systems & Technologies Limited** **Report on the Audit of the Standalone Financial Statements**

- (f) With respect to the adequacy of the Internal Financial Control with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in the “**Annexure B**”.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period ended 31 March 2024;
  - iv.
    - The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other 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 (“Ultimate Beneficiaries”) by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
    - The management has represented, that, to the best of its knowledge and belief, 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 (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
    - Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (a) and (b) above contain any material mis-statement.
  - v. The Company has not declared or paid any dividend during the period ended 31 March 2024.
  - vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which does not have a feature of recording audit trail (edit log) facility, hence the same has not been operated throughout the year for all relevant transactions recorded in the software.

## INDEPENDENT AUDITOR'S REPORT

### To the Members of **Safa Systems & Technologies Limited** **Report on the Audit of the Standalone Financial Statements**

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the current period is in accordance with the provisions of section 197 of the Act.

For **Kapish Jain & Associates,**  
Chartered Accountants  
Firm's Registration No.: 022743N

**Kapish Jain**  
Partner  
Membership No.: 514162  
UDIN: 24514162BKBHVH2626

Place: New Delhi  
Date: 24 May 2024

**Annexure A referred to in Paragraph 1 under “Report on Other Legal and Regulatory Requirements” section of the Independent Auditor’s Report of even date to the members of Safa Systems & Technologies Limited on the standalone financial statements for the year ended 31 March 2024**

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable property (other than properties where the Company is the lease and the lease agreement duly executed in the favour of the Company) are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.  
  
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a working capital limit in excess of Rs 5 crore by bank or financial institution based on the security of current assets during the year. The quarterly statements, in respect of the working capital limits have been filed by the Company with such financial institution and such statements are in agreement with the books of accounts of the Company for the respective periods, which were not subject to audit.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any investment provided guarantee or security secured or unsecured to companies, firms, limited liability partnerships or any others parties during the year. However, the company has granted loan to the parties during the year, details of the loan is stated in sub-clause (a) below.  
  
(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not granted any loan to its subsidiaries and others during the year.

**Annexure A referred to in Paragraph 1 under “Report on Other Legal and Regulatory Requirements” section of the Independent Auditor’s Report of even date to the members of Safa Systems & Technologies Limited on the standalone financial statements for the year ended 31 March 2024**

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we are in opinion that the terms and conditions of the loan given are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than 90 days in respect of loans granted to companies, firms, LLPs or other parties.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loan which is repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security, as applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company’s products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees’ state insurance, income-tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts during the year.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender during the year.



**Annexure A referred to in Paragraph 1 under “Report on Other Legal and Regulatory Requirements” section of the Independent Auditor’s Report of even date to the members of Safa Systems & Technologies Limited on the standalone financial statements for the year ended 31 March 2024**

- (b) According to the information and explanations given to us including confirmations received from banks and financial institution, representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution.
- (c) In our opinion and according to the information and explanations given to us, the Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilized for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary companies.
- (x) (a) The company has not raised any money by way of initial public offer or further public offer (including debt instrument), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.  
(b) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debenture during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.  
(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable Accounting Standard
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system which is commensurate with the size and nature of its business.  
(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under review.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.

**Annexure A referred to in Paragraph 1 under “Report on Other Legal and Regulatory Requirements” section of the Independent Auditor’s Report of even date to the members of Safa Systems & Technologies Limited on the standalone financial statements for the year ended 31 March 2024**

- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management 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 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 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) According to the information and explanations given to us, the Company does not fulfil the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Kapish Jain & Associates**,  
Chartered Accountants  
Firm’s Registration No.: 022743N

**Kapish Jain**  
Partner  
Membership No.: 514162  
UDIN: 24514162BKBHVH2626

Place: New Delhi  
Date: 24 May 2024

**Annexure B referred to in Paragraph 2 clause (f) under “Report on Other Legal and Regulatory Requirements” section of the Independent Auditor’s Report of even date to the members of Safa Systems & Technologies Limited on the standalone financial statements for the year ended 31 March 2024**

Independent Auditor’s Report on the Internal Financial Controls with reference to the Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the standalone financial statements of Safa Systems & Technologies Limited (“the Company”) as at and for the year 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company on that date.

**Responsibilities of Management for Internal Financial Controls**

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

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by the Institute of Chartered Accountants of India (“ICAI”) and 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 over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial controls over financial reporting and their operating effectiveness. Our audit of Internal financial controls over financial reporting included obtaining an understanding of Internal financial controls over financial reporting, 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.

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 over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting 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.

**Annexure B referred to in Paragraph 2 clause (f) under “Report on Other Legal and Regulatory Requirements” section of the Independent Auditor’s Report of even date to the members of Safa Systems & Technologies Limited on the standalone financial statements for the year ended 31 March 2024**

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of Internal Financial controls over financial reporting, 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 over financial reporting to future period are subject to the risk that Internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls systems over financial reporting and such internal financial controls systems over financial reporting were operating effectively as at 31 March 2024, based on internal financial controls systems 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 systems over financial reporting issued by the Institute of Chartered Accountants of India.

For **Kapish Jain & Associates**,  
Chartered Accountants  
Firm’s Registration No.: 022743N

**Kapish Jain**  
Partner  
Membership No.: 514162  
UDIN: 24514162BKBHVVH2626

Place: New Delhi  
Date: 24 May 2024

**SAFA SYSTEMS & TECHNOLOGIES LIMITED**
**CIN: L52100KL2021PLC071051**
**Standalone Balance Sheet as at 31 March 2024**
*(All amounts in ₹ in Lacs, unless otherwise stated)*

	Note	As at 31 March 2024	As at 31 March 2023
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	2,497.76	1,507.76
Reserves and surplus	4	894.59	186.03
		<u>3,392.35</u>	<u>1,693.79</u>
<b>Share Application Money Pending Allotment</b>			
		-	-
<b>Non-current liabilities</b>			
Long-term borrowings	5	403.60	626.91
Deferred tax liability	6	-	2.99
Other long-term liabilities		-	-
Long-term provisions	7	4.85	6.91
		<u>408.45</u>	<u>636.81</u>
<b>Current liabilities</b>			
Short-term borrowings	5	3,700.20	3,657.22
Trade payables	8		
(A) Total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,226.25	730.58
Other current liabilities	9	170.36	8.83
Short-term provisions	7	78.96	72.18
		<u>5,175.77</u>	<u>4,468.82</u>
<b>Total</b>		<b><u>8,976.57</u></b>	<b><u>6,799.41</u></b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment and Intangible Assets	10		
Property, plant and equipment		96.01	95.41
Intangible assets		0.03	0.08
Capital work-in-progress		-	-
Intangible assets under development		-	-
Deferred tax assets	6	0.29	-
Non-current investment	11	1,485.00	-
Long-term loans and advances	12	202.33	202.40
Other non-current assets		-	-
		<u>1,783.66</u>	<u>297.89</u>
<b>Current assets</b>			
Inventories	13	705.85	903.76
Trade receivables	14	4,171.86	4,597.08
Cash and bank balances	15	264.35	219.34
Short-term loans and advances	12	598.43	620.08
Other current assets	16	1,452.42	161.26
		<u>7,192.91</u>	<u>6,501.52</u>
<b>Total</b>		<b><u>8,976.57</u></b>	<b><u>6,799.41</u></b>

The accompanying notes are an integral part of these standalone financial statements.

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

In terms of our report attached

For **Kapish Jain & Associates**  
Chartered Accountants  
Firm Registration No.: 022743N

**Kapish Jain**  
Partner  
Membership No.: 514162

Place: New Delhi  
Date: 24 May 2024

For and on behalf of the Board of Directors of  
**Safa Systems & Technologies Limited**

**Faizal B.A.**  
Managing Director  
DIN 07727191  
Place: Ernakulaum

**B. H. Abdhul Kadher**  
Director  
DIN 01390977  
Place: Ernakulaum

**Divya Modi**  
Company Secretary  
M. No. A69806  
Place : New Delhi

**Alingal Pandian Rajeshwari**  
Chief Financial Officer  
PAN CZJPR6055G  
Place : New Delhi

**SAFA SYSTEMS & TECHNOLOGIES LIMITED**

CIN: L52100KL2021PLC071051

Standalone Statement of Profit and Loss for the year ended 31 March 2024

*(All amounts in ₹ in Lacs, unless otherwise stated)*

	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Revenue</b>			
Revenue from operations	17	62,738.67	41,616.89
Other income	18	228.30	366.08
<b>Total revenue</b>		<b>62,966.97</b>	<b>41,982.98</b>
<b>Expenses</b>			
Purchases of stock-in-trade	19	61,794.02	40,742.74
(Increase)/decrease in the inventories of stock-in-trade	20	197.91	371.79
Employee benefits expense	21	51.41	68.23
Finance cost	22	393.43	299.15
Depreciation and amortisation expense	23	11.57	6.77
Other expenses	24	226.81	268.61
<b>Total expenses</b>		<b>62,675.15</b>	<b>41,757.29</b>
<b>Profit / (Loss) before tax</b>		<b>291.82</b>	<b>225.69</b>
Tax expense			
- Current tax		81.54	64.36
- MAT credit entitlement		-	-
- Deferred tax		(3.28)	3.08
<b>Profit / (Loss) for the year</b>		<b>213.56</b>	<b>158.25</b>
Earnings per equity share	25		
[Nominal value per share: ₹10 (previous year: NA)]			
Basic (in ₹)		1.42	1.05
Diluted (in ₹)		1.42	1.05

The accompanying notes are an integral part of these standalone financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For **Kapish Jain & Associates**

Chartered Accountants

Firm Registration No.: 022743N

For and on behalf of the Board of Directors of

**Safa Systems & Technologies Limited****Kapish Jain**

Partner

Membership No.: 514162

**Faizal B.A.**

Managing Director

DIN 07727191

Place: Ernakulaum

**B. H. Abdhul Kadher**

Director

DIN 01390977

Place: Ernakulaum

Place: New Delhi

Date: 24 May 2024

**Divya Modi**

Company Secretary

M. No. A69806

Place : New Delhi

**Alingal Pandian Rajeshwari**

Chief Financial Officer

PAN CZJPR6055G

Place : New Delhi

**SAFA SYSTEMS & TECHNOLOGIES LIMITED**  
**CIN: L52100KL2021PLC071051**  
**Standalone Cash Flow Statement for the year ended 31 March 2024**

*(All amounts in ₹ in Lacs, unless otherwise stated)*

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	291.82	225.69
<b>Adjustments for :</b>		
Depreciation and amortisation expense	11.57	6.77
Sundry Creditors Written Off	-	(228.90)
Bad Debts Written Off	-	50.44
Net loss/ (Profit) on disposal of property, plant and equipment	-	(0.28)
Interest income	(15.34)	(5.78)
Interest expenses	393.43	299.15
<b>Operating (loss)/profit before working capital changes</b>	<b>681.47</b>	<b>347.10</b>
<b>Changes in working capital:</b>		
Decrease /(Increase) in Inventories	197.91	371.79
Decrease / ( Increase ) in Trade Receivable	425.23	(1,630.20)
Decrease / ( Increase ) in Loans and Advances	21.72	(12.74)
Decrease / ( Increase ) in Other Assets	(1,291.16)	(1.82)
Increase / (Decrease) in Trade Payables	495.67	381.11
Increase / (Decrease) in Provisions	(3.27)	14.73
Increase / (Decrease) in Other Liabilities	161.52	(3.79)
<b>Cash (used) /generated from operations</b>	<b>689.09</b>	<b>(533.83)</b>
Taxes paid (net of refunds)	(73.55)	(9.41)
<b>Net cash (used in)/from operating activities (A)</b>	<b>615.54</b>	<b>(543.25)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of tangible and intangible assets	(12.12)	(38.59)
Income from Fixed Deposits	15.34	5.78
Purchase of Mutual funds	-	-
Sale of fixed assets	-	0.33
<b>Net cash used in investing activities (B)</b>	<b>3.23</b>	<b>(32.49)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issues of equity shares	-	-
Interest & Finance Cost	(393.43)	(299.15)
( Repayments ) / proceeds of long term borrowings	(223.31)	(68.63)
( Repayments ) / proceeds of short term borrowings	42.98	1,012.74
<b>Net cash from financing activities (C)</b>	<b>(573.76)</b>	<b>644.96</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>45.01</b>	<b>69.22</b>
Cash and cash equivalents at the beginning of the year	219.34	150.12
<b>Cash and cash equivalents at the end of the year</b>	<b>264.35</b>	<b>219.34</b>
<b>Cash and cash equivalents comprise of:</b>		
Cash on hand	26.68	31.78
Balance with banks		
- in current accounts	50.17	0.07
- deposits with original maturity of less than three months	187.50	187.50
<b>Total</b>	<b>264.35</b>	<b>219.34</b>

**Notes:**

- The above cash flow statement has been prepared under the Indirect Method as set out in Accounting Standard-3 Cash Flow Statement, specified under Section 133 of the Companies Act, 2013.
- Figures in brackets indicate cash outflow.
- Previous year figures have been regrouped/ reclassified wherever necessary to conform to current year's classifications.

The accompanying notes are an integral part of these standalone financial statements.  
This is the Statement of Cash Flow referred to in our report of even date.

For **Kapish Jain & Associates**  
Chartered Accountants  
Firm Registration No.: 022743N

For and on behalf of the Board of Directors of  
**Safa Systems & Technologies Limited**

**Kapish Jain**  
Partner  
Membership No.: 514162

**Faizal B.A.**  
Managing Director  
DIN 07727191  
**Place: Ernakulaum**

**B. H. Abdhul Kadher**  
Director  
DIN 01390977  
**Place: Ernakulaum**

**Place: New Delhi**  
**Date: 24 May 2024**

**Divya Modi**  
Company Secretary  
M. No. A69806  
**Place : New Delhi**

**Alingal Pandian Rajeshwari**  
Chief Financial Officer  
PAN CZJPR6055G  
**Place : New Delhi**

(All amounts in ₹ in Lacs, unless otherwise stated)

**3 Share capital**

	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	27,50,00,000	27,500.00	1,55,00,000	1,550.00
	<b>27,50,00,000</b>	<b>27,500.00</b>	<b>1,55,00,000</b>	<b>1,550.00</b>
<b>Issued, subscribed and fully paid-up share capital</b>				
Equity shares of ₹ 10 each fully paid-up	2,49,77,550	2,497.76	1,50,77,550	1,507.76
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>2,49,77,550</b>	<b>2,497.76</b>	<b>1,50,77,550</b>	<b>1,507.76</b>

**(a) Reconciliation of equity share capital**

	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
<b>Equity Shares:</b>				
Balance as at the beginning of the year	1,50,77,550	1,507.76	1,50,77,550	1,507.76
Issued during the year	99,00,000	990.00	-	-
Balance as at the end of the year	<b>2,49,77,550</b>	<b>2,497.76</b>	<b>1,50,77,550</b>	<b>1,507.76</b>

**(b) Rights, preferences and restrictions attached to equity shares****Equity Shares**

The Company has one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. All shareholders are equally entitled to dividend. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts, if any) in the proportion of equity shares held by the shareholders.

**(c) Particulars of shareholders holding more than 5 % equity share of the company**

	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% holding in the shares	Number of shares	% holding in the shares
Equity shares of ₹ 10 each fully paid up held by				
Bavaraparambil Abdul Khader Faizal	28,84,000	11.55%	28,84,000	19.13%
Bavaraparambil Abdhul Kadher Hydrose	11,81,250	4.73%	11,81,250	7.83%
Sruthi Muhammed Ali	15,50,450	6.21%	15,50,450	10.28%
Anaz Bavaraparambil Abdul Khader	11,81,250	4.73%	11,81,250	7.83%
Bavaraparambil Abdul Khader Ayyoob	11,81,250	4.73%	11,81,250	7.83%
Pathukunju Parayankudy Abubacker	11,81,250	4.73%	11,81,250	7.83%
Arakkal Ayyoob Soumya	11,81,250	4.73%	11,81,250	7.83%
Safa Plywoods Private Limited	7,36,850	2.95%	7,36,850	4.89%
	<b>1,10,77,550</b>	<b>44.35%</b>	<b>1,10,77,550</b>	<b>73.47%</b>

(d) The Company has neither issued any bonus shares or issued shares pursuant to a contract without payment being received in cash nor has there been any buyback of shares in the current year.

**(e) Detail of share held by promoters**

	As at 31 March 2024			As at 31 March 2023		
	Number of shares	% of total shares	% change during the year	Number of shares	% of total shares	% change during the year
Bavaraparambil Abdul Khader Faizal	28,84,000	11.55%	7.58%	28,84,000	19.13%	0.00%
Bavaraparambil Abdhul Kadher Hydrose	11,81,250	4.73%	3.11%	11,81,250	7.83%	0.00%
Sruthi Muhammed Ali	15,50,450	6.21%	4.08%	15,50,450	10.28%	0.00%
Anaz Bavaraparambil Abdul Khader	11,81,250	4.73%	3.11%	11,81,250	7.83%	0.00%
Bavaraparambil Abdul Khader Ayyoob	11,81,250	4.73%	3.11%	11,81,250	7.83%	0.00%
Pathukunju Parayankudy Abubacker	11,81,250	4.73%	3.11%	11,81,250	7.83%	0.00%
Arakkal Ayyoob Soumya	11,81,250	4.73%	3.11%	11,81,250	7.83%	0.00%
Safa Plywoods Private Limited	7,36,850	2.95%	1.94%	7,36,850	4.89%	0.00%

**4 Reserves and surplus**

	As at 31 March 2024	As at 31 March 2023
<b>Surplus / (Deficit) in the statement of profit and loss</b>		
Balance at the beginning of the year	186.03	27.78
Add: Profit / (Loss) for the year	213.56	158.25
	<b>399.59</b>	<b>186.03</b>
<b>Security premium reserve</b>		
Balance at the beginning of the year	-	-
Add: Received during the year	495.00	-
	<b>495.00</b>	<b>-</b>
<b>Total</b>	<b>894.59</b>	<b>186.03</b>



(All amounts in ₹ in Lacs, unless otherwise stated)

## 5 Borrowings

	As at 31 March 2024			As at 31 March 2023		
	Long term	Short term	Total	Long term	Short term	Total
<b>A. Secured borrowings:</b>						
<b>(a) Term loans</b>						
- From Banks (State Bank of India - 40824589240)	251.28	37.37	288.65	298.48	31.51	329.99
- From Banks (State Bank of India - 40724326295)	126.39	71.00	197.39	202.84	11.83	214.67
- From Banks (HDFC Bank Limited - 136088451)	18.59	5.81	24.40	24.40	5.36	29.76
- From Banks - GECL(State Bank of India - 40823775237)	-	90.44	90.44	101.18	139.41	240.59
- From Banks (IDFC First Bank Limited- 136088451)	7.34	1.87	9.21	-	-	-
<b>(b) Repayable on demand</b>						
- From Banks (State Bank of India)	-	3,443.22	3,443.22	-	3,403.75	3,403.75
<b>Total secured borrowings</b>	<b>403.60</b>	<b>3,649.72</b>	<b>4,053.32</b>	<b>626.91</b>	<b>3,591.85</b>	<b>4,218.76</b>
<b>B. Unsecured borrowings:</b>						
- From directors	-	50.48	50.48	-	65.37	65.37
- From others	-	-	-	-	-	-
<b>Total unsecured borrowings</b>	<b>-</b>	<b>50.48</b>	<b>50.48</b>	<b>-</b>	<b>65.37</b>	<b>65.37</b>
<b>Total borrowings</b>	<b>403.60</b>	<b>3,700.20</b>	<b>4,103.80</b>	<b>626.91</b>	<b>3,657.22</b>	<b>4,284.13</b>

## Statement of Terms and Conditions of Long Term Borrowing:

Name of Lender	Purpose	Rate of Interest	Repayment Schedule	Moratorium	Balance as on 31 March 2024	Balance as on 31 March 2023
<b>Secured Loans</b>						
State Bank of India - 40824589240 *	Business	9.70%	90 Installments	NA	288.65	329.99
State Bank of India - 40724326295 *	Business	9.25%	46 Installments	NA	197.39	214.67
HDFC Bank Limited - 136088451 §	Vehicle	8.70%	57 Installments	NA	24.40	29.76
State Bank of India - 40823775237 *	Business	9.25%	36 Installments	12 months	90.44	240.59
State Bank of India-OD CC -00000040771770440 *	Business	9.55%	NA	NA	3,443.22	3,403.75
IDFC First Bank Limited - 136088451 §	Business	10.50%	60 Installments	NA	9.21	-
<b>Unsecured Loans</b>						
From Directors	Business	NA	NA	NA	50.48	65.37
From Others	Business	NA	NA	NA	-	-

\* Secured by way of hypothecation of primary security, collateral security and personal guarantee - refer note 32

§ Secured against hypothecation of respective vehicles.

## 6 Deferred tax Liability (net)

	As at 31 March 2024	As at 31 March 2023
<b>Deferred Tax Liability for (A)</b>		
Depreciation	1.19	0.86
	1.19	0.86
<b>Deferred Tax Assets on account of (B)</b>		
Accumulated Losses	-	-
Disallowance under section 43B	0.90	(2.13)
	0.90	(2.13)
<b>Deferred tax Liability (net) (A-B)</b>	<b>0.29</b>	<b>2.99</b>

**7 Provisions**

	As at 31 March 2024			As at 31 March 2023		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Provision for expenses	-	6.15	6.15	-	7.09	7.09
Provision for gratuity	4.85	0.46	5.30	6.91	0.74	7.65
Provision for income tax	-	72.35	72.35	-	64.36	64.36
<b>Total</b>	<b>4.85</b>	<b>78.96</b>	<b>83.81</b>	<b>6.91</b>	<b>72.18</b>	<b>79.09</b>

**8 Trade payables**

	As at 31 March 2024	As at 31 March 2023
(a) MSME*	-	-
(b) Others	1,226.25	730.58
<b>Total</b>	<b>1,226.25</b>	<b>730.58</b>

\*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

**Ageing analysis of Trade Payables as on 31 March 2024**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues					
(a) MSME	-	-	-	-	-
(b) Others	1,220.42	5.83	-	-	1,226.25
Disputed dues					
(a) MSME	-	-	-	-	-
(b) Others	-	-	-	-	-

**Ageing analysis of Trade Payables as on 31 March 2023**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues					
(a) MSME	-	-	-	-	-
(b) Others	722.67	7.91	-	-	730.58
Disputed dues					
(a) MSME	-	-	-	-	-
(b) Others	-	-	-	-	-

**9 Other Current Liabilities**

	As at 31 March 2024	As at 31 March 2023
Salary Payable	3.00	2.99
Advance from customers	160.94	-
TDS Payable	6.42	5.85
<b>Total</b>	<b>170.36</b>	<b>8.84</b>

(All amounts in ₹ in Lacs, unless otherwise stated)

## 10 Property, plant and equipment &amp; Intangible Assets

## A) Property, Plant and Equipment

Particulars	Gross Block				Accumulated Depreciation				Net Block
	1 April 2023 Rs.	Additions Rs.	Disposals Rs.	31 March 2024 Rs.	1 April 2023 Rs.	For the period Rs.	Disposals Rs.	31 March 2024 Rs.	31 March 2024 Rs.
Furniture & fixtures	0.54	-	-	0.54	0.07	0.05	-	0.12	0.42
Computers	4.79	0.55	-	5.34	1.25	1.62	-	2.87	2.47
Building	43.09	-	-	43.09	2.02	1.36	-	3.38	39.71
Electric Vehicle	-	2.95	-	2.95	-	0.21	-	0.21	2.75
Plants & machinery	2.34	-	-	2.34	0.22	0.15	-	0.37	1.97
Office equipments	3.50	0.25	-	3.75	0.63	0.71	-	1.35	2.40
Vehicles	49.75	8.20	-	57.95	4.41	7.25	-	11.65	46.29
<b>Total</b>	<b>104.01</b>	<b>11.95</b>	<b>-</b>	<b>115.96</b>	<b>8.60</b>	<b>11.35</b>	<b>-</b>	<b>19.95</b>	<b>96.01</b>

## B) Intangible assets

Particulars	Gross Block				Accumulated Depreciation				Net Block
	1 April 2023 Rs.	Additions Rs.	Disposals Rs.	31 March 2024 Rs.	1 April 2023 Rs.	For the period Rs.	Disposals Rs.	31 March 2024 Rs.	31 March 2024 Rs.
Software	0.15	0.17	-	0.32	0.07	0.22	-	0.29	0.03
<b>Total</b>	<b>0.15</b>	<b>0.17</b>	<b>-</b>	<b>0.32</b>	<b>0.07</b>	<b>0.22</b>	<b>-</b>	<b>0.29</b>	<b>0.03</b>

## A) Property, Plant and Equipment

Particulars	Gross Block				Accumulated Depreciation				Net Block
	1 April 2022 Rs.	Additions Rs.	Disposals Rs.	31 March 2023 Rs.	1 April 2022 Rs.	For the year Rs.	Disposals Rs.	31 March 2023 Rs.	31 March 2023 Rs.
Furniture & fixtures	0.52	0.02	-	0.54	0.02	0.05	-	0.07	0.47
Computers	0.61	4.18	-	4.79	0.06	1.20	-	1.26	3.53
Building	43.09	-	-	43.09	0.65	1.36	-	2.01	41.08
Plants & machinery	2.34	-	-	2.34	0.07	0.15	-	0.22	2.12
Office equipments	0.44	3.12	0.06	3.50	0.04	0.60	0.01	0.63	2.87
Vehicles	18.48	31.27	-	49.75	1.05	3.36	-	4.41	45.34
<b>Total</b>	<b>65.48</b>	<b>38.59</b>	<b>0.06</b>	<b>104.01</b>	<b>1.89</b>	<b>6.72</b>	<b>0.01</b>	<b>8.60</b>	<b>95.41</b>

## B) Intangible assets

Particulars	Gross Block				Accumulated Depreciation				Net Block
	1 April 2022 Rs.	Additions Rs.	Disposals Rs.	31 March 2023 Rs.	1 April 2022 Rs.	For the year Rs.	Disposals Rs.	31 March 2023 Rs.	31 March 2023 Rs.
Software	0.15	-	-	0.15	0.02	0.05	-	0.07	0.08
<b>Total</b>	<b>0.15</b>	<b>-</b>	<b>-</b>	<b>0.15</b>	<b>0.02</b>	<b>0.05</b>	<b>-</b>	<b>0.07</b>	<b>0.08</b>

## SAFA SYSTEMS &amp; TECHNOLOGIES LIMITED

CIN: L52100KL2021PLC071051

Notes to the standalone financial statements for the year ended 31 March 2024

(All amounts in ₹ in Lacs, unless otherwise stated)

**11 Non-current investment**

	As at 31 March 2024	As at 31 March 2023
<i>(Long Term, Trade, Unquoted Investment - at Cost)</i>		
Investment in equity shares of subsidiary company *		
- Effective Lifestyle Private Limited (47,00,000 equity shares of face value Rs. 10/- each)	705.00	-
Investment in equity shares of associate company *		
- Kanone Technologies Private Limited (52,00,000 equity shares of face value Rs. 10/- each)	780.00	-
<b>Total</b>	<b>1,485.00</b>	<b>-</b>

\* Refer note 31 for details of investment in equity shares of subsidiary company and associate company.

**12 Loan and advances**

	As at 31 March 2024			As at 31 March 2023		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Security deposits	202.33	54.94	257.27	202.40	59.54	261.94
Receivable from revenue authorities	-	143.49	143.49	-	160.54	160.54
Advance to vendors	-	400.00	400.00	-	400.00	400.00
<b>Total</b>	<b>202.33</b>	<b>598.43</b>	<b>800.76</b>	<b>202.40</b>	<b>620.08</b>	<b>822.48</b>

**13 Inventories**

	As at 31 March 2024	As at 31 March 2023
<i>As certified by the management</i>		
Stock-in-trade	705.85	903.76
<b>Total</b>	<b>705.85</b>	<b>903.76</b>

**14 Trade receivables**

	As at 31 March 2024	As at 31 March 2023
Secured & Considered Good	-	-
Unsecured & Considered Good	4,171.86	4,597.08
Doubtful	-	-
Less : Allowances for doubtful debts	-	-
<b>Total</b>	<b>4,171.86</b>	<b>4,597.08</b>

**Ageing analysis of Trade Receivables as on 31 March 2024**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables						
-considered good	3,885.40	17.34	269.11	-	-	4,171.86
-considered doubtful	-	-	-	-	-	-
Disputed trade receivables						
-considered good	-	-	-	-	-	-
-considered doubtful	-	-	-	-	-	-

**Ageing analysis of Trade Receivables as on 31 March 2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables						
-considered good	4,269.46	-	327.62	-	-	4,597.08
-considered doubtful	-	-	-	-	-	-
Disputed trade receivables						
-considered good	-	-	-	-	-	-
-considered doubtful	-	-	-	-	-	-

**15 Cash and bank balances**

	As at 31 March 2024	As at 31 March 2023
<b>Cash and cash equivalents</b>		
Cash on hand	26.68	31.78
Balance with bank	-	-
- in current accounts	50.17	0.07
	76.85	31.84
<b>Other bank balances</b>		
Balance in deposit accounts with original maturity of more than 3 months but less than 12 months #	187.50	187.50
<b>Total</b>	<b>264.35</b>	<b>219.34</b>

# fixed deposits amounting to Rs 187.50 lacs (Previous Year : Rs. 187.50) are pledged as security with bank against bank guarantee issued in favour of Xiaomi Technology India Private Limited.

**16 Other current assets**

	As at 31 March 2024	As at 31 March 2023
Other recoverable	1,441.92	161.25
Mediclam insurance	-	0.01
Prepaid expenses	10.50	-
<b>Total</b>	<b>1,452.42</b>	<b>161.26</b>

(All amounts in ₹ in Lacs, unless otherwise stated)

**17 Revenue from operations**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of products (traded goods)	62,738.67	41,616.89
<b>Total</b>	<b>62,738.67</b>	<b>41,616.89</b>

**18 Other income**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Other income	212.95	360.31
Interest on fixed deposits	15.34	5.78
<b>Total</b>	<b>228.30</b>	<b>366.08</b>

**19 Purchases of stock in trade**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Purchases of stock in trade	61,794.02	40,742.74
<b>Total</b>	<b>61,794.02</b>	<b>40,742.74</b>

**20 (Increase)/decrease in the inventories of stock in trade**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Stock at the end of the year (A)	705.85	903.76
Stock at the beginning of the year (B)	903.76	1,275.55
<b>(Increase)/decrease in the inventories of stock in trade (B-A)</b>	<b>197.91</b>	<b>371.79</b>

**21 Employee benefits expense**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, allowances and bonus	49.04	59.28
Staff welfare expenses	0.84	1.30
Gratuity expenses	1.54	7.65
<b>Total</b>	<b>51.41</b>	<b>68.23</b>

**22 Finance cost**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expenses		
(a) On term loans	91.26	88.50
(b) On overdraft facility	302.17	210.65
<b>Total</b>	<b>393.43</b>	<b>299.15</b>

**23 Depreciation and amortization expense**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipments	11.35	6.72
Amortisation on intangible assets	0.22	0.05
<b>Total</b>	<b>11.57</b>	<b>6.77</b>

**24 Other expenses**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Communication expenses	3.49	6.81
Transportation charges	0.43	2.66
Advertisement expenses	0.40	1.41
Travelling and conveyance expenses	1.53	8.13
Bank charges	5.42	10.22
Business promotion & marketing expenses	51.89	0.42
Courier Charges	54.76	48.79
Donation	0.03	0.00
Loading charges	0.06	0.02
Legal and professional expenses	-	6.69
Payment to auditors (excluding GST):		
Statutory audit fee	4.50	2.50
Limited review fee	1.50	1.50
Vehicle maintenance & expenses	3.63	4.16
Electricity and water expenses	1.53	1.80
Incentive, discount & commission expenses	8.12	32.39
Insurance expenses	4.24	4.50
Bad debts	-	50.44
Printing and stationery expenses	1.68	3.79
Office expenses	3.81	3.37
Rent expenses	3.18	3.56
Rates & taxes	20.75	1.52
Repair & maintenance expenses	0.14	0.25
Director remuneration	35.60	57.30
Processing fees	18.78	13.22
IPO expenses	-	2.22
Interest & Late Fees of TDS & GST	0.90	0.95
Miscellaneous expenses	0.44	-
<b>Total</b>	<b>226.81</b>	<b>268.61</b>

**25 Earnings per equity share (EPS)**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Net profit after tax available for equity shareholders (A)	213.56	158.25
Opening number of equity shares	1,50,77,550	1,50,77,550
Closing number of equity shares	2,49,77,550	1,50,77,550
Weighted average number of equity shares (B)	1,50,35,342	1,50,77,550
Basic EPS (A/B)	1.42	1.05
Diluted EPS (A/B)	1.42	1.05
Nominal value per equity share (₹)	10	10

(All amounts in ₹ in Lacs, unless otherwise stated)

**26 Contingent liabilities and capital commitments**

	For the year ended 31 March 2024	For the year ended 31 March 2023
(a) Contingent liabilities		
- Outstanding Bank Guarantees	-	-
- Claim received but not acknowledged by the Company	-	-
(b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-
(c) The Company has commitments for services, purchase of goods and employee benefits, in normal course of business. The Company does not have any long-term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.		

**27 Related party disclosures****(a) Enterprises exercising significant control :**

<b>Holding company</b>	Not applicable
<b>Subsidiary company</b>	Effective Lifestyle Private Limited
<b>Associate company</b>	Kanone Technologies Private Limited

**(b) Key management personnel (KMP)**

Mr. Bavaraparambil Abdul Khader Faizal (Director) (from 21 September 2021)
Mr. Bavaraparambil Abdhulkadher Hydrose (Director) (from 21 September 2021)
Mrs. Sruthi Muhammed Ali (Director) (from 21 September 2021)
Mr. Bengolan Anilkumar (Director) (from 06 December 2021)
Mr. Sankaranarayanan Nair Sreejith (Director) (from 06 December 2021)
Ms. Divya Modi (Company Secretary) (from 17 April 2024)

**(c) Transactions with related parties during year**

Nature of transactions	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Share capital issued to (including security premium)</b>		
Bavaraparambil Abdul Khader Faizal	-	-
Bavaraparambil Abdhul Kadher Hydrose	-	-
Sruthi Muhammed Ali	-	-
Anaz Bavaraparambil Abdul Khader	-	-
Bavaraparambil Abdul Khader Ayyoob	-	-
Pathukunju Parayankudy Abubacker	-	-
Arakkal Ayyoob Soumya	-	-
Safa Plywoods Private Limited	-	-
<b>Sale of goods to</b>		
Bavaraparambil Abdul Khader Faizal	0.70	0.56
Kanone Technologies Private Limited	6,563.54	-
<b>Remuneration paid to</b>		
Bavaraparambil Abdul Khader Faizal	17.80	28.65
Sruthi Muhammed Ali	17.80	28.65
<b>Unsecured borrowing taken</b>		
Bavaraparambil Abdul Khader Faizal	110.00	1,969.84
Bavaraparambil Abdul Khader Ayyoob	-	46.18
<b>Repayment of unsecured borrowing</b>		
Bavaraparambil Abdul Khader Faizal	124.89	1,967.57
Bavaraparambil Abdul Khader Ayyoob	-	80.55

**(d) Balances outstanding at year-end**

Nature of transactions	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Share capital issued (including security premium)</b>		
Bavaraparambil Abdul Khader Faizal	288.40	288.40
Bavaraparambil Abdhul Kadher Hydrose	118.13	118.13
Sruthi Muhammed Ali	155.05	155.05
Anaz Bavaraparambil Abdul Khader	118.13	118.13
Bavaraparambil Abdul Khader Ayyoob	118.13	118.13
Pathukunju Parayankudy Abubacker	118.13	118.13
Arakkal Ayyoob Soumya	118.13	118.13
Safa Plywoods Private Limited	73.69	73.69
<b>Unsecured borrowing from</b>		
Bavaraparambil Abdul Khader Faizal	50.48	65.37
Bavaraparambil Abdul Khader Ayyoob	-	-

**28 Expenditure / Earning in foreign currency (on accrual basis)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Expenditure in foreign currency	-	-
Earning in foreign currency	-	-

29 Balances appearing under loans &amp; advances, trade receivables, trade payables, current assets and current liabilities are subject to confirmation in certain cases.

(All amounts in ₹ in Lacs, unless otherwise stated)

**30 Employee benefits plans****A. Defined contribution plans:**

The Company makes Provident fund and Employee State Insurance Scheme contribution which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to the fund. The contribution payable to these plans by the Company are at rates specified in the rules of the schemes. Employers's contribution to Provident Fund and Employee's State Insurance Scheme recognised as expenses in the Statement of Profit and Loss for the year are as under:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Contribution to provident fund and other funds	-	-

**B. Defined benefit plans:**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

**i) Amount recognised in the statement of profit and loss is as under :**

	Gratuity benefits	
	For the year ended 31 March 2024	31 March 2023
Current service cost	0.97	1.35
Past service cost including curtailment gains/losses	8	6.30
Interest cost	0.56	-
Actuarial (gain)/loss, net	(3.88)	-
<b>Amount recognised during the year</b>	<b>5.30</b>	<b>7.65</b>

**ii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under**

	Gratuity Benefits	
	For the year ended 31 March 2024	31 March 2023
<b>Present value of defined benefit obligation as at the start of the year</b>		
Current service cost	0.97	1.35
Past service cost	7.65	6.30
Interest cost	0.56	-
Actuarial (gain)/loss on obligation	(3.88)	-
Benefits paid	-	-
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>5.30</b>	<b>7.65</b>
<b>Current position of obligation as at the end of the year</b>	<b>0.46</b>	<b>0.74</b>
<b>Non-current position of obligation as at the end of the year</b>	<b>4.85</b>	<b>6.91</b>

**iii) Economic assumptions:**

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

	As at 31 March 2024	As at 31 March 2023
Discount rate	7.22%	7.36%
Salary growth rate	7.00%	7.00%

**iv) Demographic assumptions:**

	As at 31 March 2024	As at 31 March 2023
Retirement age	58 years	58 years
Mortality table	IALM (2012-14)	IALM (2012-14)
Withdrawal rates		
Upto 30 years	10%	10%
From 31 to 44	10%	10%
Above 44 years	10%	10%

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.



## v) Sensitivity analysis for defined benefit obligation

	Gratuity Benefits	
	For the year ended	
	31 March 2024	31 March 2023
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	5.30	7.65
- Impact due to increase of 0.50 %	(0.16)	(0.24)
- Impact due to decrease of 0.50 %	0.17	0.25
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	5.30	7.65
- Impact due to increase of 0.50 %	0.17	0.25
- Impact due to decrease of 0.50 %	(0.16)	(0.24)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

## 31 The company has made a preferential issue for consideration other than cash under non-promoter category with a swap of equity share as follows:

- a) at a ratio of 1:1 in exchange of every one equity share of Effective Lifestyle Private Limited("the ELPL"), one equity share of the Company has been issued to the existing shareholders of the ELPL. Accordingly, the Company has issued 47,00,000 equity shares worth Rs. 705.00 lakhs with a face value of Rs. 10 per share and at a premium of Rs. 5 per share against 47,00,000 equity shares acquired of the ELPL. As a result of this share swap, the Company has acquired 69.42% of equity shares of Effective Lifestyle Private Limited (a subsidiary company).
- b) at a ratio of 5:1 in exchange of every one equity share of Kanone Technologies Private Limited("the Kanone"), five equity share of the Company has been issued to the existing shareholders of the Kanone. Accordingly, the Company has issued 52,00,000 equity shares worth Rs. 780.00 lakhs with a face value of Rs. 10 per share and at a premium of Rs. 5 per share against 10,40,000 equity shares acquired of the Kanone. As a result of this share swap, the Company has acquired 49.74% of equity shares of Kanone Technologies Private Limited (an associate company).

*(All amounts in ₹in Lacs, unless otherwise stated)*

**32 Loans are secured by way of hypothecation of following primary security, collateral security and personal guarantee:**

**A Primary Security**

Hypothecation of Stocks and Receivables of the company, both present and future.

**B Collateral Security:**

- a) Equitable Mortgage of residential building and land bearing Survey Number: 484/2, situated at Poonithura village, Ernakulam, Admeasuring Total Area: 3.65 ares , Belongs to: FAIZAL BA, Partner, (Doc No: 6495/05, Registered On:23-DEC-05, at: MARADU, KERALA,
- b) Equitable Mortgage of residential Building and land bearing Survey Number: 8/3-4, 8/3-3 & 8/8-2, situated at Kizakambalam Village, Ernakulam, Admeasuring Total Area :8.97 ARES, Belongs to: FAIZAL B A & SRUTHI MUHAMMEDALI, Partners, Title Deed No: 8578/07, Registered On: 08-OCT-07, at: ALUVA, KERALA,
- c) Equitable Mortgage of Commercial Building Door No cc 33/2308 F Kochi Corporation and bearing Survey Number : 455/1,456/3,457/1, situated at Poonithura village , Ernakulam, Admeasuring Total Area : 12.765 ARES (31.62 CENTS),Belongs to 1) ANAS B A, Partner, Title Deed No : 5219/04, Registered On : 08-OCT-04, at : MARADU, KERALA; 2) Belongs to : AYOOB B A , Partner, Title Deed No : 2497/1/02, Registered On : 12-JUL-02, at : MARADU, KERALA,3) Belongs to : FAIZAL BA, Partner Title Deed No : 2549/01, Registered On: 03-JULY-01, at : MARADU, KERALA, 4) Belongs to : PATHUKUNJU P A, Partner, Title Deed No : 2709/2000, Registered On : 05-JUN-00, at : MARADU, KERALA, and Title Deed No : 1867/92, Registered On : 30-APR-92, at : MARADU, KERALA,
- d) Equitable Mortgage of Residential Building and land bearing survey Number: 553/4,454/3,454/6 situated at Poonithura village, Ernakulam, Admeasuring Total Area: 9.28 ARES Belongs to: AYOOB, FAIZAL, ANAS, Partners, Title Deed No: 734/1999, Registered On: 02-MAR-99, at: POONITHURA, KERALA
- e) Equitable Mortgage of Commercial Building and land bearing Survey Number: 38/12, situated at Edapally South, Ernakulam, Admeasuring Total Area: 1.58 Ares Belongs to: FAIZAL B A, AYOOB B A, Partners, Title Deed No: 111/2015, Registered On: 12-JAN-15, at: EDAPALLY SRO, KERALA,
- f) Equitable Mortgage of Residential Building and land bearing Survey Number: RESY NO: 7/11-3& 7/12-3, situated at at Kizhakambalam Village, Pookattupady, Ernakulam, Admeasuring Total Area: 4.55 ARES, Belongs to: AYOOB B A, Partner, Title Deed No: 9021/07, Registered On: 23-OCT-07, at: Puthencruz SRO, ALUVA, KERALA
- g) Equitable Mortgage of Factory Buildings and land bearing Survey Number: 184/10-2-4-3 & 184/10-2-4-2, block No 35 situated at ALUVA EAST VILLAGE, ERNAKULAM, Admeasuring Total Area: 18.62 ARES, Belongs to: AYOOB BA & FAIZAL BA, Who is: PARTNERS, Title Deed No: 4474/1/2007, Registered On: 24-JUL-07, at: ALUVA, KERALA

**C Personal Guarantee**

Shri Abdulkhader B H, Smt Pathukunju P A, Shri Fazzail B A, Shri Anaz B A, Shri Ayoob B A, Smt Soumya A A and Smt Sruthi Muhammed Ali

(All amounts in ₹ in Lacs, unless otherwise stated)

**33 Dues to small and micro enterprises pursuant to section 22 of the micro, small and medium enterprises development ('MSMED') act, 2006 #:**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year.	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Amount of interest due and payable for the year 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.	-	-
Interest accrued and remaining unpaid as at the end of year.	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

# The details of amounts outstanding to micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 are as per available information with the Company.

34 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment received Presidential assent on 28th September 2020 and has been published in the Gazette of India. However, the date on which the provisions of the Code will come into effect has not been notified. Further, related Schemes and Rules are also awaited. The Company will evaluate the impact of the code after it has been notified.

35 In opinion of the Board, the loans & advances and other current assets have a value, which if realized in the ordinary course of business, will not be less than the value stated in the Balance Sheet.

36 Balance appearing under loans & advances, trade receivables, trade payables, current assets and current liabilities are subject to confirmations in certain cases.

**37 Additional regulatory information**

- (i) There are no proceedings that have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) (earlier Benami Transactions (Prohibition) Act, 1988) and the rules made thereunder.
- (ii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (iii) There are no transactions / relationship with struck off companies.
- (iv) The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961). Further, there was no previously unrecorded income and no additional assets were required to be recorded in the books of account during the year.
- (v) The Company has neither traded nor invested in Crypto currency or Virtual Currency during the year ended March 31, 2024. Further, the Company has also not received any deposits or advances from any person for the purpose of trading or investing in Crypto Currency or Virtual Currency.
- (vi) The Company does not have any charges or satisfaction of charges which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (vii) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, 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/entities identified in any other 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.
- (viii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding party") with the understanding (whether recorded in writing or otherwise) that the Company shall 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.
- (ix) The Company has not granted any loans or advances in the nature of Loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person which are repayable on demand or without specifying any terms or year of repayment (March 31, 2024: Nil).
- (x) Valuation of PP&E, intangible asset and investment property: The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current year.
- (xi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, and there are no companies beyond the specified layers.

## (xii) Analytical Ratios

Ratio	Numerator	Denominator	For the year ended 31 March 2024	For the year ended 31 March 2023	Variance %	Reason for change If >25%
- Current ratio (in times)	Total current assets	Total current liabilities	1.39	1.45	-4.48%	Not Applicable
- Debt equity ratio (in times)	Total debts	Shareholders' Equity	1.21	2.53	-52.17%	Decrease due to decrease in debt and as well as increase in shareholders equity
- Debt service coverage ratio (in times)	Earnings available for debt service (Net profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other non cash adjustments)	Debt service (Interest & lease payments + principal repayments)	0.38	0.17	125.10%	Increase due to repayment of principal loan
- Return on equity ratio (in %)	Profits for the year less preference dividend (if any)	Average shareholder's equity	8.40%	9.80%	-14.32%	Not Applicable
- Inventory turnover ratio (in times)	Revenue from operations	Average inventory	77.95	38.19	104.11%	Increase due to increase in revenue during the year as well as decrease in inventory during the year
- Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivable	14.31	10.93	30.90%	Increase due to increase in revenue and trade receivables during the year
- Trade payables turnover ratio (in times)	Cost of traded goods and other expenses	Average trade payables	15.07	14.20	6.09%	Not Applicable
- Net capital turnover ratio (in times)	Revenue from operations	Average working capital	30.98	20.86	48.54%	Increase due to increase in working capital
- Net profit ratio (in %)	Profit for the year	Revenue from operations	0.34%	0.38%	-10.48%	Not Applicable
- Return on capital employed (in %)	Profit before tax and finance costs	Average Capital employed	10.17%	9.67%	5.18%	Not Applicable
- Return on investment (in %)	Income generated from invested funds	Average invested funds	8.40%	9.80%	-14.32%	Not Applicable

38 The Company has a single reportable segment for the purpose of Accounting Standard 17.

39 Figures for the previous year have been regrouped/reclassified/reinstated, wherever considered necessary.

This is the summary of significant accounting policies and other explanatory information referred to

For **Kapish Jain & Associates**  
Chartered Accountants  
Firm Registration No.: 022743N

For and on behalf of the Board of Directors of  
**Safa Systems & Technologies Limited**

**Kapish Jain**  
Partner  
Membership No.: 514162

**Faizal B.A.**  
Managing Director  
DIN 07727191  
Place: Ernakulaum

**B. H. Abdhul Kader**  
Director  
DIN 01390977  
Place: Ernakulaum

Place: New Delhi  
Date: 24 May 2024

**Divya Modi**  
Company Secretary  
M. No. A69806  
Place : New Delhi

**Alingal Pandian Rajeshwari**  
Chief Financial Officer  
PAN CZJPR6055G  
Place : New Delhi

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **Safa Systems & Technologies Limited**  
**Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the accompanying consolidated financial statements of **Safa Systems & Technologies Limited (“the Holding Company”)** its subsidiary and its associate (the Holding Company its subsidiary and its associate together referred to as “the Group”) which comprises the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss and Consolidated Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31 March 2024 and consolidated profit and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 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 on the Consolidated Financial Statements.

### **Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon**

The Holding Company’s Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director’s report, but does not include the consolidated financial statements and our auditor’s report thereon.

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

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Safa Systems & Technologies Limited Report on the Audit of the Consolidated Financial Statements**

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Director's report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

### **Management's and Board of Director's Responsibilities for the Consolidated Financial Statements**

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the respective 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 the respective management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of Consolidated Financial Statement**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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.

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Safa Systems & Technologies Limited Report on the Audit of the Consolidated 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

The accompanying Statement includes unaudited statements and other unaudited financial information in respect of:

## INDEPENDENT AUDITOR'S REPORT

### To the Members of **Safa Systems & Technologies Limited** **Report on the Audit of the Consolidated Financial Statements**

- 1 (one) subsidiary, whose financial statements and other financial information reflect total assets of Rs. 691.87 Lakhs as at March 31, 2024, and total revenues of Rs. 6.01 Lakhs, total net profit / (loss) after tax of Rs. 1.09 Lakhs for the year ended on that date and net cash outflows / (inflows) of Rs. 0.44 Lakhs for the year ended March 31, 2024, whose financial statements and other financial information have not been audited by their auditors;
- 1 (one) associate, whose financial statements includes the Group's share of net profit of Rs. 10.79 Lakhs for the year ended March 31, 2024, as considered in the Statement whose financial statements and other financial information have not been audited by their auditors.

These unaudited financial statements and other financial information have been approved and furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associates, is based solely on such unaudited financial statements and other financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and financial information certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. 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 Companies Act, 2013, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary company, incorporated in India, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary referred to in the other matters section above we report, to the extent applicable that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).



## INDEPENDENT AUDITOR'S REPORT

### To the Members of **Safa Systems & Technologies Limited** **Report on the Audit of the Consolidated Financial Statements**

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024 taken on record by the Board of Directors and audit report of statutory auditors who are appointed under section 139 of the Act, of its subsidiary company, none of the directors of the Group is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the Internal Financial Control with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate Report in the “**Annexure B**”.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group during the year ended 31 March 2024;
  - iv.
    - The respective management of the Company and its subsidiary has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or any of such subsidiary 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 (“Ultimate Beneficiaries”) by or on behalf of the Company or any of such subsidiary or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
    - The respective management of the Company and its subsidiary has represented, that, to the best of its knowledge and belief, no funds have been received by the Company or any of such subsidiary from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
    - Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (a) and (b) above contain any material mis-statement.
  - v. The Company has not declared or paid any dividend during the year ended 31 March 2024.

## INDEPENDENT AUDITOR'S REPORT

### To the Members of **Safa Systems & Technologies Limited** **Report on the Audit of the Consolidated Financial Statements**

- vi. Based on our examination which included test checks, the Holding Company has used an accounting software for maintaining its books of account for the financial year ended 31 March 2024, which does not have a feature of recording audit trail (edit log) facility. Consequently, we are unable to comment on audit trail requirements of the said software, as envisaged under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014, as amended.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Company only w.e.f. 1 April 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, on preservation of audit trail as per the statutory requirements for record retention is not applicable for financial year ended 31 March 2024.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us by the Holding Company and based on the consideration of reports of statutory auditors of the subsidiary company, the remuneration paid to its directors during the current year is in accordance with the provisions of section 197 of the Act.

For **Kapish Jain & Associates,**  
Chartered Accountants  
Firm's Registration No.: 022743N

**Kapish Jain**  
Partner  
Membership No.: 514162  
UDIN: 24514162BKBHVI2467

Place: New Delhi  
Date: 24 May 2024

**Annexure A referred to in Paragraph 1 under “Report on Other Legal and Regulatory Requirements” section of the Independent Auditor’s Report of even date to the members of Safa Systems & Technologies Limited on the consolidated financial statements for the year ended 31 March 2024**

In terms of the information and explanations sought by us and given by the Group and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(xxi) The report of the following components including in the consolidated financial statement has not been issued by its auditor till the date of our auditor’s report:

<b>S. No.</b>	<b>Name</b>	<b>CIN</b>	<b>Subsidiary / associate</b>
<b>1.</b>	Effective Lifestyle Private Limited	U72900MP2016PTC035242	Subsidiary
<b>2.</b>	Kanone Technologies Private Limited	U74999KL2021PTC071243	Associate

For **Kapish Jain & Associates,**  
Chartered Accountants  
Firm’s Registration No.: 022743N

**Kapish Jain**  
Partner  
Membership No.: 514162  
UDIN: 24514162BKBHVI2467

Place: New Delhi  
Date: 24 May 2024

**Annexure B referred to in Paragraph 2 clause (f) under “Report on Other Legal and Regulatory Requirements” section of the Independent Auditor’s Report of even date to the members of Safa Systems & Technologies Limited on the consolidated financial statements for the year ended 31 March 2024**

Independent Auditor’s Report on the Internal Financial Controls with reference to the Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of Safa Systems & Technologies Limited (“the Holding Company”), its subsidiary and its associate as at and for the year 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company on that date.

**Responsibilities of Management for Internal Financial Controls**

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

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by the Institute of Chartered Accountants of India (“ICAI”) and 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 over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial controls over financial reporting and their operating effectiveness. Our audit of Internal financial controls over financial reporting included obtaining an understanding of Internal financial controls over financial reporting, 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Internal financial controls over financial reporting with reference to these consolidated financial statements.

**Meaning of Internal Financial Controls over Financial Reporting with Reference to these Consolidated Financial Statements**

A company’s internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting 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.

**Annexure B referred to in Paragraph 2 clause (f) under “Report on Other Legal and Regulatory Requirements” section of the Independent Auditor’s Report of even date to the members of Safa Systems & Technologies Limited on the consolidated financial statements for the year ended 31 March 2024**

**Inherent Limitations of Internal Financial Controls over Financial Reporting with Reference to these Consolidated Financial Statements**

Because of the inherent limitations of Internal Financial controls over financial reporting with reference to these consolidated 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 over financial reporting with reference to these consolidated financial statements to future period are subject to the risk that Internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company and its subsidiary, have, in all material respects, adequate internal financial controls systems over financial reporting with reference to these consolidated financial statements and such internal financial controls systems over financial reporting with reference to these consolidated financial statements were operating effectively as at 31 March 2024, based on internal financial controls systems over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls systems over financial reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to its subsidiary, which are companies incorporated in India, is based on the corresponding reports of the auditors of such entities as applicable, incorporated in India.

For **Kapish Jain & Associates**,  
Chartered Accountants  
Firm’s Registration No.: 022743N

**Kapish Jain**  
Partner  
Membership No.: 514162  
UDIN: 24514162BKBHVI2467

Place: New Delhi  
Date: 24 May 2024

**SAFA SYSTEMS & TECHNOLOGIES LIMITED**  
**CIN: L52100KL2021PLC071051**  
**Consolidated Balance Sheet as at 31 March 2024**

*(All amounts in ₹ in Lacs, unless otherwise stated)*

	Note	As at 31 March 2024
<b>Equity and liabilities</b>		
<b>Shareholders' funds</b>		
Share capital	3	2,497.76
Reserves and surplus	4	906.23
		<u>3,403.99</u>
<b>Minority Interest</b>	5	206.53
<b>Non-current liabilities</b>		
Long-term borrowings	6	403.60
Deferred tax liability	7	-
Other long-term liabilities		-
Long-term provisions	8	4.85
		<u>408.45</u>
<b>Current liabilities</b>		
Short-term borrowings	6	3,714.00
Trade payables	9	
(A) Total outstanding dues of micro enterprises and small enterprises; and		-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,226.25
Other current liabilities	10	171.44
Short-term provisions	8	80.47
		<u>5,192.16</u>
<b>Total</b>		<u><u><b>9,211.13</b></u></u>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment and Intangible Assets	11	
Property, plant and equipment		98.75
Intangible assets		0.03
Goodwill on consolidation		236.90
Intangible assets under development		-
Deferred tax assets	7	0.29
Non-current investment	12	794.61
Long-term loans and advances	13	202.33
Other non-current assets	14	6.07
		<u>1,338.98</u>
<b>Current assets</b>		
Inventories	15	705.85
Trade receivables	16	4,178.94
Cash and bank balances	17	268.03
Short-term loans and advances	13	1,265.91
Other current assets	18	1,453.43
		<u>7,872.16</u>
<b>Total</b>		<u><u><b>9,211.13</b></u></u>

The accompanying notes are an integral part of these standalone financial statements.

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

In terms of our report attached

For **Kapish Jain & Associates**  
Chartered Accountants  
Firm Registration No.: 022743N

For and on behalf of the Board of Directors of  
**Safa Systems & Technologies Limited**

**Kapish Jain**  
Partner  
Membership No.: 514162

**Faizal B.A.**  
Managing Director  
DIN 07727191  
**Place: Ernakulaum**

**B. H. Abdhul Kadher**  
Director  
DIN 01390977  
**Place: Ernakulaum**

**Place:** New Delhi  
**Date:** 24 May 2024

**Divya Modi**  
Company Secretary  
M. No. A69806  
**Place : New Delhi**

**Alingal Pandian Rajeshwari**  
Chief Financial Officer  
PAN CZJPR6055G  
**Place : New Delhi**

**SAFA SYSTEMS & TECHNOLOGIES LIMITED**

CIN: L52100KL2021PLC071051

Consolidated Statement of Profit and Loss for the year ended 31 March 2024

*(All amounts in ₹in Lacs, unless otherwise stated)*

	Note	For the year ended 31 March 2024
<b>Revenue</b>		
Revenue from operations	19	62,744.67
Other income	20	228.31
<b>Total revenue</b>		<b>62,972.98</b>
<b>Expenses</b>		
Purchases of stock-in-trade	21	61,794.02
(Increase)/decrease in the inventories of stock-in-trade	22	197.91
Employee benefits expense	23	51.91
Finance cost	24	393.43
Depreciation and amortisation expense	25	11.97
Other expenses	26	229.92
<b>Total expenses</b>		<b>62,679.16</b>
<b>Profit / (Loss) before tax</b>		<b>293.82</b>
Tax expense		
- Current tax		82.45
- Deferred tax		(3.27)
<b>Profit / (Loss) for the year</b>		<b>214.65</b>
<b>Add: Share of profit of associates</b>		10.79
<b>Less: Share of minority interest</b>		0.25
<b>Profit / (Loss) for the year attributable to equity shareholders</b>		<b>225.19</b>
Earnings per equity share	27	
[Nominal value per share: ₹10 (previous year: NA)]		
Basic (in ₹)		1.50
Diluted (in ₹)		1.50

The accompanying notes are an integral part of these standalone financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For **Kapish Jain & Associates**  
Chartered Accountants  
Firm Registration No.: 022743N

For and on behalf of the Board of Directors of  
**Safa Systems & Technologies Limited**

**Kapish Jain**  
Partner  
Membership No.: 514162

**Faizal B.A.**  
Managing Director  
DIN 07727191  
**Place: Ernakulaum**

**B. H. Abdhul Kadher**  
Director  
DIN 01390977  
**Place: Ernakulaum**

**Place:** New Delhi  
**Date:** 24 May 2024

**Divya Modi**  
Company Secretary  
M. No. A69806  
**Place : New Delhi**

**Alingal Pandian Rajeshwari**  
Chief Financial Officer  
PAN CZJPR6055G  
**Place : New Delhi**

**SAFA SYSTEMS & TECHNOLOGIES LIMITED**  
**CIN: L52100KL2021PLC071051**  
**Consolidated Cash Flow Statement for the year ended 31 March 2024**

*(All amounts in ₹ in Lacs, unless otherwise stated)*

	For the year ended 31 March 2024
<b>A. Cash flow from operating activities</b>	
Profit before tax	293.82
<b>Adjustments for :</b>	
Depreciation and amortisation expense	11.97
Consolidated adjustment	87.23
Interest expense and finance cost	393.43
Interest and other income	(15.34)
<b>Operating (loss)/profit before working capital changes</b>	<b>771.11</b>
<b>Changes in working capital:</b>	
Decrease / (Increase) in Inventories	(705.85)
Decrease / ( Increase ) in Trade Receivable	(4,178.94)
Decrease / ( Increase ) in Loans and Advances	(1,468.24)
Decrease / ( Increase ) in Other Assets	(1,459.49)
Increase / ( Decrease ) in Trade Payables	1,226.25
Increase / (Decrease) in Provisions	85.32
Increase / ( Decrease ) in Other Liabilities	171.44
<b>Cash (used) /generated from operations</b>	<b>(5,558.41)</b>
Taxes paid (net of refunds)	-
<b>Net cash (used in)/from operating activities (A)</b>	<b>(5,558.41)</b>
<b>B. Cash flow from investing activities</b>	
Purchase of tangible and intangible assets	(110.75)
Investment	(14.61)
Interest and other income	15.34
<b>Net cash used in investing activities (B)</b>	<b>(110.02)</b>
<b>C. Cash flow from financing activities</b>	
Proceeds from issues of equity shares	2,212.29
Interest & Finance Cost	(393.43)
( Repayments ) / proceeds of long term borrowings	403.60
( Repayments ) / proceeds of short term borrowings	3,714.00
<b>Net cash from financing activities (C)</b>	<b>5,936.46</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>268.03</b>
Cash and cash equivalents at the beginning of the year	-
<b>Cash and cash equivalents at the end of the year</b>	<b>268.03</b>
<b>Cash and cash equivalents comprise of:</b>	
Cash on hand	30.31
Balance with banks	
- in current accounts	50.22
- deposits with original maturity of less than three months	187.50
<b>Total</b>	<b>268.03</b>

**Notes:**

- The above cash flow statement has been prepared under the Indirect Method as set out in Accounting Standard-3 Cash Flow Statement,
- Figures in brackets indicate cash outflow.
- Previous year figures have been regrouped/ reclassified wherever necessary to conform to current year's classifications.

The accompanying notes are an integral part of these standalone financial statements.  
This is the Statement of Cash Flow referred to in our report of even date.

For **Kapish Jain & Associates**  
Chartered Accountants  
Firm Registration No.: 022743N

For and on behalf of the Board of Directors of  
**Safa Systems & Technologies Limited**

**Kapish Jain**  
Partner  
Membership No.: 514162

**Faizal B.A.**  
Managing Director  
DIN 07727191  
Place: Ernakulaum

**B. H. Abdhul Kadher**  
Director  
DIN 01390977  
Place: Ernakulaum

Place: New Delhi  
Date: 24 May 2024

**Divya Modi**  
Company Secretary  
M. No. A69806  
Place : New Delhi

**Alingal Pandian Rajeshwari**  
Chief Financial Officer  
PAN CZJPR6055G  
Place : New Delhi



**NOTES TO ACCOUNTS ON CONSOLIDATED FINANCIAL STATEMENTS**

**01 : CORPORATE INFORMATION**

Safa Systems & Technologies Limited (“the Company”) is a limited Company domiciled in India, incorporated on 21st September 2021 under the provisions of the Companies Act, 2013 bearing Corporate Identification Number U52100KL2021PLC071051 issued by the Registrar of Companies, Ernakulam, Kerala. The Company was originally operating as a Partnership Firm with the name and style as Safa Systems & Solutions (“the Firm”) till the date of conversion into Public Limited Company. The financial statements, relevant annexures, notes, schedules, and relevant financial information have been prepared considering relevant impacts of these conversions.

The Company is mainly involved into the business of distribution of mobile phones, electronic gadgets, mobile phone accessories, computer and computer parts and other electronic media equipment’s.

The consolidated financial statements as at 31 March 2024 present the financial position of the group as well as its subsidiaries companies. The list of Subsidiaries, which are included in the consolidation and the Company’s holding therein are as under:

<b>Name of Company</b>	<b>Country of Incorporation</b>	<b>Percentage of Voting power as at 31 March 2024</b>
<b>Subsidiary Company</b>		
Effective Lifestyle Private Limited	India	69.42%
<b>Associate Company</b>		
Kanone Technologies Private Limited	India	49.74%

**02 : MATERIAL ACCOUNTING POLICIES**

**(a) Basis of Accounting and Preparation of the Financial Statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (“the 2013 Act”) and the relevant provisions of the 1956 Act / 2013 Act, as applicable. The financial statements of the Company are prepared under the historical cost convention using the accrual method of accounting. The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year. All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in Schedule III to the 2013 Act.

**(b) Use of Estimates**

The presentation of the financial statements, in conformity with Indian GAAP, requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable, future results could differ, the differences between the actual results and the estimates are recognised in the period in which the results are known / materialise.

**(c) Property, plant and equipment (PPE)**

Tangible assets are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management. Capital expenditure incurred on rented properties is classified as ‘Leasehold improvements’ under property, plant and equipment.

Subsequent costs related to an item of Property, Plant and Equipment are recognised in the carrying amount of the item if the recognition criteria are met. Items of Property, Plant and Equipment that have been retired from active use and are held for disposal are stated at the lower of their net carrying amount and net realisable value and are shown separately in the financial statements under the head 'Other current assets'. Any write-down in this regard is recognised immediately in the Statement of Profit and Loss. An item of Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Statement of Profit and Loss.

Depreciation on tangible asset is recognised on a straight line basis based on a useful life of the assets prescribed in Schedule II to the Act. If the management's estimates of the useful life of an asset at the time of acquisition of assets or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate owing to their risk of higher obsolescence / wear & tear. The useful life of the assets has been reassessed based on the number of years for which the assets have already been put to use and the estimated minimum balance period for which the assets can be used in the Company. The estimated life of property, plant and equipment has been determined as follows:

Estimated useful life has been tabulated below:

<b>Nature of Assets</b>	<b>Useful Life (In years)</b>
Building	30
Office Equipment	5
Furniture & Fixture	10
Plant & Machinery	15
Vehicle	10
Computer	3

No further depreciation is provided in respect of assets that are fully written down but are still in use. Leasehold land in the nature of perpetual lease is not amortised. Other leasehold land are amortised over the period of the lease. All property, plant and equipment individually costing less than ₹5,000/- are fully depreciated in the year of purchase.

**(d) Intangible assets**

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed fifteen years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss. The estimated useful lives of intangible assets are as follows:

<b>Nature of Assets</b>	<b>Useful Life (In years)</b>
Software	3

**(e) Impairment**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**(f) Investment**

Investments are classified between long term and current categories as per the Accounting Standards issued by Institute of Chartered Accountants of India.

Long term investments are stated at cost. Provision for diminution in the value of investments, if any, is made if the decline in value is of permanent nature. Current investments are valued at lower of cost or market value.

As a conservative and prudent policy, the Company does not provide for increase in the book value of individual investment held by it on the date of Balance Sheet.

**(g) Inventories**

The figure of closing stock is taken on the basis of physical count of stock by the management at the end of the year.

Inventories are valued at cost or net realizable value whichever is lower and on FIFO method.

**(h) Revenue Recognition**

**1) Revenue from sale of product**

Revenue is recognized in respect of sales on dispatch of product to the customers. Quality rebates, claims and other discounts, if any, are disclosed separately.

**2) Other revenue**

Interest on bank deposits is recognized on the time proportion basis taking into account the amounts invested and the rate of interest as applicable.

**(i) Employee Benefits**

**1) Gratuity**

Gratuity is calculated in the manner prescribed under Income Tax Act, 1961 and is recognized as expense on actual payment basis.

**2) Other Short Term Benefits**

Other short-term benefits are recognized as expenses on actual payment basis for the period during which services are rendered by the employee.

**(j) Taxation**

The tax expense comprises of current tax and deferred tax. Current tax is the amount of income tax determined to be payable in respect of taxable income for a period as per the provisions of Income Tax Act, 1961. Deferred tax is the effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are reviewed at each balance sheet date and recognised/derecognised only to the extent that there is reasonable/virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternate Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

**(k) Contingent liabilities and provisions**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

A disclosure is made for a contingent liability when there is a:

- a) possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company;
- b) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- c) present obligation, where a reliable estimate cannot be made.

A provision is recognised when the Company has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not disclosed to their present value and are determined based on best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and are adjusted to reflect the current best estimates.

**(l) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

**(m) Cash, Cash Equivalents and Bank Balances**

Cash, Cash Equivalents and Bank Balances for the purpose of Cash Flow Statement comprise Cash at Bank, Cash in Hand, Cheques / Drafts in Hand, Deposits with Bank within 12 months maturity and other permissible instruments as per Accounting Standard AS-3.

**(n) Borrowing Cost:**

Borrowing Cost attributable to the acquisition or construction of a qualifying asset is capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**(o) Segment Information:**

Based on the principles for determination of segments given in Accounting Standard 17 “Segment Reporting” issued by accounting standard notified by Companies (Accounting Standard) Rules, 2008, the Company is mainly engaged in the activity surrounded with main business of the Company hence there is no reportable segment.

**(p) Others**

Amounts related to previous years, arisen / settled during the year have been debited / credited to respective heads of accounts.

*(All amounts in ₹ in Lacs, unless otherwise stated)***3 Share capital**

	As at 31 March 2024	
	Number of shares	Amount
<b>Authorised share capital</b>		
Equity shares of ₹ 10 each	27,50,00,000	27,500.00
	<b>27,50,00,000</b>	<b>27,500.00</b>
<b>Issued, subscribed and fully paid-up share capital</b>		
Equity shares of ₹ 10 each fully paid-up	2,49,77,550	2,497.76
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>2,49,77,550</b>	<b>2,497.76</b>

**(a) Reconciliation of equity share capital**

	As at 31 March 2024	
	Number of shares	Amount
<b>Equity Shares:</b>		
Balance as at the beginning of the year	1,50,77,550	1,507.76
Issued during the year	99,00,000	990.00
Balance as at the end of the year	<b>2,49,77,550</b>	<b>2,497.76</b>

**(b) Rights, preferences and restrictions attached to equity shares****Equity Shares**

The Company has one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. All shareholders are equally entitled to dividend. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts, if any) in the proportion of equity shares held by the shareholders.

**(c) Particulars of shareholders holding more than 5 % equity share of the company**

	As at 31 March 2024	
	Number of shares	% holding in the shares
Equity shares of ₹ 10 each fully paid up held by		
Bavaraparambil Abdul Khader Faizal	28,84,000	11.55%
Bavaraparambil Abdhul Kadher Hydrose	11,81,250	4.73%
Sruthi Muhammed Ali	15,50,450	6.21%
Anaz Bavaraparambil Abdul Khader	11,81,250	4.73%
Bavaraparambil Abdul Khader Ayyoob	11,81,250	4.73%
Pathukunju Parayankudy Abubacker	11,81,250	4.73%
Arakkal Ayyoob Soumya	11,81,250	4.73%
Safa Plywoods Private Limited	7,36,850	2.95%
	<b>1,10,77,550</b>	<b>44.35%</b>

(d) The Company has neither issued any bonus shares or issued shares pursuant to a contract without payment being received in cash nor has there been any buyback of shares in the current year.

**(e) Detail of share held by promoters**

	As at 31 March 2024		
	Number of shares	% of total shares	% change during the year
Bavaraparambil Abdul Khader Faizal	28,84,000	11.55%	11.55%
Bavaraparambil Abdhul Kadher Hydrose	11,81,250	4.73%	4.73%
Sruthi Muhammed Ali	15,50,450	6.21%	6.21%
Anaz Bavaraparambil Abdul Khader	11,81,250	4.73%	4.73%
Bavaraparambil Abdul Khader Ayyoob	11,81,250	4.73%	4.73%
Pathukunju Parayankudy Abubacker	11,81,250	4.73%	4.73%
Arakkal Ayyoob Soumya	11,81,250	4.73%	4.73%
Safa Plywoods Private Limited	7,36,850	2.95%	2.95%

**4 Reserves and surplus**

	As at 31 March 2024
<b>Surplus / (Deficit) in the statement of profit and loss</b>	
Balance at the beginning of the year	186.03
Add: Profit / (Loss) for the year	225.19
	<b>411.23</b>
<b>Security premium reserve</b>	
Balance at the beginning of the year	-
Add: Received during the year	495.00
	<b>495.00</b>
<b>Total</b>	<b>906.23</b>

(All amounts in ₹ in Lacs, unless otherwise stated)

**5 Minority Interest**

	As at 31 March 2024
Balance at beginning of the year	-
Add: Minority share capital	207.00
Add: Pre acquisition profit of minority	(0.71)
Add: Profit/(loss) attributable to Minority Interest	0.25
Add: Acquisition of new subsidiaries by subsidiary company (net of profit attributable to minority interest of new subsidiaries of subsidiary company)	-
Less: Pre Acquisition profit of holding company	-
<b>Total</b>	<b>206.53</b>

**6 Borrowings**

	As at 31 March 2024		
	Long term	Short term	Total
<b>A. Secured borrowings:</b>			
<b>(a) Term loans</b>			
- From Banks (State Bank of India - 40824589240)	251.28	37.37	288.65
- From Banks (State Bank of India - 40724326295)	126.39	71.00	197.39
- From Banks (HDFC Bank Limited - 136088451)	18.59	5.81	24.40
- From Banks - GECL(State Bank of India - 40823775237)	-	90.44	90.44
- From Banks (IDFC First Bank Limited- 136088451)	7.34	1.87	9.21
<b>(b) Repayable on demand</b>			
- From Banks (State Bank of India)	-	3,443.22	3,443.22
<b>Total secured borrowings</b>	<b>403.60</b>	<b>3,649.72</b>	<b>4,053.32</b>
<b>B. Unsecured borrowings:</b>			
- From directors	-	59.28	59.28
- From others	-	5.00	5.00
<b>Total unsecured borrowings</b>	<b>-</b>	<b>64.28</b>	<b>64.28</b>
<b>Total borrowings</b>	<b>403.60</b>	<b>3,714.00</b>	<b>4,117.60</b>

**Statement of Terms and Conditions of Long Term Borrowing:**

Name of Lender	Purpose	Rate of Interest	Repayment Schedule	Moratorium	Balance as on 31 March 2024
<b>Secured Loans</b>					
State Bank of India - 40824589240 *	Business	7.90%	90 Installments	NA	288.65
State Bank of India - 40724326295 *	Business	7.90%	46 Installments	NA	197.39
HDFC Bank Limited - 136088451 \$	Vehicle	8.70%	57 Installments	NA	24.40
State Bank of India - 40823775237 *	Business	9.25%	36 Installments	12 months	90.44
State Bank of India-OD CC -00000040771770440 *	Business	7.90%	NA	NA	3,443.22
IDFC First Bank Limited - 136088451 \$	Vehicle	10.50%	60 Installments	NA	9.21
<b>Unsecured Loans</b>					
From Directors	Business	NA	NA	NA	59.28
From Others	Business	NA	NA	NA	5.00

\* Secured by way of hypothecation of primary security, collateral security and personal guarantee - refer note 34

\$ Secured against hypothecation of respective vehicles.

(All amounts in ₹ in Lacs, unless otherwise stated)

**7 Deferred tax Liability (net)**

	As at 31 March 2024
<b>Deferred Tax Liability for (A)</b>	
Depreciation	1.19
	<u>1.19</u>
<b>Deferred Tax Assets on account of (B)</b>	
Accumulated Losses	-
Disallowance under section 43B	0.90
	<u>0.90</u>
<b>Deferred tax Liability (net) (A-B)</b>	<u><u>0.29</u></u>

**8 Provisions**

	As at 31 March 2024		
	Long Term	Short Term	Total
Provision for expenses	-	6.75	6.75
Provision for gratuity	4.85	0.46	5.30
Provision for income tax	-	73.26	73.26
<b>Total</b>	<u>4.85</u>	<u>80.47</u>	<u>85.32</u>

**9 Trade payables**

	As at 31 March 2024
(a) MSME*	-
(b) Others	1,226.25
<b>Total</b>	<u>1,226.25</u>

\*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

**Ageing analysis of Trade Payables as on 31 March 2024**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues					
(a) MSME	-	-	-	-	-
(b) Others	1,220.42	5.83	-	-	1,226.25
Disputed dues					
(a) MSME	-	-	-	-	-
(b) Others	-	-	-	-	-

**10 Other Current Liabilities**

	As at 31 March 2024
Salary Payable	3.00
Advance from customers	160.94
TDS Payable	7.50
<b>Total</b>	<u>171.44</u>

*(All amounts in ₹ in Lacs, unless otherwise stated)***11 Property, plant and equipment & Intangible Assets****A) Property, Plant and Equipment**

Particulars	Gross Block				Accumulated Depreciation				Net Block
	1 April 2023 Rs.	Additions Rs.	Disposals Rs.	31 March 2024 Rs.	1 April 2023 Rs.	For the period Rs.	Disposals Rs.	31 March 2024 Rs.	31 March 2024 Rs.
Furniture & fixtures	0.54	-	-	0.54	0.07	0.05	-	0.12	2.78
Computers	4.79	0.55	-	5.34	1.25	1.62	-	2.87	2.47
Building	43.09	-	-	43.09	2.02	1.36	-	3.38	39.71
Electric Vehicle	-	2.95	-	2.95	-	0.21	-	0.21	2.75
Plants & machinery	2.34	-	-	2.34	0.22	0.15	-	0.37	1.97
Office equipments	3.50	0.25	-	3.75	0.63	0.71	-	1.35	2.78
Vehicles	49.75	8.20	-	57.95	4.41	7.25	-	11.65	46.29
<b>Total</b>	<b>104.01</b>	<b>11.95</b>	<b>-</b>	<b>115.96</b>	<b>8.60</b>	<b>11.35</b>	<b>-</b>	<b>19.95</b>	<b>98.75</b>

**B) Intangible assets**

Particulars	Gross Block				Accumulated Depreciation				Net Block
	1 April 2023 Rs.	Additions Rs.	Disposals Rs.	31 March 2024 Rs.	1 April 2023 Rs.	For the period Rs.	Disposals Rs.	31 March 2024 Rs.	31 March 2024 Rs.
Software	0.15	0.17	-	0.32	0.07	0.22	-	0.29	0.03
<b>Total</b>	<b>0.15</b>	<b>0.17</b>	<b>-</b>	<b>0.32</b>	<b>0.07</b>	<b>0.22</b>	<b>-</b>	<b>0.29</b>	<b>0.03</b>



**12 Non-current investment**

	As at 31 March 2024
<i>(Long Term, Trade, Unquoted Investment - at Cost)</i>	
Investment in equity shares of associate company	
- Kanone Technologies Private Limited	780.00
(52,00,000 equity shares of face value Rs. 10/- each)	
Add: Post acquisition profit of an associate company	10.79
<i>(Long Term, Trade, Quoted Investment - at Cost)</i>	
Investment in equity shares	
- Bodhi Tree Multimedia Limited	3.82
(2,000 equity shares of face value Rs. 10/- each)	
<b>Total</b>	<b>794.61</b>

**13 Loan and advances**

	As at 31 March 2024		
	Long Term	Short Term	Total
Security deposits	202.33	54.94	257.27
Receivable from revenue authorities	-	143.51	143.51
Other loans and advances	-	667.45	667.45
Advance to vendors	-	400.00	400.00
<b>Total</b>	<b>202.33</b>	<b>1,265.91</b>	<b>1,468.24</b>

**14 Other non-current assets**

	As at 31 March 2024
Preliminary expenses	6.07
<b>Total</b>	<b>6.07</b>

**15 Inventories**

	As at 31 March 2024
<i>As certified by the management</i>	
Stock-in-trade	705.85
<b>Total</b>	<b>705.85</b>

**16 Trade receivables**

	As at 31 March 2024
Secured & Considered Good	-
Unsecured & Considered Good	4,178.94
Doubtful	-
Less : Allowances for doubtful debts	-
<b>Total</b>	<b>4,178.94</b>

**Ageing analysis of Trade Receivables as on 31 March 2024**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables						
-considered good	3,892.48	17.34	269.11	-	-	4,178.94
-considered doubtful	-	-	-	-	-	-
Disputed trade receivables						
-considered good	-	-	-	-	-	-
-considered doubtful	-	-	-	-	-	-

**17 Cash and bank balances**

	As at 31 March 2024
<b>Cash and cash equivalents</b>	
Cash on hand	30.31
Balance with bank	-
- in current accounts	50.22
	80.53
<b>Other bank balances</b>	
Balance in deposit accounts with original maturity of more than 3 months but less than 12 months #	187.50
<b>Total</b>	<b>268.03</b>

# fixed deposits amounting to Rs 187.50 lacs (Previous Year : Rs. 187.50) are pledged as security with bank against bank guarantee issued in favour of Xiao mi Technology India Private Limited.

**18 Other current assets**

	As at 31 March 2024
Other recoverable	1,442.92
Mediclaim Insurance	-
Prepaid Expenses	10.50
<b>Total</b>	<b>1,453.43</b>

**SAFA SYSTEMS & TECHNOLOGIES LIMITED**

CIN: L52100KL2021PLC071051

Notes to the consolidated financial statements for the year ended 31 March 2024

*(All amounts in ₹ in Lacs, unless otherwise stated)***19 Revenue from operations**

	For the year ended 31 March 2024
Sale of products (traded goods)	62,744.67
<b>Total</b>	<b>62,744.67</b>

**20 Other income**

	For the year ended 31 March 2024
Other income	212.96
Interest on fixed deposits	15.34
<b>Total</b>	<b>228.31</b>

**21 Purchases of stock in trade**

	For the year ended 31 March 2024
Purchases of stock in trade	61,794.02
<b>Total</b>	<b>61,794.02</b>

**22 (Increase)/decrease in the inventories of stock in trade**

	For the year ended 31 March 2024
Stock at the end of the year (A)	705.85
Stock at the beginning of the year (B)	903.76
<b>(Increase)/decrease in the inventories of stock in trade (B-A)</b>	<b>197.91</b>

**23 Employee benefits expense**

	For the year ended 31 March 2024
Salaries, allowances and bonus	49.53
Staff welfare expenses	0.84
Gratuity	1.54
<b>Total</b>	<b>51.91</b>

**24 Finance cost**

	For the year ended 31 March 2024
Indirect expenses	
(a) On term loans	91.26
(b) On overdraft facility	302.17
<b>Total</b>	<b>393.43</b>

**25 Depreciation and amortization expense**

	For the year ended 31 March 2024
Depreciation on tangible assets	11.75
Amortisation on intangible assets	0.22
<b>Total</b>	<b>11.97</b>

*(All amounts in ₹ in Lacs, unless otherwise stated)***26 Other expenses**

	For the year ended 31 March 2024
Communication expenses	3.49
Transportation charges	0.43
Advertisement expenses	0.40
Travelling and conveyance expenses	1.53
Bank charges	5.54
Business promotion & marketing expenses	51.89
Courier Charges	54.76
Donation	0.03
Loading charges	0.06
Legal and professional expenses	2.03
Payment to auditors (excluding GST):	
Statutory audit fee	4.75
Limited review fee	1.50
Tax audit fee	-
Vehicle maintenance & expenses	3.63
Electricity and water expenses	1.53
Incentive, discount & commission expenses	8.12
Insurance expenses	4.24
Printing and stationery expenses	1.68
Office expenses	4.48
Rent expenses	3.18
Rates & taxes	20.77
Repair & maintenance expenses	0.14
Director remuneration	35.60
Processing fees	18.78
Interest & Late Fees of TDS & GST	0.90
Miscellaneous expenses	0.44
<b>Total</b>	<b>229.92</b>

**27 Earnings per equity share (EPS)**

	For the year ended 31 March 2024
Net profit after tax available for equity shareholders (A)	225.19
Opening number of equity shares	1,50,77,550
Closing number of equity shares	2,49,77,550
Weighted average number of equity shares (B)	1,50,35,342
Basic EPS (A/B)	1.50
Diluted EPS (A/B)	1.50
Nominal value per equity share (₹)	10

*(All amounts in ₹ in Lacs, unless otherwise stated)***28 Contingent liabilities and capital commitments**

	For the year ended 31 March 2024
(a) Contingent liabilities	
- Outstanding Bank Guarantees	-
- Claim received but not acknowledged by the Company	-
(b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-
(c) The Company has commitments for services, purchase of goods and employee benefits, in normal course of business. The Company does not have any long-term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.	

**29 Related party disclosures****(a) Enterprises exercising significant control :****Holding company** Not applicable**(b) Key management personnel (KMP)**

Mr. Bavaraparambil Abdul Khader Faizal (Director) (from 21 September 2021)  
 Mr. Bavaraparambil Abdhulkadher Hydrose (Director) (from 21 September 2021)  
 Mrs. Sruthi Muhammed Ali (Director) (from 21 September 2021)  
 Mr. Bengolan Anilkumar (Director) (from 06 December 2021)  
 Mr. Sankaranarayanan Nair Sreejith (Director) (from 06 December 2021)  
 Ms. Divya Modi (Company Secretary) (from 17 April 2024)

**(c) Transactions with related parties during year**

Nature of transactions	For the year ended 31 March 2024
<b>Share capital issued to (including security premium)</b>	
Bavaraparambil Abdul Khader Faizal	-
Bavaraparambil Abdhul Kadher Hydrose	-
Sruthi Muhammed Ali	-
Anaz Bavaraparambil Abdul Khader	-
Bavaraparambil Abdul Khader Ayyoob	-
Pathukunju Parayankudy Abubacker	-
Arakkal Ayyoob Soumya	-
Safa Plywoods Private Limited	-
<b>Sale of goods to</b>	
Bavaraparambil Abdul Khader Faizal	0.70
Kanone Technologies Private Limited	6,563.54
<b>Remuneration paid to</b>	
Bavaraparambil Abdul Khader Faizal	17.80
Sruthi Muhammed Ali	17.80
<b>Unsecured borrowing taken</b>	
Bavaraparambil Abdul Khader Faizal	110.00
Bavaraparambil Abdul Khader Ayyoob	-
<b>Repayment of unsecured borrowing</b>	
Bavaraparambil Abdul Khader Faizal	124.89
Bavaraparambil Abdul Khader Ayyoob	-

*(All amounts in ₹ in Lacs, unless otherwise stated)*(d) **Balances outstanding at year-end**

Nature of transactions	For the year ended 31 March 2024
<b>Share capital issued (including security premium)</b>	
Bavaraparambil Abdul Khader Faizal	288.40
Bavaraparambil Abdhul Kadher Hydrose	118.13
Sruthi Muhammed Ali	155.05
Anaz Bavaraparambil Abdul Khader	118.13
Bavaraparambil Abdul Khader Ayyoob	118.13
Pathukunju Parayankudy Abubacker	118.13
Arakkal Ayyoob Soumya	118.13
Safa Plywoods Private Limited	73.69
<b>Unsecured borrowing from</b>	
Bavaraparambil Abdul Khader Faizal	50.48
Bavaraparambil Abdul Khader Ayyoob	-

**30 Expenditure / Earning in foreign currency (on accrual basis)**

Particulars	For the year ended 31 March 2024
Expenditure in foreign currency	-
Earning in foreign currency	-

**31** Balances appearing under loans & advances, trade receivables, trade payables, current assets and current liabilities are subject to confirmation in certain cases.

(All amounts in ₹ in Lacs, unless otherwise stated)

**32 Employee benefits plans****A. Defined contribution plans:**

The Holding Company makes Provident fund and Employee State Insurance Scheme contribution which are defined contribution plans, for qualifying employees. Under the Schemes, the Holding Company is required to contribute a specified percentage of the payroll costs to the fund. The contribution payable to these plans by the Holding Company are at rates specified in the rules of the schemes. Employers's contribution to Provident Fund and Employee's State Insurance Scheme recognised as expenses in the Statement of Profit and Loss for the year are as under:

	For the year ended 31 March 2024
Contribution to provident fund and other funds	-

**B. Defined benefit plans:**

The Holding Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

**i) Amount recognised in the statement of profit and loss is as under :**

	Gratuity benefits For the year ended 31 March 2024
Current service cost	0.97
Past service cost including curtailment gains/losses	8
Interest cost	0.56
Actuarial (gain)/loss, net	(3.88)
<b>Amount recognised during the year</b>	<b>5.30</b>

**ii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under**

	Gratuity Benefits For the year ended 31 March 2024
<b>Present value of defined benefit obligation as at the start of the year</b>	
Current service cost	0.97
Past service cost	7.65
Interest cost	0.56
Actuarial (gain)/loss on obligation	(3.88)
Benefits paid	-
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>5.30</b>
<b>Current position of obligation as at the end of the year</b>	<b>0.46</b>
<b>Non-current position of obligation as at the end of the year</b>	<b>5.30</b>

**iii) Economic assumptions:**

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

	As at 31 March 2024
Discount rate	7.22%
Salary growth rate	7.00%

**iv) Demographic assumptions:**

	As at 31 March 2024
Retirement age	58 years
Mortality table	IALM (2012-14)
Withdrawal rates	
Upto 30 years	10%
From 31 to 44	10%
Above 44 years	10%

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

v) Sensitivity analysis for defined benefit obligation

	<b>Gratuity Benefits</b>
	<b>For the year ended</b>
	<b>31 March 2024</b>
<b>Impact of the change in discount rate</b>	
Present value of obligation at the end of the year	5.30
- Impact due to increase of 0.50 %	(0.16)
- Impact due to decrease of 0.50 %	0.17
<b>Impact of the change in salary increase</b>	
Present value of obligation at the end of the year	5.30
- Impact due to increase of 0.50 %	0.17
- Impact due to decrease of 0.50 %	(0.16)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

**33** The Holding Company has made a preferential issue for consideration other than cash under non-promoter category with a swap of equity share as follows:

- a) at a ratio of 1:1 in exchange of every one equity share of Effective Lifestyle Private Limited("the ELPL"), one equity share of the Holding Company has been issued to the existing shareholders of the ELPL. Accordingly, the Holding Company has issued 47,00,000 equity shares worth Rs. 705.00 lakhs with a face value of Rs. 10 per share and at a premium of Rs. 5 per share against 47,00,000 equity shares acquired of the ELPL. As a result of this share swap, the Holding Company has acquired 69.42% of equity shares of Effective Lifestyle Private Limited (a subsidiary Company).
- b) at a ratio of 5:1 in exchange of every one equity share of Kanone Technologies Private Limited("the Kanone"), five equity share of the Holding Company has been issued to the existing shareholders of the Kanone. Accordingly, the Holding Company has issued 52,00,000 equity shares worth Rs. 780.00 lakhs with a face value of Rs. 10 per share and at a premium of Rs. 5 per share against 10,40,000 equity shares acquired of the Kanone. As a result of this share swap, the Holding Company has acquired 49.74% of equity shares of Kanone Technologies Private Limited (an associate Company).

**34 Loans are secured by way of hypothecation of following primary security, collateral security and personal guarantee:**

**A Primary Security**

Hypothecation of Stocks and Receivables of the company, both present and future.

**B Collateral Security:**

- a) Equitable Mortgage of residential building and land bearing Survey Number: 484/2, situated at Poonithura village, Ernakulam, Admeasuring Total Area: 3.65 ares , Belongs to: FAIZAL BA, Partner, (Doc No: 6495/05, Registered On:23-DEC-05, at: MARADU, KERALA,
- b) Equitable Mortgage of residential Building and land bearing Survey Number: 8/3-4, 8/3-3 & 8/8-2, situated at Kizhakambalam Village, Ernakulam, Admeasuring Total Area :8.97 ARES, Belongs to: FAIZAL B A & SRUTHI MUHAMMEDALI, Partners, Title Deed No: 8578/07, Registered On: 08-OCT-07, at: ALUVA, KERALA,
- c) Equitable Mortgage of Commercial Building Door No cc 33/2308 F Kochi Corporation and bearing Survey Number : 455/1,456/3,457/1, situated at Poonithura village , Ernakulam, Admeasuring Total Area : 12.765 ARES (31.62 CENTS),Belongs to 1) ANAS B A, Partner, Title Deed No : 5219/04, Registered On : 08-OCT-04, at : MARADU, KERALA; 2) Belongs to : AYOOB B A , Partner, Title Deed No : 2497/1/02, Registered On : 12-JUL-02, at : MARADU, KERALA,3) Belongs to : FAIZAL BA, Partner Title Deed No : 2549/01, Registered On: 03-JULY-01, at : MARADU, KERALA, 4) Belongs to : PATHUKUNJU P A, Partner, Title Deed No : 2709/2000, Registered On : 05-JUN-00, at : MARADU, KERALA, and Title Deed No : 1867/92, Registered On : 30-APR-92, at : MARADU, KERALA,
- d) Equitable Mortgage of Residential Building and land bearing survey Number: 553/4,454/3,454/6 situated at Poonithura village, Ernakulam, Admeasuring Total Area: 9.28 ARES Belongs to: AYOOB, FAIZAL, ANAS, Partners, Title Deed No: 734/1999, Registered On: 02-MAR-99, at: POONITHURA, KERALA
- e) Equitable Mortgage of Commercial Building and land bearing Survey Number: 38/12, situated at Edapally South, Ernakulam, Admeasuring Total Area: 1.58 Ares Belongs to: FAIZAL B A, AYOOB B A, Partners, Title Deed No: 111/2015, Registered On: 12-JAN-15, at: EDAPALLY SRO, KERALA,
- f) Equitable Mortgage of Residential Building and land bearing Survey Number: RESY NO: 7/11-3& 7/12-3, situated at at Kizhakambalam Village, Pookattupady, Ernakulam, Admeasuring Total Area: 4.55 ARES, Belongs to: AYOOB B A, Partner, Title Deed No: 9021/07, Registered On: 23-OCT-07, at: Puthencruz SRO, ALUVA, KERALA
- g) Equitable Mortgage of Factory Buildings and land bearing Survey Number: 184/10-2-4-3 & 184/10-2-4-2, block No 35 situated at ALUVA EAST VILLAGE, ERNAKULAM, Admeasuring Total Area: 18.62 ARES, Belongs to: AYOOB BA & FAIZAL BA, Who is: PARTNERS, Title Deed No: 4474/1/2007, Registered On: 24-JUL-07, at: ALUVA, KERALA

**C Personal Guarantee**

Shri Abdulkhader B H, Smt Pathukunju P A, Shri Fazail B A, Shri Anaz B A, Shri Ayoob B A, Smt Soumya A A and Smt Sruthi Muhammed Ali



(All amounts in ₹ in Lacs, unless otherwise stated)

**35 Dues to small and micro enterprises pursuant to section 22 of the micro, small and medium enterprises development ('MSMED') act, 2006 #:****For the year ended  
31 March 2024**

Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year.	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-
Amount of interest due and payable for the year 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.	-
Interest accrued and remaining unpaid as at the end of year.	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-

# The details of amounts outstanding to micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 are as per available information with the Company.

**36** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment received Presidential assent on 28th September 2020 and has been published in the Gazette of India. However, the date on which the provisions of the Code will come into effect has not been notified. Further, related Schemes and Rules are also awaited. The Company will evaluate the impact of the code after it has been notified.

**37** In opinion of the Board, the loans & advances and other current assets have a value, which if realized in the ordinary course of business, will not be less than the value stated in the Balance Sheet.

**38** Balance appearing under loans & advances, trade receivables, trade payables, current assets and current liabilities are subject to confirmations in certain cases.

**39 Additional regulatory information**

- (i) There are no proceedings that have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) (earlier Benami Transactions (Prohibition) Act, 1988) and the rules made thereunder.
- (ii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (iii) There are no transactions / relationship with struck off companies.
- (iv) The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961). Further, there was no previously unrecorded income and no additional assets were required to be recorded in the books of account during the year.
- (v) The Company has neither traded nor invested in Crypto currency or Virtual Currency during the year ended March 31, 2024. Further, the Company has also not received any deposits or advances from any person for the purpose of trading or investing in Crypto Currency or Virtual Currency.
- (vi) The Company does not have any charges or satisfaction of charges which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (vii) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, 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/entities identified in any other 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.
- (viii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding party") with the understanding (whether recorded in writing or otherwise) that the Company shall 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.
- (ix) The Company has not granted any loans or advances in the nature of Loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person which are repayable on demand or without specifying any terms or year of repayment (March 31, 2024: Nil).
- (x) Valuation of PP&E, intangible asset and investment property: The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current year.
- (xi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, and there are no companies beyond the specified layers.

(All amounts in ₹ in Lacs, unless otherwise stated)

## (xii) Analytical Ratios

Ratio	Numerator	Denominator	Current Year
- Current ratio (in times)	Total current assets	Total current liabilities	1.52
- Debt equity ratio (in times)	Total debts	Shareholders' Equity	1.21
- Debt service coverage ratio (in times)	Earnings available for debt service (Net profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other non cash adjustments)	Debt service (Interest & lease payments + principal repayments)	1.75
- Return on equity ratio (in %)	Profits for the year less preference dividend (if any)	Average shareholder's equity	13.23%
- Inventory turnover ratio (in times)	Revenue from operations	Average inventory	177.78
- Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivable	30.03
- Trade payables turnover ratio (in times)	Cost of traded goods and other expenses	Average trade payables	24.05
- Net capital turnover ratio (in times)	Revenue from operations	Average working capital	46.82
- Net profit ratio (in %)	Profit for the year	Revenue from operations	-1.04%
- Return on capital employed (in %)	Profit before tax and finance costs	Capital employed	18.56%
- Return on investment (in %)	Income generated from invested funds	Average invested funds	-38.18%

\* Since this is the first year of consolidation, therefore, previous year figures and reason for changes not available in the analytical ratios

40 The Company has a single reportable segment for the purpose of Accounting Standard 17.

## 41 Additional Information as per Part II of Schedule III, Companies Act, 2013

Name of the Entity	Net Assets		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount
<b>Holding:</b>				
Safa Systems & Technologies Limited	99.66%	3,392.35	94.84%	213.56
<b>Subsidiary:</b>				
Effective Lifestyle Private Limited	0.02%	0.85	0.37%	0.84
<b>Associates:</b>				
Kanone Technologies Private Limited	0.32%	10.79	4.79%	10.79
<b>Total</b>	<b>100.00%</b>	<b>3403.99</b>	<b>100.00%</b>	<b>225.19</b>

42 Figures for the previous year have been regrouped/reclassified/reinstated, wherever considered necessary.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Kapish Jain & Associates**  
Chartered Accountants  
Firm Registration No.: 022743N

For and on behalf of the Board of Directors of  
**Safa Systems & Technologies Limited**

**Kapish Jain**  
Partner  
Membership No.: 514162

**Faizal B.A.**  
Managing Director  
DIN 07727191  
**Place: Ernakulaum**

**B. H. Abdhul Kadher**  
Director  
DIN 01390977  
**Place: Ernakulaum**

**Place:** New Delhi  
**Date:** 24 May 2024

**Divya Modi**  
Company Secretary  
M. No. A69806  
**Place : New Delhi**

**Alingal Pandian Rajeshwari**  
Chief Financial Officer  
PAN CZJPR6055G  
**Place : New Delhi**