



Qualitek Labs
Delivering Business Confidence



ANNUAL REPORT

2024

INDEX

REGISTERED OFFICE

73, National Park, Lajpat Nagar-IV,
Lajpat Nagar (South Delhi),
South Delhi, New Delhi, Delhi,
India, 110024

CORPORATE OFFICE

C-40, near Nexa showroom,
Block C, Sector 57, NOIDA,
Uttar Pradesh, India, 201301

STATUTORY AUDITORS

J Madan &
Associates.
(FRN025913N)
Chartered Accountants

LISTING

SME Platform of
BSE (BSE
EMERGE)

REGISTRAR

& SHARE

TRANSFER

AGENT

Skyline Financial Services
Private Limited

BANKERS

Kotak Mahindra Bank ICICI Bank

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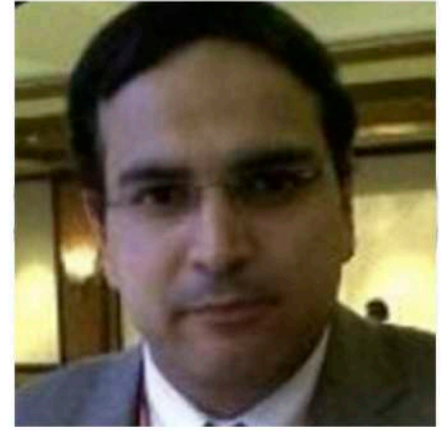
BOARD OF DIRECTORS



Mr. Anantaryami Nayak
Managing Director



Mr. Alok Kumar Agarwal
Non- Executive Director



Mr. Kamal Grover
Whole -Time Director

Independent Directors

Ms. Shubhangi Agarwal

Mr. Manish Wahi

Mr. Sulabh Jain

Key Managerial Personnel

Mr. Navneet Gupta
Chief Financial Officer

Ms. Ashima Bhatnagar
Company Secretary

NOTICE OF 6TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 6 TH (SIXTH) ANNUAL GENERAL MEETING OF THE MEMBERS OF QUALITEK LABS LIMITED WILL BE HELD ON TUESDAY, 20TH DAY OF AUGUST, 2024 AT 11:00 A.M. IST (INDIAN STANDARD TIME) AT NEETI BAGH CLUB, AUGUST KRANTI MARG, BLOCK C, NEETI BAGH, NEW DELHI - 110049

TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2024 together with the Reports of the Board of Directors and the Auditors thereon.

To consider & if thought fit pass with or without modification(s), the following resolution as Ordinary resolution

“RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended 31st March, 2024 including the Audited Balance Sheet as on 31st March, 2024 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon. along with all annexures as laid before this Annual General Meeting be and are hereby received, considered and adopted.”

2. To reappoint Mr. Alok Kumar Agrawal (DIN-02713687) who retires by rotation at Annual General Meeting and, being eligible, offers himself for re-appointment as Non -Executive Director.

To consider & if thought fit pass with or without modification(s), the following resolution as Ordinary resolution

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Alok Kumar Agrawal (DIN-02713687), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as Non - Executive Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

3. To Increase the Authorized Share Capital and Consequent Alteration in Memorandum of Association of the Company

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 13, 61, 64 and all other applicable provisions of the Companies Act, 2013 (the “Act”), if any, read with the Companies (Incorporation) Rules, 2014 and other applicable Rules made thereunder (including any statutory amendments thereto or re-enactment thereof for the time being in force, to the extent notified and in effect), enabling provisions of the Articles of Association of the Company and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), or any other applicable laws for the time being in force and subject to all other necessary approvals, permissions, consents and sanctions, if required, of concerned statutory, regulatory and other appropriate authorities, if any, the consent of the Members of the Company be and is hereby accorded for the increase and alteration of the existing Authorized Share Capital of the Company from Rs. 10,00,00,000/- (Rupees Ten Crore Only) divided into 1,00,00,000 (One Crore) Equity Shares of face value of Rs. 10/- (Rupees Ten Only) each to Rs. 15,00,00,000 (Rupees Fifteen Crore Only) divided into: 1,50,00,000 (One Crore Fifty Lakh) Equity Shares of face value of Rs. 10/- (Rupees Ten Only) each.

RESOLVED FURTHER THAT the memorandum of Association of the Company be altered and the existing Clause V of the Memorandum of Association be deleted and the same be substituted with the following new clause as Clause V;

The Authorized Share Capital of the Company is Rs. 15,00,00,000 (Rupees Fifteen Crore Only) divided into: 1,50,00,000 (One Crore Fifty Lakh) Equity Shares of face value of Rs. 10/- (Rupees Ten Only) each with rights, privileges and conditions attached thereto as per the relevant provisions contained in the behalf in the Articles of Association of the Company and with the power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes (being those specified in Companies Act, 2013) and to attach thereto respectively such preferential qualified or special rights, privileges or conditions in such a manner as may be permitted by the said Act or provided by the Articles of Association of the Company for the time being in force."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution Managing Director & Company Secretary, be and are hereby authorized severally to do all such acts, deeds, matters and things as may be necessary for obtaining such approvals, in relation to the above and to execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of its powers herein conferred to any of the Director(s), Company Secretary or any other Officer(s)."

4. TO OFFER, ISSUE AND ALLOT EQUITY SHARES ON A PREFERENTIAL BASIS

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 23(1)(b), 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended (the "Act"), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Foreign Exchange Management Act, 1999, as amended or restated ("FEMA"), and rules, circulars, notifications, regulations and guidelines issued under FEMA, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBI ICDR Regulations")

and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), as amended from time to time, the listing agreements entered into by the Company with the BSE Limited ("Stock Exchange") on which the Equity Shares of the Company having Face Value of Rs. 10/- each ("Equity Shares") are listed, and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder from time to time by the Ministry of Corporate Affairs ("MCA"), the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI") and/or any other competent authorities (hereinafter referred to as "Applicable Regulatory Authorities") from time to time to the extent applicable and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, and subject to such approvals, consents, permissions and sanctions as may be necessary or required and subject to such conditions as may be imposed or prescribed while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent and approval of the Members of the Company ("Members") be and is hereby accorded to the Board to create, issue, offer and allot at an appropriate time, in one or more tranches, up to 26,07,600 (Twenty Six Lakh Seven Thousand Six Hundred) fully Paid up Equity Shares of the Company having a Face Value of Rs. 10/- (Rupee One Only) each at a price of Rs. 197.46/- per Equity Share (including a premium of Rs. 187.46/-) per share, aggregating to Rs. 51,48,96,696/- (Rupees fifty one crore forty eight ninety six thousand six hundred ninety six Rupees only), to the Proposed Allottee, as mentioned below on preferential basis for cash and on such terms and conditions as the Board may, in its absolute discretion think fit and without requiring any further approval or consent from the members:

| S.No. | Name of proposed Allottees | Category | No. of shares issued | Total Consideration (Rs.) |
|-------|---------------------------------------|----------|----------------------|---------------------------|
| 1 | Ashish Rameshchandra Kacholia | Public | 506400 | 9,99,93,744 |
| 2 | Himalaya Finance & Investment Co | Public | 506400 | 9,99,93,744 |
| 3 | SGI Developers LLP | Public | 354000 | 6,99,00,840 |
| 4 | Brick Eagle Group Pvt. Ltd | Public | 274800 | 5,42,62,008 |
| 5 | Capri global holdings private limited | Public | 100800 | 1,99,03,968 |
| 6 | Vipin Kumar Vindal | Public | 75600 | 1,49,27,976 |
| 7 | GA Family Trust | Public | 75600 | 1,49,27,976 |
| 8 | SA Family Trust | Public | 75600 | 1,49,27,976 |
| 9 | Meenaxi Dilip Kothari | Public | 50400 | 99,51,984 |
| 10 | Umang Enclave Pvt. Ltd | Public | 42000 | 82,93,320 |
| 11 | Harsimrit Kaur | Public | 39600 | 78,19,416 |
| 12 | JAYESH MANHARLAL GANDHI | Public | 37200 | 73,45,512 |
| 13 | WICHITA ENTERPRISES PRIVATE LIMITED | Public | 37200 | 73,45,512 |
| 14 | Harshil Kothari | Public | 34800 | 68,71,608 |
| 15 | Bhagwan Singh | Public | 34800 | 68,71,608 |
| 16 | TGISME Fund | Public | 25200 | 49,75,992 |
| 17 | Shrigauri Buildtech | Public | 25200 | 49,75,992 |
| 18 | Niten Agarwal | Public | 25200 | 49,75,992 |
| 19 | Rama Shankar Agarwal HUF | Public | 22800 | 45,02,088 |
| 20 | MITESH CHANDRAKANT SHETH | Public | 19200 | 37,91,232 |
| 21 | Amar Amarbahadur Maurya | Public | 16800 | 33,17,328 |
| 22 | Samedh Trinity Partners | Public | 16800 | 33,17,328 |
| 23 | Panna Gunchandra Mehta | Public | 16800 | 33,17,328 |
| 24 | Dhruvesh Sanghvi | Public | 14400 | 28,43,424 |
| 25 | Yamaan Hamidi | Public | 14400 | 28,43,424 |
| 26 | Sandeep garg | Public | 13200 | 26,06,472 |
| 27 | EVERLON SYNTHETICS LIMITED | Public | 12000 | 23,69,520 |
| 28 | Pradeep Kumar Mimani | Public | 12000 | 23,69,520 |
| 29 | Rita Rajendra Shah | Public | 12000 | 23,69,520 |
| 30 | Anupam Agarwal | Public | 12000 | 23,69,520 |
| 31 | Reshma Manish Kukreja | Public | 12000 | 23,69,520 |
| 32 | Manish Omprakash Kukreja | Public | 12000 | 23,69,520 |
| 33 | Mitul Mehta | Public | 12000 | 23,69,520 |
| 34 | Sun Financial Consultants Pvt. Ltd | Public | 13200 | 26,06,472 |
| 35 | Dhara Gandhi | Public | 9600 | 18,95,616 |
| 36 | Niyati Sanghvi | Public | 9600 | 18,95,616 |
| 37 | Rakesh Chandra NRO | Public | 9600 | 18,95,616 |
| 38 | Vipul Ashok Sanghavi | Public | 9600 | 18,95,616 |
| 39 | Incipience Dealers LLP | Public | 9600 | 18,95,616 |
| 40 | Mrs. BHAVINI HEMANG SHAH | Public | 7200 | 14,21,712 |

RESOLVED FURTHER THAT in accordance with the provision of Chapter V of the SEBI (ICDR) Regulations the “Relevant Date” for the purpose of calculating the floor price for the issue of Equity Shares be and is hereby fixed as July 19, 2024 being the weekday 30 days prior to the date of Annual General Meeting i.e. August 20, 2024.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of the Equity Shares shall be subject to the following terms and conditions:

i. The Equity Shares to be issued and allotted pursuant to the Preferential Issue shall be listed and traded on the Stock Exchanges subject to receipt of necessary regulatory permissions and approvals.

ii. The Equity Shares to be issued and allotted shall be fully paid up and rank paripassu with the existing Equity Shares of the Company in all respects (including with respect to dividend and voting powers) from the date of allotment thereof, be subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company.

iii. The Equity Shares to be allotted shall be locked in for such period as specified in the provisions of Chapter V of the SEBI ICDR Regulations.

iv. The Investor shall be required to bring in the entire consideration for the Equity Shares to be allotted to such Investor, on or before the date of allotment thereof.

v. The consideration for allotment of Equity Shares shall be paid to the Company from the bank accounts of the Investor.

vi. The Equity Shares shall be allotted in dematerialised form only within a maximum period of fifteen (15) days from the date of passing of the special resolution by the Members, provided that where the allotment of Equity Shares is subject to receipt of any approval or permission from Applicable Regulatory Authorities, the allotment shall be completed within a period of fifteen (15) days from the date of receipt of last of such approvals or permissions.

Resolved further that the Board be and is hereby authorized to accept any modification(s) in the terms of issue of Equity Shares, subject to the provisions of the Act and the SEBI ICDR Regulations, without being required to seek any further consent or approval of the Members

Resolved further that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the Members and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Equity Shares and listing thereof with the Stock Exchanges as appropriate and utilisation of proceeds of the Issue, open bank account in the name of the Company or otherwise, as may be necessary or expedient in connection with the Issue, apply to Stock Exchanges for obtaining of in-principle and listing approval of the Equity Shares and other activities as may be necessary for obtaining listing and trading approvals, file necessary forms with the appropriate authority or expedient in this regard and undertake all such actions and compliances as may be necessary, desirable or expedient for the purpose of giving effect to this resolution in accordance with applicable law including the SEBI ICDR Regulations and the SEBI Listing Regulations take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.

Resolved further that the Board be and is hereby authorized to delegate all or any of the powers herein conferred, as it may deem fit in its absolute direction, to any committee of the Board or any one or more Director(s)/ Company Secretary/any Officer(s) of the Company to give effect to the aforesaid resolution.

Resolved further that all actions taken by the Board or committee(s) duly constituted for this purpose in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects.”

5. To change in remuneration of Mr. Antaryami Nayak, Managing Director of the company

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in partial modification of resolution passed in this regard by the members of the Company at General Meeting held on 2nd May, 2023 and pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act'), the consent of the members be and is hereby accorded for revision in remuneration of Mr. Antaryami Nayak (DIN: 07232463), Managing Director, with effect from 01st September 2024 for the remaining period of his tenure ending on April, 2028.

RESOLVED FURTHER THAT the remuneration payable to Mr. Antaryami Nayak (DIN: 07232463), Managing Director with effect from 01st September 2024 shall be Rs. 1,25,000/- p.m. inclusive of all perquisite.

RESOLVED FURTHER THAT the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

RESOLVED FURTHER THAT where in any financial year, during the currency of the tenure of Mr. Antaryami Nayak as Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

RESOLVED FURTHER THAT except for the aforesaid revision in salary, all other terms and conditions of his appointment as Managing Director of the Company, as approved by the resolution passed at the General Meeting of the Company held on 2nd May, 2023 shall remain unchanged.

RESOLVED FURTHER THAT the Board of Director or the Chief Financial Officer or Company Secretary thereof be and hereby authorized to do all such acts, deeds and things to enter into such agreement(s), deed(s) of amendments or such document (s), as the Board may, in its absolute discretion, consider necessary expedient or desirable including power to sub delegate, in order to give effect to this resolution.

6. To Acquire the Target Companies

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 179(3)(j) of the Companies Act, 2013 and Rules made thereunder and consent of the members of the Company is hereby accorded to acquire Interstellar Testing Centre Private Limited and Quality & Testing Infosolution Private Limited, the Board of Directors of the Company be and is hereby authorized to pursue the acquisition strategy by taking over a companies or acquiring a control or substantial stake in another companies as outlined in the Acquisition Strategy tabled at the meeting and initialled by the Chairperson for the purpose of identification.

Detail of target Company as required under Regulation 30 of the SEBI Listing Regulation and SEBI Circular No SEBI/HO/CFD/CFD-PoD-1/P /CIR/2023/123 dated July 13,2023 are as under:

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) Name of the target entity, details in brief such as size, turnover etc. | <p>INTERSTELLAR TESTING CENTRE PRIVATE LIMITED ("ITCPL")</p> <ul style="list-style-type: none"> • Authorised capital: 5,60,000 equity shares of Rs.10 each aggregating to 56,00,000 /- • Paid up capital: 5,09,804 equity shares of Rs.10 each aggregating to Rs. 50,98,040/- • Turnover for the year ended March 31, 2024: Rs. 32,55,36,000/- • Net Profit for the year ended March 31, 2024: Rs. 15,213,000/-. <p>Note: Figures as on 31st March 2024 are based on provisional financial statement.</p> |
| b) whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length"; | <p>The company has common Directors i.e.:</p> <ul style="list-style-type: none"> • Mr. Antaryami Nayak, Managing Director of the company is also Director in ITCPL • Mr. Alok Kumar Agarwal, Director of the company is also Director in ITCPL • Mr. Kamal Grover, Whole time Director of the company is also a Director in ITCPL |
| c) industry to which the entity being acquired belongs | <p>The Company is engaged in the business of providing testing and assurance services in the fields of Drugs, Pharmaceuticals, Food, Chemicals, Cosmetics, Herbal, Microbiological, Environment, Building Materials, Mechanical, etc.</p> |
| d) objects and impact of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity) | <p>The Investment is made for the purpose of Expansion of business and do sideward integration and to create synergies.</p> |
| e) brief details of any governmental or regulatory approvals required for the acquisition | <p>Not Applicable</p> |
| f) indicative time period for completion of the acquisition | <p>By September 30th, 2024 subject to the approval of shareholders</p> |
| g) nature of consideration - whether cash consideration or share swap and details of the same | <p>Both (as following):</p> <ul style="list-style-type: none"> • Cash Consideration: At a 50% consideration in cash i.e. 254845 shares aggregating to value of Rs. 32,99,25,864/-; and • Share Swap: in the ratio of 6.56:1; Remaining 50% consideration in other than cash (Qualitek will issue 6.56 shares for every 1 shares of ITCPL as per Share swap agreement). Accordingly, company will issue 1671598 shares against the remaining 254959 shares of ITCPL. |
| i) percentage of shareholding/control acquired and /or number of shares acquired | <p>100%</p> |
| j) brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief) | <p>The Company is engaged in the business of providing testing and assurance services in the fields of Drugs, Pharmaceuticals, Food, Chemicals, Cosmetics, Herbal, Microbiological, Environment, Building Materials, Mechanical, etc.</p> <p>Date of incorporation: 10/02/2016</p> <p>Last three years' turnover: [Amount in Rs.]</p> <p>2023-24: 32,55,36,000/-</p> <p>2022-23: 29,42,89,591/-</p> <p>2021-22: 27,74,62,009/-</p> <p>Country of presence: India</p> |

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>a) Name of the target entity, details in brief such as size, turnover etc.</p> | <p>QUALITY & TESTING INFOSOLUTION PRIVATE LIMITED ("Q&T")</p> <ul style="list-style-type: none"> • Authorised capital: 10,000 equity shares of Rs.10 each aggregating to 1,00,000 /- • Paid up capital: 10,000 equity shares of Rs.10 each aggregating to Rs. 1,00,000/- • Turnover for the year ended March 31, 2024: Rs. 41,28,733/- • Net Profit/Loss for the year ended March 31, 2024: Rs.(73,80,492)/- <p>Note: Figures as on 31st March 2024 are based on provisional financial statement.</p> |
| <p>b) whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length";</p> | <p>The company has no common Directors. However, the Promoter of the company are the common</p> <ul style="list-style-type: none"> • TIC Services Private Limited: Promoter of the company is also the Promoter of Q&T |
| <p>c) industry to which the entity being acquired belongs</p> | <p>The Company is engaged in the business of business of Software designing, development, customisation, implementation, maintenance, testing and benchmarking, designing, developing and dealing in computer software and solutions and also to offer training, consultancy, advisory and all related services in all areas of information technology including computer hardware and software, data communication, telecommunications etc..</p> |
| <p>d) objects and impact of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)</p> | <p>The Investment is made for the purpose of Expansion of business of the company and aliening the commitment of Qualitek Shareholders.</p> |
| <p>e) brief details of any governmental or regulatory approvals required for the acquisition</p> | <p>Not Applicable</p> |
| <p>f) indicative time period for completion of the acquisition</p> | <p>By September 30th, 2024 subject to the approval of shareholders</p> |
| <p>g) nature of consideration - whether cash consideration or share swap and details of the same</p> | <p>Consideration in Cash at INR 5,00,00,000/- (Rupees Five Crores only)</p> |
| <p>i) percentage of shareholding/control acquired and /or number of shares acquired</p> | <p>100%</p> |
| <p>j) brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)</p> | <p>The Company is engaged in the business of business of Software designing, development, customisation, implementation, maintenance, testing and benchmarking, designing, developing and dealing in computer software and solutions and also to offer training, consultancy, advisory and all related services in all areas of information technology including computer hardware and software, data communication, telecommunications etc..</p> <p>Date of incorporation: 15/10/2020 Last three years' turnover: [Amount in Rs.] 2023-24: 41,28,733/- 2022-23: 7,38,970/- 2021-22: 4,61,644/- Country of presence: India</p> |

RESOLVED FURTHER THAT any Director and/or Company Secretary of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution including calling for a general meeting of the members of the Company."

7. Approval for Related Party Transaction (Ordinary Resolution)

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Ordinary Resolution:

"RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 and the rules and regulations including the Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions and rules thereto read with Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members of the company be and is hereby accorded to the Company to enter into an agreement for acquisition of 100% shares of Interstellar Testing Centre Private Limited and Quality & Testing Infosolution Private Limited ('Related Parties') on such terms and conditions as detailed in the explanatory statement hereto.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any Member of the Board or any committee thereof or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient, including without limitation, issuing clarifications, resolving all questions of doubt effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the Members and to settle all questions, difficulties or doubts that may arise in regard to the

offer, issue and subscribed of the securities, filing of requisite documents with the Registrar of Companies, and/ or such other authorities as may be necessary and take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.

**By Order of the Board
For Qualitek Labs Limited**

Ashima Bhatnagar
Company Secretary & Compliance Officer
Membership No.25655

Place: Delhi

Date: 26 July 2024

**Registered Office: 73, National Park, Lajpat Nagar-IV, Lajpat Nagar (South Delhi),
South Delhi, New Delhi, India, 110024**

Email: compnay.secretary@qualiteklab.com

Website: www.qualiteklab.com

NOTES:

1. The relevant Explanatory Statement, pursuant to Section 102(1) of the Act, setting out the material facts concerning Ordinary / Special Business in respect of Item no. 3 to 7 is annexed hereto. The Board of Directors have considered to include Item no. 3 to 6 as Special Business in the AGM, as they are unavoidable in nature and placed for Member's approval at this AGM.
2. Pursuant to Section 152 of the Act, the Company has determined Mr. Alok Kumar Agarwal (DIN: 02713687), Non -Executive Director, as retiring by rotation, and being eligible, Mr. Alok Kumar Agrawal offers himself for re-appointment. The relevant details, pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India (ICSI), are annexed to this Notice.
3. A member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote in the Meeting instead of himself / herself, and the proxy need not be a member of the Company. A person can act as a proxy on behalf of not exceeding fifty (50) members in aggregate not more than ten (10) percent of the total share capital of the Company.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
5. The instrument appointing the proxy, duly completed, must be deposited at the Company's corporate office not less than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed.
6. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

7. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
8. All the statutory registers and documents referred in the Notice and Explanatory Statement will be available for inspection without any fee by the Members, at the AGM.
9. Pursuant to Reg. 42 of the SEBI (LODR) Regulations, 2015 read with section 91 of the Companies Act, 2013 the Register of Members and Share Transfer Books will remain closed from 14 August 2024 to 20 August 2024 (both days inclusive) for the purpose of AGM.
10. Members are requested to notify any correction / change in their name / address including pin code number immediately to the Registrar / Depository Participant. In the event of non-availability of Member's latest address either in the Companies records or in Depository Participant's records, members are likely to miss notice and other valuable correspondence sent by the Company.
11. Members are requested to kindly mention their Folio Number / Client ID Number (in case of Demat shares) in all their correspondence with the Company's Registrar to enable prompt reply to their queries.
12. With a view to using natural resources responsibly, we request shareholders to update their e-mail address with their Depository Participants to enable the Company to send communications electronically. The Annual Report 2023-24 is being sent through electronic mode only to the members whose email addresses are registered with the Company / Depository Participant(s).
13. As an austerity measure, copies of the Annual Report will not be distributed at the Annual general Meeting . members are requested to bring their copies to the meeting.

14. Mr. Naval Thakur & Associates, Practising Company Secretary (Membership No: 44392; COP No.: 25868) has been appointed as the Scrutinizer to scrutinize the voting process, in accordance with the law and in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of AGM, count the votes cast during the AGM in the presence of at least two witnesses, not in the employment of the Company and prepare for its submission, not later than 48 hours of conclusion of the AGM, a Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him in writing, who shall countersign the same.

15. The results declared along with the Scrutinizer's Report shall be placed on the Company's notice board and its website at www.qualiteklab.com within two (2) days of passing of the resolutions at the AGM of the Company. The Company shall simultaneously forward the results to the BSE Limited, where the shares of the Company are listed.

16. All documents referred to in the Notice will be available for inspection at the Company's corporate office during 11:00 am to 1:00 pm during normal business working days up to the date of the AGM.

17. The shareholder needs to furnish the printed 'attendance slip' along with a valid identity proof such as the PAN card, passport, AADHAR card or driving license, to enter the AGM hall.

18. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 13th August 2024.

19. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice through electronic means and holding shares as on the cut-off date i.e. 13th August, 2024 may send a request at company.secretary@qualiteklab.com for Annual Report for F.Y. 2023-24.

20. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of voting at the AGM through ballot paper.

21. The facility for voting through postal ballot will be made available to the Annual General meeting and the members attending the AGM who have not already cast their votes by e-voting shall be able to exercise their voting rights at AGM through Postal Ballot. The instructions for E- voting are:

In case members receiving the e-mail:

- a. Login to the evoting website [www. Evotingindia.com](http://www.Evotingindia.com)
- b. Click on "Shareholders" tab
- c. Select the "Company Name" from the drop down menu and click on Submit.
- d. Enter your user ID
 - For CDSL – 16 Digit Beneficiary ID
 - For NSDL- 8 character of DPID followed by 8 digit client ID
- e. Enter the image verification and click login
- f. For first time users
 - Enter your PAN Number
 - Enter DOB
 - Dividend bank details
- g. After entering details click on submit
- h. Click on EVSN for Qualitek Labs Limited on which you choose to vote
- i. On voting page you see "RESOLUTION DESCRIPTION" and "YES/NO" for voting. Select the option. Yes means your assent for the resolution and No means your dissent for the resolution.
- j. Click on "RESOLUTION FILES" to see details
- k. After selecting click on submit. A confirmation page will be displayed. Click "OK" else change your vote.
- l. Once you Confirm you are not able to modify your vote.
- m. You can take print out of the vote cast.

22. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following explanatory statement sets out in detail all material facts relating to item of Business as mentioned in accompanying Notice convening the AGM of the Company:

Item No. 3: Increase the Authorized Share Capital and Consequent Alteration in Memorandum of Association of the Company

Presently, the Authorized Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crore Only) divided into 1,00,00,000 (One Crore) Equity Shares of face value of Rs. 10/- (Rupees Ten Only) each. In order to create sufficient headroom for the issuance of equity shares on preferential basis as proposed in the Item No. 4 of this Notice, the authorized share capital of the Company needs to be increased and consequently altered and consequent changes are required to be made in the Capital Clause of the Memorandum of Association of the Company.

The provisions of the Companies Act require the Company to seek approval of the members for increase in authorized share capital and for consequent alteration of the Capital Clause of the Memorandum of Association; accordingly, the Board recommends the resolution set forth in Item No. 3 for the approval of the members of the Company by way of a Special Resolution.

None of the Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested (financial or otherwise) in the resolution except to the extent of their shareholding in the Company, if any.

Item No. 4: Raising of Funds by The Company Through offer, issue and allot Equity Shares on a Preferential Basis

The Board of Directors of the Company at their meeting held on Friday, July 26, 2024 have proposed to issue Equity Shares through Preferential Allotment to selected group of people as mentioned in the resolution and also given below in the explanatory statement.

Pursuant to provisions of Section 42 and 62 (1)(c) of Companies Act, 2013 (the "Act") and Rules made thereunder (the 'Act') and in accordance with the provisions of Chapter V "Preferential Issue" of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBI ICDR Regulations") as amended from time to time and on terms and conditions and formalities as stipulated in the Act and the SEBI ICDR Regulations, the Preferential Issue requires approval of the members by way of a Special Resolution.

The Board therefore, seeks approval of the members as set out in the notice, by way of Special Resolution to issue and allot Equity Shares through Preferential Allotment to the proposed allottees.

Necessary information or details in respect of the proposed Preferential Issue of Equity Shares in terms of Section 42 and 62(1)(c) of the Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Chapter V of the SEBI ICDR Regulations are as under:

i. The objects of the preferential issue:

The proceeds of the preferential issue will be utilized for any one or in combination with any one or more of the purposes such as:

- a) To acquire Interstellar Testing Centre Private Limited
- b) To meet increased working capital requirements, lab utilization, business growth and future expansion plans.
- c) General corporate purpose or such other objects, as the Board may from time to time decide in the best interest of the Company.

ii. The total number of shares or other securities to be issued:

The Board, pursuant to its resolution dated Friday, July 26, 2024, has approved the proposed issue on preferential basis of up to to 26,07,600 (Twenty Six Lakh Seven Thousand Six Hundred) fully Paid up Equity Shares of the Company having a Face Value of Rs. 10/- (Rupee One Only) each at a price of Rs. 197.46/- per Equity Share (including a premium of Rs. 187.46/-) per share, aggregating to Rs. 51,48,96,696/- (Rupees fifty one crore forty eight ninety six thousand six hundred ninety six Rupees only),

iii. The price or price band at which the allotment is proposed:

The issue price is Rs 197.46/- per Equity Share having face value of Rs. 10/-each, at a premium of Rs. 187.46/- per Equity Share.

v. Basis on which the price has been arrived at:

a. The equity shares of Company are listed on SME Platform of BSE Limited i.e. BSE SME (Stock Exchange) and are frequently traded in accordance with the SEBI (ICDR) Regulations. Therefore, trading volume of the Equity Shares on the BSE SME, during the preceding 90 trading days prior to the Relevant Date has been considered to determine the issue price.

b. In terms of the provisions of Regulation 164(1) of ICDR Regulations, the price at which Equity Shares shall be allotted shall not be less than higher of the following:

(i) the 90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or

(ii) the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

We also confirm that the Articles of Association doesn't contain any article which provides for particular method for determination of price in case of preferential issue.

vi. The relevant date on the basis of which price has been arrived at:

In terms of the provisions of Chapter V of the SEBI ICDR Regulations, the relevant date for determining the floor price for the Preferential Issue of Equity Shares is Friday, July 19, 2024 being the 30 days prior to the date of Annual General Meeting i.e. Tuesday, 20 August, 2023.

vii. The List of persons who intend to subscribe to the Equity Shares under Preferential issue

| S.No. | Name of proposed Allottees | Category | No. of shares issued | Total Consideration (Rs.) |
|-------|---------------------------------------|----------|----------------------|---------------------------|
| 1 | Ashish Rameshchandra Kacholia | Public | 506400 | 9,99,93,744 |
| 2 | Himalaya Finance & Investment Co | Public | 506400 | 9,99,93,744 |
| 3 | SGI Developers LLP | Public | 354000 | 6,99,00,840 |
| 4 | Brick Eagle Group Pvt. Ltd | Public | 274800 | 5,42,62,008 |
| 5 | Capri global holdings private limited | Public | 100800 | 1,99,03,968 |
| 6 | Vipin Kumar Vindal | Public | 75600 | 1,49,27,976 |
| 7 | GA Family Trust | Public | 75600 | 1,49,27,976 |
| 8 | SA Family Trust | Public | 75600 | 1,49,27,976 |
| 9 | Meenaxi Dilip Kothari | Public | 50400 | 99,51,984 |
| 10 | Umang Enclave Pvt. Ltd | Public | 42000 | 82,93,320 |
| 11 | Harsimrit Kaur | Public | 39600 | 78,19,416 |
| 12 | JAYESH MANHARLAL GANDHI | Public | 37200 | 73,45,512 |
| 13 | WICHITA ENTERPRISES PRIVATE LIMITED | Public | 37200 | 73,45,512 |
| 14 | Harshil Kothari | Public | 34800 | 68,71,608 |
| 15 | Bhagwan Singh | Public | 34800 | 68,71,608 |
| 16 | TGISME Fund | Public | 25200 | 49,75,992 |
| 17 | Shrigauri Buildtech | Public | 25200 | 49,75,992 |
| 18 | Niten Agarwal | Public | 25200 | 49,75,992 |
| 19 | Rama Shankar Agarwal HUF | Public | 22800 | 45,02,088 |
| 20 | MITESH CHANDRAKANT SHETH | Public | 19200 | 37,91,232 |
| 21 | Amar Amarbahadur Maurya | Public | 16800 | 33,17,328 |
| 22 | Samedh Trinity Partners | Public | 16800 | 33,17,328 |
| 23 | Panna Gunchandra Mehta | Public | 16800 | 33,17,328 |
| 24 | Dhruvesh Sanghvi | Public | 14400 | 28,43,424 |
| 25 | Yamaan Hamidi | Public | 14400 | 28,43,424 |
| 26 | Sandeep garg | Public | 13200 | 26,06,472 |
| 27 | EVERLON SYNTHETICS LIMITED | Public | 12000 | 23,69,520 |
| 28 | Pradeep Kumar Mimani | Public | 12000 | 23,69,520 |
| 29 | Rita Rajendra Shah | Public | 12000 | 23,69,520 |
| 30 | Anupam Agarwal | Public | 12000 | 23,69,520 |
| 31 | Reshma Manish Kukreja | Public | 12000 | 23,69,520 |

| | | | | |
|----|------------------------------------|--------|-------|-----------|
| 32 | Manish Omprakash Kukreja | Public | 12000 | 23,69,520 |
| 33 | Mitul Mehta | Public | 12000 | 23,69,520 |
| 34 | Sun Financial Consultants Pvt. Ltd | Public | 13200 | 26,06,472 |
| 35 | Dhara Gandhi | Public | 9600 | 18,95,616 |
| 36 | Niyati Sanghvi | Public | 9600 | 18,95,616 |
| 37 | Rakesh Chandra NRO | Public | 9600 | 18,95,616 |
| 38 | Vipul Ashok Sanghavi | Public | 9600 | 18,95,616 |
| 39 | Incipience Dealers LLP | Public | 9600 | 18,95,616 |
| 40 | Mrs. BHAVINI HEMANG SHAH | Public | 7200 | 14,21,712 |

ix. The proposed time within which the allotment shall be completed:

Under Regulation 170 of the SEBI (ICDR) Regulations, allotment of the Equity Shares is required to be completed within a period of 15 (fifteen) days from the date of passing of the special resolution of the shareholders of the Company or within the statutory time limits prescribed by the regulatory authorities subject to all the necessary approvals being in place. If any approval or permissions by any regulatory or statutory authority or the Central Government for allotment is pending, the period of 15 (fifteen) days shall commence from the date of such approval or permission being obtained.

X. The percentage (%) of Post Issue Capital that may be held by allottees and Change in Control, if any, consequent to the Issue:

| S.No. | Name of proposed Allottees | No. of shares issued | % of holding Post issue |
|-------|---------------------------------------|----------------------|-------------------------|
| 1 | Ashish Rameshchandra Kacholia | 506400 | 5.07 |
| 2 | Himalaya Finance & Investment Co | 506400 | 5.07 |
| 3 | SGI Developers LLP | 354000 | 3.54 |
| 4 | Brick Eagle Group Pvt. Ltd | 274800 | 2.7 |
| 5 | Capri global holdings private limited | 100800 | 1.01 |
| 6 | Vipin Kumar Vindal | 75600 | 0.75 |
| 7 | GA Family Trust | 75600 | 0.75 |
| 8 | SA Family Trust | 75600 | 0.75 |
| 9 | Meenaxi Dilip Kothari | 50400 | 0.50 |
| 10 | Umang Enclave Pvt. Ltd | 42000 | 0.42 |
| 11 | Harsimrit Kaur | 39600 | 0.39 |
| 12 | JAYESH MANHARLAL GANDHI | 37200 | 0.37 |
| 13 | WICHITA ENTERPRISES PRIVATE LIMITED | 37200 | 0.37 |
| 14 | Harshil Kothari | 34800 | 0.34 |
| 15 | Bhagwan Singh | 34800 | 0.34 |
| 16 | TGISME Fund | 25200 | 0.25 |
| 17 | Shrigauri Buildtech | 25200 | 0.25 |
| 18 | Niten Agarwal | 25200 | 0.25 |
| 19 | Rama Shankar Agarwal HUF | 22800 | 0.22 |
| 20 | MITESH CHANDRAKANT SHETH | 19200 | 0.19 |
| 21 | Amar Amrabahadur Maurya | 16800 | 0.16 |
| 22 | Samedh Trinity Partners | 16800 | 0.16 |
| 23 | Panna Gunchandra Mehta | 16800 | 0.16 |
| 24 | Dhruvesh Sanghvi | 14400 | 0.14 |
| 25 | Yamaan Hamidi | 14400 | 0.14 |
| 26 | Sandeep garg | 13200 | 0.13 |
| 27 | EVERLON SYNTHETICS LIMITED | 12000 | 0.12 |
| 28 | Pradeep Kumar Mimani | 12000 | 0.12 |
| 29 | Rita Rajendra Shah | 12000 | 0.12 |
| 30 | Anupam Agarwal | 12000 | 0.12 |
| 31 | Reshma Manish Kukreja | 12000 | 0.12 |

| | | | |
|----|------------------------------------|-------|------|
| 32 | Manish Omprakash Kukreja | 12000 | 0.12 |
| 33 | Mitul Mehta | 12000 | 0.12 |
| 34 | Sun Financial Consultants Pvt. Ltd | 13200 | 0.13 |
| 35 | Dhara Gandhi | 9600 | 0.09 |
| 36 | Niyati Sanghvi | 9600 | 0.09 |
| 37 | Rakesh Chandra NRO | 9600 | 0.09 |
| 38 | Vipul Ashok Sanghavi | 9600 | 0.09 |
| 39 | Incipience Dealers LLP | 9600 | 0.09 |
| 40 | Mrs. BHAVINI HEMANG SHAH | 7200 | 0.07 |

There shall be no change in the management or control of the Company pursuant to the proposed issue and allotment of Equity Shares of the Company.

xi. Number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:

The Company has not made any other issue or allotment of securities on preferential basis during the year.

xii. Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

As the proposed allotment is to be made for cash, the said provision will not be applicable.

xiii. The Shareholding pattern of the Company before and after the allotment of securities under the preferential issue:

| Sr. No. | Category | Pre Issue as on 19 th July 2024 | | Post issue | |
|-----------|----------------------------------------------------------------------------------|--------------------------------------------|--------------------------|---------------------|--------------------------|
| | | Total No. of Shares | % of Total No. of Shares | Total No. of Shares | % of Total No. of Shares |
| A. | Promoter Holding | | | | |
| | Indian | | | | |
| | Individual/ Hindu Undivided Family | 4 | 0.01 | 4 | 0.01 |
| | Bodies Corporate | 54,07,494 | 73.35 | 54,07,494 | 54.18 |
| | Sub total (A) | 54,07,498 | 73.35 | 54,07,498 | 54.18 |
| B. | Public Shareholding | | | | |
| 1. | Institutional Investors | | | | |
| 2. | Non Institution | | | | |
| | Trust | | | | |
| | Private Corporate Bodies | 2,62,800 | 35.64 | 2,62,800 | 2.63 |
| | Directors and Relatives | | | | |
| | Indian public | 15,25,202 | 20.68 | 4132802 | 41.41 |
| | Other (including NRIs) | 1,76,400 | 2.39 | 176400 | 1.76 |
| | Sub Total (B) | 19,64,402 | 26.64 | 4572002 | 45.82 |
| C. | Shares held by Custodians and against which depository Receipts have been issued | - | - | - | - |
| | Sub Total (C) | - | - | - | - |
| | Grand Total (A+B+C) | 73,71,900 | 100 | 9979500 | 100 |

xiv. Lock-In Period:

The Equity shares to be allotted shall be subject to lock-in for such period as specified under the provisions of relevant Regulation(s) of SEBI (ICDR) Regulations.

xv. Requirements as to re-computation of price:

Since the Equity Shares of the Company are listed on recognized stock exchanges for more than 90 (Ninety) trading days, the price computation and lock-in extensions, required pursuant to Regulations 164(3) and 167(5) of the SEBI (ICDR) Regulations and the disclosures and undertakings required pursuant to Regulation 163(1)(g) and (h) of the SEBI (ICDR) Regulations are not applicable. However, the Company undertakes to re-compute the price of the Equity Shares in terms of the preferential allotment under this resolution as per the provision of the SEBI (ICDR) Regulations, 2018 where it is required to do so. The Company undertakes that if the amount payable on account of re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, 2018, the specified Equity Shares shall continue to be locked-in till the time such amount is paid by the allottees.

xvi. Disclosure specified in Schedule VI of SEBI (ICDR) Regulations, if the issuer or any of its promoters or directors is a wilful defaulter or a fraudulent borrower

Neither the Company nor its Promoters or Directors have been declared as wilful defaulter or fraudulent borrower as defined under the SEBI (ICDR) Regulations. None of its Promoters or Directors are a fugitive economic offender as defined under the SEBI (ICDR) Regulations.

xvii. Listing:

The Company will make an application to the Stock Exchange at which the existing shares are already listed, for listing of the Equity Shares, and the Equity Shares so allotted shall rank paripassu with the existing equity shares of the Company in all respects, including dividend.

xviii. Intention of Promoters, directors or key managerial personnel to subscribe to the offer:

None of the Promoter or Promoter Group has subscribe the allotment.

xix. Valuation report from a Registered valuer:

Pawan Kumar Agarwal, bearing the registration IBBI/RV/03/2023/15263 with SEBI, has issued the valuation report for the issue.

xx. Practicing Company Secretary's Certificate:

Practicing Company Secretary of the Company, M/s. Naval thakur & Associates have issued a certificate dated July 26, 2024 confirming that the issue of the Equity Shares is being made in accordance with the requirements of the SEBI (ICDR) Regulations.

xxi. Principal terms of assets charged as securities:

Not applicable

xxii. Other Disclosures/Undertaking:

a. The Company is eligible to make the Issue under Chapter V of the SEBI (ICDR) Regulations;

b. Neither the Company nor its Directors or Promoters have been declared as willful defaulter or a fraudulent borrower as defined under the SEBI (ICDR) Regulations.

None of its Directors or Promoter is a fugitive economic offender as defined under the SEBI (ICDR) Regulations.

c. The proposed allottees have not sold or transferred any Equity Shares during the 90 (Ninety) trading days preceding the relevant date.

The approval of the Members by way of Special Resolution is required in term of the applicable provisions of Sections 23, 42 and 62 of the Act read with applicable rules thereto and relevant provisions of the SEBI (ICDR) Regulations and accordingly the approval of the Members of the Company is being sought.

The Board of Directors of the Company believe that the proposed issue is in the best interest of the Company and its Members and therefore recommends the Special Resolutions as set out Item No. 4 in the accompanying notice for your approval.

None of the Directors or any Key Managerial Personnel(s) of the Company or their respective relatives are concerned or interested financially or otherwise, either directly or indirectly in passing of the said Resolution, save and except to the extent of their respective interest as shareholders of the Company.

Item No. 5: Change in Remuneration of Mr. Antaryami Nayak Managing Director of the Company

Mr. Antaryami Nayak is a well-qualified person with a wide and varied experience in the industry. Mr. Nayak has professional approach with great business acumen. because to his foresightedness and hard work, the Company is achieving greater heights. Your Directors foresee a bright future of the Company under his management. Considering his valuable efforts and on recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on 26 July, 2024. Keeping in view the above and Industrial standards and with a recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, unanimously recommended the increase in the remuneration of Mr. Antaryami Nayak, Managing Director of the Company from Rs. 75,000/- per month to Rs. 1,25,000/- per month, for the remaining tenure of his appointment i.e. w.e.f. 1 September, 2024.

Item No6. To Acquire the Target Companies

The members were informed that the Board has proposed to acquire/control a Companies "Interstellar Testing Centre Private Limited (ITCPL) and Quality and Testing Private limited "taking over the substantial stake in that Company. The Purpose to acquire both the Companies is Expansion of Qualitek Labs Limited.

Item No. 7:

The members are apprised that as per the expansion plan of Qualitek Labs Limited it is proposed to acquired 100% shares of Interstellar Testing Centre Private Limited. It is important to note that the Interstellar Testing Centre Private Limited is in the business of testing of various Food Stuff, Agricultural products etc.

Pursuant to the Provisions of Section 188 of the Companies Act, 2013 ("the Act"), the Companies (Meetings of Board and its Powers) Rules,2014, the Related Party Transactions as mentioned in clause (a) to (g) of the said section require a company to obtain approval of the Board of Directors and subsequently the Shareholders of the Company by way of an Ordinary resolution in case the value of the Related party transactions exceeds the stipulated thresholds prescribed in Rule 15 of the said Rules.

The Board of Directors also noted that the above transactions are other than in the Ordinary course of business and on an arm's length basis. Further, Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') mandates approval of the Members through a resolution passed at General Meeting for all Material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a Financial Year exceeds 10% of the Annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

The following disclosure(s) for rendering of any services to the related party is made in accordance with the provisions of Section 188 of the Companies Act, 2013 and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014:

| | | |
|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| Name of Related Party | Interstellar Testing Centre Private Limited | Quality and Testing Private Limited |
| Name of Director / Personnel | Alok Kumar Agarwal and Antaryami Nayak | Mayank Singhal and Sabina Bansal |
| Nature of Relation | Related Party | Related Party |
| Nature, Monetary Value and particulars of Contract | 66,00,00,000/- | 5,00,00,000 |
| Any other information relevant or important for the members to take a decision on the proposed resolution | All-important or relevant information have been provided in the foregoing paragraphs of the explanatory statement. | All-important or relevant information have been provided in the foregoing paragraphs of the explanatory statement. |

None of the Related Parties shall vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not and accordingly the Promoters shall not vote on the resolutions set out at Item No.7.

Except Alok Kumar Agarwal and Antaryami Nayak, None of the Directors and Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution except may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any.

The Board is of the opinion that the aforesaid proposal is in the best interest of the Company and accordingly the Board recommends the Ordinary Resolution as set out in Item No. 7 of this Notice for approval of the Members.

This Explanatory statement may also be regarded as a disclosure as required under Listing Regulations

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:

Name of the company:

Registered office:

Name of the member (s) :
Registered address :
E-mail Id:
Folio No/ Client Id :
DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :

Address :

E-mail Id :

Signature :....., or failing him

3. Name :

Address:

E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at theAnnual general meeting/ Extraordinary general meeting of the company, to be held on the day of..... At..... a.m. / p.m. at.....(place) and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

1.....

2.....

3.....

Signed this..... day of..... 20....

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**Application for Change in CIN has been already filed with Registrar of Companies, Delhi*

ATTENDANCE SLIP

Annual General Meeting – 20th August, 2024

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company. I hereby record my presence at the 6th Annual General Meeting of the Company at 11:00 A.M. IST (Indian Standard Time) at Neeti Bagh Club, August Kranti Marg, Block C, Neeti Bagh, New Delhi – 110049 on Tuesday, 20th August, 2024.

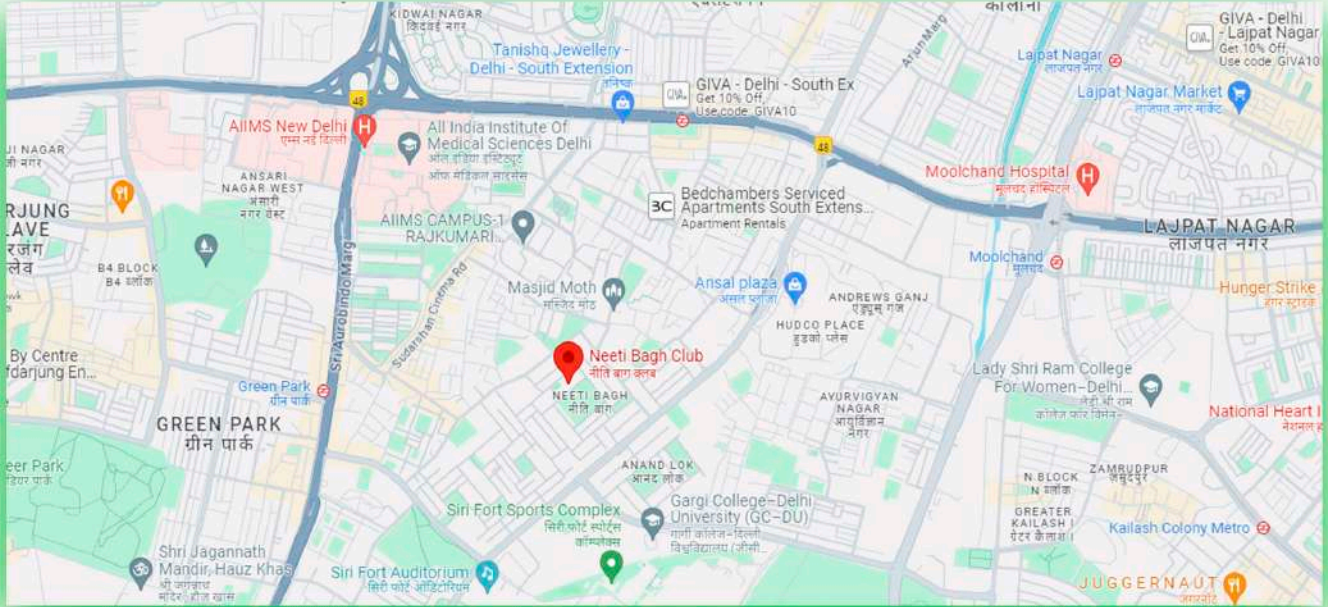
Member's /Proxy name in Block Letters

Member's/ Proxy's Signature

Please fill in this attendance slip and hand it over at the Entrance of the Meeting Hall. Kindly also note that no gifts, conveyance etc. will be given at the Meeting.

Note : As per Section 108 of the Companies Act, 2013, Rule 20(2) of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015, and Chapter XB or Chapter XC of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Company has not provided facility to the members to exercise their votes electronically through the electronic voting, service facility arranged by Depository due to its non-applicability. Voting through ballot/polling paper will only be made available at the AGM.

GOOGLE MAP



<https://www.google.com/maps/place/Neeti+Bagh+-+Club/@28.5601178,77.2159616,15z/data=!4m6!3m5!1s0x390ce2698ab5444b:0xf0a3b5d8a873797!8m2!3d28.5601178!4d77.2159616!16s%2Fg%2F1lggbvxt0b?entry=ttu>

Report of the Board of Directors

To,
 The Members,

Your Directors ('Board') take pleasure in presenting the 6th (sixth) Annual Report on the business and operations of Qualitek Labs Limited ('Qualitek' or 'the Company' or 'your Company') along with the Audited Financial Statements for the financial year ended March 31, 2024 ('year under review' or 'year' or 'FY 2023-24').

In compliance with the applicable provisions of the Companies Act, 2013, ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), this Annual Report containing, inter alia, Standalone Audited Financial Statements, Notice of Annual General Meeting ('AGM'), Directors' Report, Auditors' Report and other important information is circulated to Members and others entitled there to.

FINANCIAL RESULTS

The financial statements of the Company for the FY 2023-24, have been prepared in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended and other accounting principles generally accepted in India and relevant provisions of the Act. The financial highlights of the Company for the financial year ended March 31, 2024 are as follows:

| Particulars | (Amount in Rs. In Lakh) | |
|----------------------------|-------------------------|------------|
| | FY 2023-24 | FY 2022-23 |
| Revenue from operations | 2918.38 | 1913.66 |
| Other Income | 8.21 | 21.47 |
| Total Income | 2926.59 | 1935.13 |
| Less: Expenses | 2344.16 | 1537.91 |
| Less: Prior period expense | 582.43 | 397.22 |
| Profit/(Loss) before Tax | 582.43 | 393.89 |
| Less: Tax | 151.70 | 99.47 |
| Profit/(Loss) | 430.73 | 294.43 |

PERFORMANCE REVIEW:

The highlights of the Company's performance are as under:-

1. Revenue from operations was increased to Rs. 2918.38 Lakhs during the current year as compared to Rs.1913.66 Lakhs in previous year i.e. increased by approximately 52.50%.
2. Net Profit after tax for the current year increased substantially to Rs. 430.73Lakhs as compared to Rs. 294.43 Lakhs in previous year i.e. increased by approximately 46.29%
- 3 Earnings per share increased to Rs. 7.46 per share as compared to Rs. 5.44 per share during the previous year

The Company is making all out efforts for presenting better & better results. The Company is also redefining its marketing strategies so as to capture increased market share. Looking to the volatile market conditions, the Company management needs to be much alert all the times to have better business prospects and profitability

MARKET PRICE DATA

Our Company got listed on BSE SME platform on January 29, 2024 with BSE SME Symbol – QLL, and ISIN: INEQ1R01012. The following table shows High, Low (monthly) and number of equity shares traded for the months from March, 2024 to June, 2024 on BSE SME*.

| MONTHS | MONTH'S HIGH PRICE | MONTH'S LOW PRICE | TOTAL TURNOVER (IN RS) | MONTH'S TOTAL TRADE | PLATFORM |
|----------|--------------------|-------------------|------------------------|---------------------|----------|
| FEBRUARY | 190 | 142 | 39,32,74,680 | 1,497 | BSE SME |
| MARCH | 180.8 | 140 | 139156740 | 566 | BSE SME |
| APRIL | 166 | 143 | 43774320 | 208 | BSE SME |
| MAY | 163.95 | 148 | 36090900 | 166 | BSE SME |
| JUNE | 190.85 | 144 | 102013740 | 440 | BSE SME |

GOALS & ACHIEVEMENTS

We take pride in sharing our progress, as each accomplishment signifies a step forward in our ongoing journey to create lasting impact. Guided by our commitment to sustainability and positive societal impact, following are the highlights of our goals, the initiatives we have implemented, and the tangible impact we have made in our communities and beyond.

1. The Company is in the process of setting goals to increase women employees in the workforce.
2. Qualitek abides by the Indian labour code to provide fair wages for employees and contractual workers. Qualitek has a zero-tolerance policy against discrimination based on gender, religion, caste, or class and is dedicated to advancing the diversity of the workforce and upholding the culture of an inclusive workplace.
3. The Company prohibits child labour, and forced labour, including involuntary labour. There have been zero cases in the Company pertaining to child labour, forced labour, including involuntary labour.
4. The Company believes that all accidents and injuries are unacceptable, and they strive to eliminate all such occurrences. Additionally, we conduct annual health and safety training sessions for our employees. These training programs cover various aspects, including safe material handling. Furthermore, we prioritize cleanliness and hygiene in our workplaces. We ensure clean water availability and emphasise cleanliness to enhance hygiene standards. By incorporating these practices, we aim to create a safe and healthy working environment for everyone involved in our operations.
5. Customer-Centric Approach: Customer satisfaction is Qualitek's top priority. The Company understands their needs, listens to their feedback, provides excellent customer service, and promptly addresses any concerns or complaints through its customer grievance mechanism in place.

ANNUAL REPORT

Annual Report including the Notice of 6th Annual General Meeting (AGM) is being sent in electronic mode to members whose e-mail address were available with its Registrar and Transfer Agent (RTA) or Depositories Participants (DP's).

The members are again requested to register their e-mail address with Company or RTA for receiving e-copies of Annual Report, Notice to the AGM and other shareholder's communication.

CHANGE IN BUSINESS OF THE COMPANY

There is no change in the Business of the Company during the period under review i.e. financial Year 2023-24.

SHARE CAPITAL

Initial Public Offer and Listing of Shares:

The Company has successfully come up with an Initial Public Offer (IPO) of 19,64,400 Equity Shares of face value of Rs. 10 each for cash at a price of Rs. 100/- each, aggregating to Rs 1,964.40 lakhs. Issue of company opened on January 18, 2024 and closed on January 23, 2024 and equity shares of the company got listed on BSE SME platform on January 29, 2024.

1964400 Equity Shares of Face value Rs. 10/- per share were allotted at Rs. 100/- per share (including a premium of Rs. 90 /- per share) on 24 th January 2024 pursuant to the said IPO.

Authorised Share Capital:

During the FY 2023-24, there is no change in the Authorised Share Capital of the Company. As on March 31, 2024, the Authorised Share Capital of the Company is ₹ 10,00,00,000 (Ten Crores) consisting of 100,00,000 Equity Shares of ₹10 each.

Issued and Paid-Up Share Capital

During the FY 2023-24, the Company has come with the IPO in January and issued 1964400 equity shares. The Issued and Paid-up Share Capital of the Company has been increased from 5407500 to 7371900 equity shares of Rs. 10 each.

UTILIZATION OF IPO FUND

| ORIGINAL OBJECT | MODIFIED OBJECT, IF ANY | ORIGINAL ALLOCATION (₹In Lakhs) | ALLOCATION MODIFIED, IF ANY | FUND UTILISED (₹In Lakhs) | AMOUNT OF DEVIATION/ VARIATION FOR THE YEARLY ACCORDING TO APPLICABLE OBJECT | REMARKS IF ANY |
|-------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------|-----------------------------|---------------------------|------------------------------------------------------------------------------|----------------------|
| Funding capital expenditure towards installation of plant and machinery for new & existing laboratories and for expansion of laboratories | --- | 622.38 | ---- | 210.16 | Nil | Please refer Note -1 |
| Repayment of unsecured loan to Promoter | ---- | 818.16 | ----- | 818.16 | Nil | |
| Funding of working capital requirements | ---- | 250.00 | ---- | 196.60 | Nil | |
| General corporate purposes | ---- | 140.64 | ---- | 52.91 | Nil | |

Note – 1: The Company has incurred the amount in funding capital expenditure towards installation of Plant & Machinery as per approved object in prospectus. However, due to change in technology and market requirements machinery with higher configuration were purchased instead of those which were mentioned in prospectus.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

Particulars of contracts or arrangements with related parties under Section 188 of the Companies Act, 2013 during the year under review are given in Form AOC-2 attached with this Directors' Report as "Annexure - 1".

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its related parties, in compliance with the applicable provisions of the Companies Act 2013, the rules made thereunder and the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015. This policy was considered and approved by the Board.

DIVIDEND AND APPROPRIATION

The Board of Directors of your Company with a view of ploughing back of profit do not recommend any Dividend for the year ended on March 31, 2024.

AMOUNT TO BE CARRIED TO RESERVES

The Board has recommended transfer of Rs. 430.73 lakhs to General Reserves from the profits during the year under review.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Act, the Annual Report referred to in Section 92(3) of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, a copy of the extract of Annual Return in MGT -9 as Annexure - 2 and also available on company website www.qualiteklab.com

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

Material changes and commitments affecting the financial position of the Company occurred between the end of the Previous financial year and the date of this report are as under:

- The Company was converted into Public Limited Company and name of the company was changed from "Qualitek Labs Private Limited to "Qualitek Labs Limited" vide fresh certificate of incorporation dated April 26, 2023 issued by the Registrar of Companies, Delhi.

- The Company has successfully come up with an Initial Public Offer (IPO) of 19,64,400 Equity Shares of face value of Rs. 10 each for cash at a price of Rs. 100/- each, aggregating to Rs 1,964.40 lakhs
- The shares of the Company pursuant to IPO listed on BSE SME platform on January 29, 2024.

REGISTRAR AND SHARE TRANSFER AGENT

Skyline Financial Services Private Limited is the Registrar and Share Transfer Agent (RTA) of the Company.

EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the Employees.

SUBSIDIARY, HOLDING, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company does not have any joint venture or subsidiary entities. However, it has a holding Company "TIC Services Private Limited". The annual accounts of Holding Company are available for inspection by the Members at the Corporate office of the Company.

DEPOSITS:

The Company has neither accepted nor renewed any deposits falling within the purview of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time, during the year under review.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors and Committees

The Company has eminent individuals from diverse fields as Directors on its Board, representing a judicious mix of skills, integrity, professionalism, knowledge, competence and experience.

A brief profile of each Director(s) is also available on website of the Company at www.qualiteklab.com

Board & Key Managerial Personnel

During the FY 2023-24, no changes took place in the composition of the Board of Directors and Key Managerial Personnel of the Company.

As on March 31, 2024, the Board constitutes of the following Directors:

| S. No. | Name of the Director | DIN | Designation |
|--------|----------------------|----------|--------------------------|
| 1 | ANTARYAMI NAYAK | 07232463 | Managing Director |
| 2 | KAMAL GROVER | 07429267 | Whole Time Director |
| 3 | ALOK KUMAR AGARWAL | 02713687 | Non – Executive Director |
| 4 | SULABH JAIN | 07739598 | Independent Director |
| 5 | SHUBHANGI AGARWAL | 08135535 | Independent Director |
| 6 | MANISH WAHI | 09785936 | Independent Director |

Retirement by Rotation

Pursuant to the Section 152(6) of the Act, Mr. Alok Kumar Agrawal (DIN 02713687), who will retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. The Board recommends the re-appointment of Mr. Alok Kumar Agrawal. The brief profile accompanying terms and conditions including remuneration and information as required to be disclosed under Regulation 36(3) of the Listing Regulations and Secretarial Standard are provided in the Notice convening the AGM.

Declaration of Independence by Directors and statement on compliance of Code of Conduct

The Independent Directors of the Company have submitted a declaration meeting the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 25(8) of SEBI (LODR) Regulations, 2015. The above Declaration has been taken on record. Further, All the Independent Directors of the Company have also complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act.

Relationship between Directors

None of the Directors are inter-se related to each other as defined under the Act and Listing Regulations.

Key Managerial Personnel (KMP)

Mr. Navneet Gupta, Chief Financial Officer and Ms. Ashima Bhatnagar, Company Secretary and Compliance Officer continued as KMPs during the financial year under review.

SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS

In compliance with the provisions of the Act and the Listing Regulations, a separate meeting of Independent Directors of the Company was held to discuss the following:

- a) To review the performance of Non-Independent Directors, the various Committees of the Board and the Board as a whole;
- b) To review the performance of the Chairperson of the Company;
- c) To assess the quality, quantity and timeliness of flow of information between the Company & Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Performance Evaluation is based on their contribution to Company's objectives and plans, efficient discharge of their responsibilities, participation in Board / Committee meetings and other relevant parameters. The performance evaluation of all the Independent Directors was conducted by the entire Board, excluding the Director being evaluated.

The Independent Directors expressed their overall satisfaction towards the performance of other Directors and also expressed their satisfaction over the quality, quantity and timeliness of flow of information between the Company & Management and the Board, which includes its Committees and performance of Chairperson of the Company.

The performance evaluation of Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

Familiarization programme for Independent Directors

The Company familiarizes its Independent Directors with their roles, rights, responsibilities, liabilities, nature of the industry in which the Company operates, business model of the Company, risks and opportunities, through various presentations and programmes. The Board members including Independent Directors are also updated, from time to time with any significant changes in the ongoing events and development relating to the Company.

MEETINGS OF BOARD AND SHAREHOLDER'S

The Board meets at regular intervals to review strategic, operational and financial performance of the Company, apart from other agenda items. In case of business exigencies or urgent matters, resolutions are passed by circulations, as permitted by law, which are confirmed in the next Board / Committee meeting.

There were 11 (eleven) Board Meetings held during the Financial Year 2023-24 viz.

| S. No. | Date of Meeting | Total Number of directors associated as on the date of meeting | Attendance | |
|--------|-----------------|----------------------------------------------------------------|------------------------------|-----------------|
| | | | Number of Directors Attended | % of attendance |
| 1 | 29/04/2023 | 3 | 3 | 100 |
| 2 | 09/05/2023 | 6 | 6 | 100 |
| 3 | 22/05/2023 | 6 | 5 | 80 |
| 4 | 18/08/2023 | 6 | 4 | 60 |
| 5 | 21/08/2023 | 6 | 6 | 100 |
| 6 | 04/09/2023 | 6 | 6 | 100 |
| 7 | 06/09/2023 | 6 | 6 | 100 |
| 8 | 29/09/2023 | 6 | 6 | 100 |
| 9 | 12/01/2024 | 6 | 4 | 60 |
| 10 | 24/01/2024 | 6 | 5 | 80 |
| 11 | 07/02/2024 | 6 | 5 | 80 |

The intervening period between any two consecutive Board meetings was within the maximum time gap prescribed under the Act, Listing Regulations and the Secretarial Standard.

COMMITTEES OF THE BOARD

The Company has constituted various Committees as stipulated under the Act and Listing Regulations with well-defined roles and accountabilities to deal with specific areas of concerns. The Board Committees are governed by its terms of reference which exhibit the scope, composition, functioning and reporting parameters. The details on the constitution, composition, brief terms of reference, meetings held and attendance of all the Board-level Committees are mentioned below :

(a) Audit Committee

The Audit Committee comprises of three members, out of which one is Non-Executive and two are Independent Directors, including the Chairman. The composition of the Committee is as follows:

| Name | Status in Committee | Designation |
|--------------------|---------------------|------------------------|
| Sulabh Jain | Chairman | Independent Director |
| Alok Kumar Agarwal | Member | Non Executive Director |
| Shubhangi Agarwal | Member | Independent Director |

The Company Secretary & Compliance Officer of our Company acts as the Secretary to the Audit Committee.

Brief description of terms of reference:

- Review of the financial reporting process and the Company's financial statements.
- Recommendation for appointment, remuneration and terms of appointment of Auditors.
- Review of the adequacy of internal control systems.
- The detailed terms of reference of Audit Committee covers the areas mentioned under Section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

(b) Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the Board in identifying persons who are qualified to become Directors of our Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The detailed terms of reference of the Committee cover the areas mentioned under SEBI (LODR) Regulations, 2015 as well as Section 178 of the Companies Act, 2013. The composition of the Committee is as follows:

| Name of Director | Status in Committee | Nature of Directorship |
|-------------------------|----------------------------|-------------------------------|
| Shubhangi Agarwal | Chairperson | Independent Director |
| Manish Wahi | Member | Independent Director |
| Alok Kumar Agarwal | Member | Non Executive Director |

The Company Secretary & Compliance Officer of our Company acts as the Secretary to the Nomination and Remuneration Committee.

Performance Evaluation

The Board carries out an Annual Performance Evaluation of its own performance, of its Directors individually and that of its Committees in compliance with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The evaluation was carried out on the basis of questionnaire prepared in alignment to the Act, Listing Regulations and the SEBI Circular, which provides further clarity on the process of Board Evaluation ('SEBI Guidance Note'). Separate evaluation questionnaire for each category of evaluation viz. the Board, Committees of the Board and have been prepared with separate sets of questions (questionnaire) for each of the evaluation(s).

The results of above performance evaluation was presented to the Nomination and Remuneration Committee and the Board of Directors. The Nomination and Remuneration Committee and Board of Directors expressed their satisfaction towards the process followed by the Company for evaluating the performance of the Directors, Board as a whole including Chairperson and its Committees.

(C) Stakeholder Relationship Committee

The Stakeholders' Relationship Committee is responsible for managing investor grievances, and is assisted by the registrar and share transfer agent of the Company. The terms of reference of this Committee are wide enough covering the matters specified under the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013. The Stakeholder Relationship Committee comprises of three members and Chairman of the Committee is an Non- Executive Director. The composition of the Committee is as follows:

| S. No. | Name of the Director | Status in Committee | Nature of Directorship |
|--------|----------------------|---------------------|------------------------|
| 1. | Alok Kumar Agarwal | Chairman | Non Executive |
| 2. | Kamal Grover | Member | Whole Time Director |
| 3. | Sulabh Jain | Member | Independent Director |

The Company Secretary & Compliance Officer of our Company acts as the Secretary to the Stakeholder Relationship Committee..

We had no pending complaints at the beginning of the year and received 01 (one) new complaint during the year. At the end of the reporting period, the complaint was addressed.

In compliance with the SEBI (LODR) Regulations, 2015, the Company has designated an e-mail Id of the Compliance Officer to look after investor grievances and resolve them in a speedy manner,

Compliance Officer

Name : Ms. Ashima Bhatnagar

Designation : Company Secretary & Compliance

Officer E-mail Id :

company.secretary@qualiteklab.com

(d) Corporate Social Responsibility Committee

In accordance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a Corporate Social Responsibility (CSR) Committee.

The composition of the Committee is as follows :

| S. No. | Name of the Director | Status in Committee | Nature of Directorship |
|--------|----------------------|---------------------|------------------------|
| 1. | Alok Kumar Agarwal | Chairman | Non Executive Director |
| 2. | Antaryami Nayak | Member | Managing Director |
| 3. | Manish Wahi | Member | Independent Director |

The Company Secretary & Compliance Officer of our Company acts as the Secretary to the Corporate Social Responsibility Committee.

INSIDER TRADING

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has devised the Code of Conduct to regulate, monitor and report trading in Company's securities by persons having access to unpublished price sensitive information of the Company. The Company Secretary is the Compliance Officer for the purpose of this code.

CORPORATE SOCIAL RESPONSIBILITY

Qualitek is committed to build a sustainable business with strong social relevance and a commitment to inclusive growth and contribute to the society by supporting causes on various concerns including road safety, healthcare, environmental sustainability, promoting education, promoting sports and other rural development activities.

In pursuance of our vision that Qualitek desires to be a 'Company which society wants to exist', we are dedicated towards fulfilling the social objectives through various CSR activities. The Company shall make its endeavour to positively impact and influence the Society for its sustainable development.

AUDITORS

Statutory Auditors and their Report

M/s J. Madan & Associates (Firm Registration No. 025913N), Statutory Auditors of the Company, were appointed on 27th December 2022 to hold office until the conclusion of AGM in year 2028.

The Statutory Auditors have confirmed their eligibility and submitted their certificate of non- disqualification to hold office of Statutory Auditors of the Company.

The Auditors have issued their report on the financial statements for the financial year ended 31 March 2024, with an unmodified opinion and do not contain any qualification, observation or adverse remarks or disclaimer that may call for any explanation from the Board of Directors.

The Auditors' Report is enclosed with the financial statements in this Annual Report. The Auditors have not reported any matter under Section 143(12) of the Act and therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

Internal Auditor:

As per Section 138 of Companies Act 2013, every Listed Company is required to appoint an Internal Auditor or a firm of Internal Auditor. Accordingly, M/s SAPR & Co., Chartered Accountants were appointed as Internal Auditors to conduct internal audit for the financial year ended 31st March, 2024 as per agreed scope of works pursuant to the provision of section 138 of Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

Details in respect of frauds reported by Auditors

During the year under review, no instances of fraud committed against the Company by its officers or employees, were reported by the Statutory Auditors and Secretarial Auditors under Section 143(12) of the Act to the Audit Committee or the Board of Directors of the Company.

Secretarial Auditors and their Report

Pursuant to the provisions of Section 204(1) of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Listing Regulations, the Board has appointed Mr. Naval Thakur & Associates, Company Secretaries to conduct the Secretarial Audit of the Company for the financial year 2023-24. The Secretarial Auditors have submitted their report as provided under Annexure- 3 to this Board's Report, confirming compliance by the Company of all the provisions of applicable laws.

The Secretarial Audit Report does not contain any qualification, observation or adverse remarks or disclaimer that may call for any explanation from the Board of Directors.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has, in all material respects, an adequate internal financial controls system over financial reporting such internal financial controls over financial reporting were operating effectively as at March 31, 2024.

Further, the Board has adopted procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanisms, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The Management of the Company and internal auditor checks and verifies the internal control and monitors them in accordance with.

RISK MANAGEMENT

The Company has an established comprehensive risk management system to identify and evaluate the key risks existed with the operations of the Company. Qualitek has an established comprehensive risk management system in place to identify and evaluate the key risks existed with the operations of the Company. The Board periodically reviews its comprehensive risk assessment and minimization procedures.

The compliances related to Risk Management Committee as per Regulation 21 of SEBI (LODR) Regulations, 2015 are not applicable on our Company, hence the Company need not to comply with the provisions relating to formation of Risk Management Committee. The risk management framework followed by the Company is detailed in the Management Discussion and Analysis section, forming an integral part of this Annual Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loan, security or provided any guarantee under Section 186 of the Act. However, please refer Financial Statements for details of Investment made.

CONTRACTS AND ARRANGEMENT WITH RELATED PARTIES

All the Related Party Transactions are entered on arm's length basis and in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is annexed as Annexure -1.

The compliances related to Regulation 23(9) of SEBI (LODR) Regulations, 2015 are not applicable on our Company, hence the Company need not comply with the provisions relating to filing of half yearly reports on Related Party Transactions with the Stock Exchanges.

SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant and material orders passed against the Company by the Regulators or Courts or Tribunals during the year ended 31 March 2024, which would impact the going concern status of the Company and its future operations. However, please refer the statement on contingent liabilities and commitments in the Notes forming part of the Financial Statements.

HUMAN RESOURCE

The Company acknowledges that its employees are the foundation of its sustainable approach and play an unparalleled role in its growth story. The Company places human resources management at the forefront and continually investing in human capital development, which includes building skills and capabilities. Company provides a wide range of benefits to its employees. With an objective of providing ample opportunity for learning and growth, we have structured in house training programs to enhance employee's capabilities and skills across roles.

The Company undertakes robust learning and development initiatives that include technical, functional, leadership development and culture-building programmes. The learning and development needs are recognized through various processes, which includes Company's vision and mission, competency frameworks and training needs identified through performance management system on regular basis. The outputs of these programs have been very positive and have helped to improve the skills, personality, and performance of the participating individuals. Your Company constantly endeavors to improve upon its practices and processes for employee satisfaction through effective communication and engagement and promoting a culture based on trust and confidence. We aim to develop a culture that is based on fairness and respect.

GENERAL

Your Directors state that there were no transactions in respect of the following items during the year under review requiring disclosure or reporting:

1. Issue of Equity Shares with Differential Rights as to Dividend, Voting or otherwise.
2. Application made or proceeding pending under Insolvency and Bankruptcy Code, 2016.
3. Valuation or One Time Settlement with Banks and / or Financial Institutions.

APPRECIATION

The Directors take this opportunity to express their gratitude to all our customers, vendors and business associate, stock exchanges, depositories, investors, statutory bodies, financial institutions and banks, who have motivated the Company to excel in all its pursuits and constantly contributed towards making the Company more valuable.

The Directors also place on record the enthusiasm and unstinting efforts of all the employees at all levels for their hard work, dedication and commitment without which the Company would not have been able to undertake the challenging targets in all areas of operations. Qualitek believes in empowering its employees

through greater knowledge, team spirit and developing greater sense of responsibility. They are the key reason behind the success of the Company and contribute to scale new heights, year after year. We are fortunate to have such a team whose endeavors have laid a strong foundation for the success of our organization as a whole. Their commitment and contribution is deeply acknowledged. We are committed to build strong relationships with all our stakeholders, and we value their feedback and input as we strive to improve and grow our business. We look forward to continuing support and involvement of all our stakeholders.

**For and on behalf of the Board
Qualitek Labs Limited**

**SD/-
Antaryami Nayak
Managing Director**

**SD/-
Kamal Grover
Whole time Director**

Place: Delhi

Date: July 26, 2024

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:

The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2023-24.

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

The Company has the following balance of contract or arrangement or transaction with its related parties which is at arm's length:

| Name of Related Party and Nature of Relationship | Nature of contracts/ arrangement/ transaction | 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 |
|--------------------------------------------------|-----------------------------------------------|---------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------|--------------------------------|
| TIC SERVICES PRIVATE LIMITED | Balance amount at the end of the year | - | 10,00,000 | NA | NIL |
| ASC CONSULTING PRIVATE LIMITED | Balance amount at the end of the year | - | 4,130 | NA | NIL |
| QUALITY & TESTING INFOSOLUTION PRIVATE LIMITED | Balance at the end of the year | - | 8,33,420 | NA | NIL |
| INTERSTELLAR TESTING CENTRE PRIVATE LIMITED | Balance at the end of the year | - | 6,960 | NA | NIL |
| SKM REALCON PRIVATE LIMITED | Balance at the end of the year | - | 5,96,936 | NA | NIL |

**For and on behalf of
 QUALITEK LABS LIMITED (Formerly known as Qualitek
 Labs Private Limited)**

**SD/-
 ANTARYAMI NAYAK
 MANAGING DIRECTOR
 DIN: 07232463**

**SD/-
 KAMAL GROVER
 WHOLE-TIME DIRECTOR
 DIN: 07429267**

Naval Thakur & Associates
Company Secretaries



Form No. MR.3
Secretarial Audit Report
For the Financial Year ended 31st March, 2024

To,
The Members,
QUALITEK LABS LIMITED,
73, National Park, Lajpat Nagar-IV,
Delhi 110024
CIN: U74999DL2018PLC334105*

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Qualitek Labs 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 my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion that:

- i. The Company has, during the audit period covering the financial year ended on 31st March, 2024 ('Audit Period') complied with the statutory provisions listed hereunder; and also
- ii. 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 the Company for the financial year ended on 31st March, 2024 according to the provisions of:



- i. The Companies Act, 2013 ('the Act') and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **(Complied to the extent applicable)**;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("Listing Regulations")**;
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations");
 - c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)
 - d) Regulations, 2011 ("Takeover Regulations")- (Not applicable during the period under review);

*We report that Corporate Identification Number (CIN) of the company has not yet been updated to Listed entity. The company has filed the Change Request Form with Registrar of Companies, Ministry of Corporate Affairs and same is under process.



e) The Securities and Exchange Board of India (**Buyback of Securities**) Regulations, 2018 (**“Buyback Regulations”**)- **(Not applicable to the listed entity during the period under review);**

f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, Regulations 2021 (**“SBEB Regulations”**) - **(Not applicable during the period under review);**

g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2021 (**“Non-convertible Securities Regulations”**) - **(Not applicable during the period under review);**

h) The Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**“Delisting Regulations”**) - **Not applicable as the listed entity has not made any delisting during the year under report;**

i) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

j) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies and dealing with client - **Not applicable as the listed entity is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review. However, the company has appointed Skyline Financial Services Private Limited as Registrar and Share Transfer Agent as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;**

k) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (**“DP Regulations”**);

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

- i. Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and
- ii. Listing Agreement entered into by the Company with BSE Limited.



Accordingly, we state that during the period under review there were adequate system and process in place to monitor and ensure compliance with various applicable laws and that the company has complied with the provisions of the act rules, regulations, guidelines, standards etc. mentioned above.

During the period under review;

1. The statutory forms and returns, which were required to be submitted under the Act, were filed by the company within the time prescribed under the Act, however we have noted delays in filing of certain forms/returns.
2. Notices, forms, returns, registers and other document(s) required to be maintained either in physical form or in electronic form in accordance with the Act, are properly maintained in the prescribed manner.

We further report that during the period under review:

The Board of Directors of the Company is duly constituted in compliance of the provisions of the Act. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings were carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors.

We further report that based on compliance mechanism established by the Company, we are of the opinion 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.



We further report that during the period under review, we have not examined compliance by the company with respect to:

- 1) Applicable financial laws like Indirect and Direct Tax Laws, Maintenance of financial records etc. seems the same has been subject to review by Statutory auditors, tax auditors and other designated professionals;
- 2) As informed by the company the industry specific laws/ general laws as applicable to the company has been complied with. The management has also represented and confirm that all the laws, rules, regulations, orders, standards and guidelines as are specifically applicable to the company relating to the industry/labour etc. have been complied with.

We further report that during the period under review there were following material events having bearing, on the affairs of the Company:

1. The company was converted to public company and name of company was changed from "Qualitek Labs Private Limited" to "Qualitek Labs Limited" vide fresh certificate of incorporation dated 26th of April, 2023 issued by the Registrar of Companies, Delhi.

2. During the year under review, the Company has made an Initial Public Offering (IPO) of 19,64,400 equity shares of face value of Rs.10/- each, at a price of Rs. 100/- per equity share (including a premium of Rs. 90/- per equity share) ("issue price") aggregating Rs. 1964.40 lakhs, of which 99,600 equity shares aggregating to Rs. 1864.80 lakhs were reserved for subscription by market maker. The issue and the net issue constitute 26.65% and 25.30% respectively of the post-issue paid up equity share capital of your Company.

Naval Thakur & Associates

Company Secretaries



3. During the year under review, the Equity shares of the Company were listed on the Bombay Stock Exchange (BSE Limited) on SME Platform with effect from 29th of January, 2024 in terms of listing approval dated 25th of January, 2024 from BSE Limited (SME Platform).

**For Naval Thakur & Associates
Company Secretaries**

Naval Thakur
Practising Company Secretary
M. No. 44392
COP: 25868
UDIN: A044392F000828626

Date: 26/07/2024

Place: Noida



To,
The Members,
QUALITEK LABS LIMITED,
73, National Park, Lajpat Nagar-IV,
Delhi 110024

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.
2. We have followed the audit practices and process 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 account of the Company.
4. We have obtained the management representation, where ever required, 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 are the responsibility of management. Our examination was limited to the verification of procedure 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.

Naval Thakur & Associates

Company Secretaries



**For Naval Thakur & Associates
Company Secretaries**

**Naval Thakur
Practising Company Secretary
M. No. 44392
COP. 25868
UDIN: A044392F000828626**

**Date: 26/07/2024
Place: Noida**

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2024

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
 (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

| | | |
|------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| i | CIN | U74999DL2018PLC334 105 |
| ii | Registration Date | 17/05/2018 |
| iii. | Name of the Company | QUALITEK LABS LIMITED (Formally Known as Qualitek Labs Private Limited) |
| iv | Category/Sub-category of the Company | Category-Company limited by shares <u>Sub</u> category- Non- Govt Company |
| v | Address of the Registered office & contact details | 73, National Park Lajpat Nagar-IV, Lajpat Nagar (South Delhi), New Delhi, India, 110024 |
| vi | Whether listed company | No |
| vii | Name , Address & contact details of the Registrar & Transfer Agent, if any. | NA |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

| SL No | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the company |
|-------|----------------------------------------------|----------------------------------|------------------------------------|
| 1 | Technical testing and analysis | 71200 | 100.00% |

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

| SI No | Name & Address of the Company | CIN/GLN | HOLDING/SUBSIDIARY/ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|-------|-------------------------------|-----------------------|------------------------------|------------------|--------------------|
| 1 | TIC SERVICES PRIVATE LIMITED | U93000DL2015PTC289025 | Holding Company | 99.99% | 2(46) |

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year | |
|----------------------------------------------------------|-------------------------------------------------|------------------|------------------|-------------------|-------------------------------------------|----------|------------------|-------------------|--------------------------|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | | |
| A. Promoters | | | | | | | | | | |
| (1) Indian | | | | | | | | | | |
| a) Individual/HUF | - | 1 | 1 | 0.01 | 4 | - | 4 | 0 | - | - |
| b) Central Govt.or State Govt. | - | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporates | - | 5,407,499 | 5,407,499 | 99.99 | 5,407,494 | - | 5,407,494 | 73.35 | - | - |
| d) Bank/FI | - | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - | - |
| SUB TOTAL:(A) (1) | - | 5,407,500 | 5,407,500 | 100 | 5,407,494 | - | 5,407,498 | 73.35 | - | - |
| (2) Foreign | | | | | | | | | | |
| a) NRI- Individuals | - | - | - | - | - | - | - | - | - | - |
| b) Other Individuals | - | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - | - |
| d) Banks/FI | - | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - | - |
| SUB TOTAL (A) (2) | - | | | | - | | | | | |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | - | 5,407,500 | 5,407,500 | 100 | 5,407,494 | - | 5,407,498 | 100 | - | - |
| B. PUBLIC SHAREHOLDING | | | | | | | | | | |
| (1) Institutions | | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - | - |
| b) Banks/FI | - | - | - | - | - | - | - | - | - | - |
| C) Cenntal govt | - | - | - | - | - | - | - | - | - | - |
| d) State Govt. | - | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | | |
|-------------------------------------------------------------------------------------|---|---|---|---|-----------|---|-----------|----|---|---|
| e) Venture Capital Fund | - | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - | - |
| g) FIIS | - | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | |
| SUB TOTAL (B)(1): | | | | | | | | | | |
| | | | | | | | | | | |
| (2) Non Institutions | | | | | | | | | | |
| a) Bodies corporates | - | - | - | - | - | - | - | - | - | - |
| i) Indian | - | - | - | - | - | - | - | - | - | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - | - |
| b) Individuals | - | - | - | - | - | - | - | - | - | - |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakhs | - | - | - | - | - | - | - | - | - | - |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs | - | - | - | - | - | - | - | - | - | - |
| Resident Individuals holding nominal share capital up to Rs. 2 lakhs | | | | | 1,123,200 | - | 1,123,202 | 15 | | |
| Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs | | | | | 288,000 | | 288,000 | 4 | | |
| NRI | | | | | 27,600 | | 27,600 | 0 | | |
| BODIES CORPORATE | | | | | 330,000 | | 330,000 | 4 | | |
| c) Others (specify) | - | - | - | - | 195,600 | - | 195,600 | 23 | - | - |
| | | | | | | | | | | |
| SUB TOTAL (B)(2): | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | - | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | | |
|---------------------------------------------|---|------------------|------------------|------------|----------------|---|----------------|------------|---|---|
| | | | | | | | | | | |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | - | 5,407,500 | 5,407,500 | 100 | 7371900 | - | 7371900 | 100 | | - |

(ii) SHARE HOLDING OF PROMOTERS

| SI No. | Shareholders Name | Shareholding at the beginning beginning of the year | | | Shareholding at the end end of the year | | | % change in share holding during the year |
|--------|------------------------|-----------------------------------------------------|----------------------------------|------------------------------------------------|-----------------------------------------|----------------------------------|--------------------------------|-------------------------------------------|
| | | No of shares | % of total shares of the company | % of shares pledged encumbered to total shares | No of shares | % of total shares of the company | % of shares pledged encumbered | |
| 1 | TIC SERVICES PVT. LTD. | 5,407,499 | 99.99% | | 5,407,499 | 99.99% | | |
| 2 | ALOK KUMAR AGARWAL | 1 | 0% | | 1 | 0% | | |
| | Total | 5,407,500 | 100 | 0 | 5,407,500 | 100 | 0 | 0 |

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

| SI. No. | Particulars | DATE/REASON | Share holding at the beginning of | Cumulative Share holding during the year | |
|---------|------------------------|-------------|-----------------------------------|------------------------------------------|----------------------------------|
| | | | | No of shares | % of total shares of the company |
| 1 | | | | | |
| | Change During The Year | No change | No change | | |
| | At the end of the year | | | | |

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

| SI. No | For Each of the Top 10 | Shareholding at the end of the year | | | Cumulative Shareholding during the | |
|--------|--------------------------------------------------------------------|-------------------------------------|----------------------------------|--------------|------------------------------------|--------------------------|
| | | No.of shares | % of total shares of the company | No of shares | | % of total shares of the |
| | At the beginning of the year | - | - | - | | - |
| | Date wise increase/decrease in Promoters Share holding during | - | - | - | | - |
| | At the end of the year (or on the date of separation, if separated | - | - | - | | - |

| S.No. | Shareholding of each Directors and each Key Managerial Personnel | Date / Reason | Shareholding at the beginning of the year | Cumulative Shareholding during the year | Shareholding at the end of the year |
|-------|------------------------------------------------------------------|---------------|-------------------------------------------|-----------------------------------------|-------------------------------------|
| | | | | | |

| Shareholding of each Directors and each Key Managerial Personnel | No. of shares | % of total shares | No. of shares | % of total shares | No of shares | % of total shares | % of total shares of the company |
|------------------------------------------------------------------|---------------|-------------------|---------------|-------------------|--------------|-------------------|----------------------------------|
| | - | - | - | - | - | - | - |

V INDEBTEDNESS

| Indebtedness of the Company including interest outstanding/accrued but not due for payment | | | | | |
|--------------------------------------------------------------------------------------------|----------------------------------|---|--------------------|----------|--------------------|
| | Secured Loans excluding deposits | | Unsecured Loans | Deposits | Total Indebtedness |
| Indebtness at the beginning of | | | | | |
| i) Principal Amount | - | - | 103,368,712 | | 103,368,712 |
| ii) Interest due but not paid | - | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - | - |
| Total (i+ii+iii) | - | - | 103,368,712 | - | 103,368,712 |
| Change in Indebtedness during | | | | | |
| Additions | - | - | - | - | - |
| Reduction | - | - | 1,703,495 | - | 1,703,495 |
| Net Change | - | - | - | - | - |
| Indebtedness at the end of the | | | | | |
| i) Principal Amount | - | - | 101,665,217 | | 1,703,495 |
| ii) Interest due but not paid | - | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - | - |
| Total (i+ii+iii) | - | - | 101,665,217 | - | 101,665,217 |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole time director and/or Manager:

| Sl.No | Particulars of Remuneration | Name of the MD/WTD/Manager | | | Total Amount |
|----------|----------------------------------------------------------------------------------|--------------------------------------------|---------|--|----------------|
| | | ANTARYAMI NAYAK (MANAGING DIRECTOR) | | | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | | 900,000 | | 900,000 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | | | | |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | | | | |
| 2 | Stock option | - | - | | |
| 3 | Sweat Equity | - | - | | |
| 4 | Commission | - | - | | |
| 5 | Others, please specify | - | - | | |

| Sl.No | Particulars of Remuneration | Name of the MD/WTD/Manager | Total Amount |
|-------|----------------------------------------------------------------------------------|-------------------------------------------|--------------|
| | | KAMAL GROVER (WHOLE TIME DIRECTOR) | |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961. | 600,000 | 600,000 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | | |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | | |
| 2 | Stock option | - | |
| 3 | Sweat Equity | - | |
| 4 | Commission | - | |
| 5 | Others, please specify | - | |
| | Total (A) | 600,000 | 600,000 |

B. Remuneration to other directors:

| Sl.No | Particulars of Remuneration | Name of the Directors | Total Amount |
|-------|---------------------------------------|-------------------------------------------------------|--------------|
| | | SHUBHANGI AGARWAL, SULABH JAIN AND MANISH WAHI | |
| 1 | Independent Directors | | |
| | (a) Fee for attending board committee | - | 320000.00 |
| | (b) Commission | - | - |
| | (c) Others, please specify | - | - |
| | Total (1) | - | - |
| 2 | Other Non Executive Directors | | |
| | (a) Fee for attending | - | - |
| | (b) Commission | - | - |
| | (c) Others, please specify. | - | - |
| | Total (2) | 0 | - |
| | Total (B)=(1+2) | 0 | - |
| | Total Managerial Remuneration | 0 | |
| | | TOTAL | 320,000 |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | Total |
|---------|-----------------------------|--------------------------|-------|
| 1 | Gross Salary | | |

| | | | | | | | | |
|---|--------------------------------------------------------------------------------------|---|---|---|---|---|-----------|-----------|
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | - | - | | | | 2,043,000 | 2,043,000 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | - | - | - | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - | - | - | - | - | - |
| 2 | Stock Option | - | - | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - | - | - |
| 4 | Commission | - | - | - | - | - | - | - |
| | as % of profit | - | - | - | - | - | - | - |
| | others, specify | - | - | - | - | - | - | - |
| 5 | Others, please specify | - | - | - | - | - | - | - |
| | Total | - | - | | | | 2,043,000 | 2,043,000 |

VII
PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty/Punishment/ Compounding fees imposed | Authority (RD/NCLT/Court) | Appeal made if any (give details) |
|-------------------------------------|------------------------------|-------------------|---------------------------------------------------------|---------------------------|-----------------------------------|
| A. COMPANY | | | | | |
| | | | | | |
| Penalty | Nil | NA | NA | NA | NA |
| Punishment | Nil | NA | NA | NA | NA |
| Compounding | Nil | NA | NA | NA | NA |
| | | NA | NA | NA | NA |
| B. DIRECTORS | | | | | |
| | | | | | |
| Penalty | Nil | NA | NA | NA | NA |
| Punishment | Nil | NA | NA | NA | NA |
| Compounding | Nil | NA | NA | NA | NA |
| | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| | | | | | |
| Penalty | Nil | NA | NA | NA | NA |
| Punishment | Nil | NA | NA | NA | NA |
| Compounding | Nil | NA | NA | NA | NA |

Date: 26.07.2024
Place: New Delhi
For QUALITEK LABS LIMITED (Formally known as Qualitek Labs Private Limited)

Sd/-
KAMAL GROVER
 WHOLE TIME DIRECTOR DIN:
 07429267

Sd/-
ANTARYAMI NAYAK
 MANAGING DIRECTOR DIN:
 07232463

J MADAN & ASSOCIATES

CHARTERED ACCOUNTANTS



25 DDA, LSC, BLOCK M-1, VIKASPURI
NEW DELHI - 110018, DELHI
E-Mail:- jmadanassociates@gmail.com
PH:- 011-45508516, Mob:- 9811785935
Website : <http://jmadan.in/>

INDEPENDENT AUDITOR'S REPORT

To the Members of Qualitek Labs Limited
Report on Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Qualitek Labs Limited (“the Company”), which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, Statement of Cash Flow, for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit, cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (“SA”) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. . We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the “ICAI”) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act, and the rules made 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 Financial Statements.

Responsibility of Management and Those Charged with Governance for the Financial Statement

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 Financial Statements that give a true and fair view of the financial position, financial performance of the Company, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the 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 are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of Financial Statements

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

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 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management & Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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 audit of the Financial Statements of current period and are therefore the key audit matters. We describe these matters in our auditors report unless law or regulation precludes public disclosure about the matter or when, in extreme 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. We have determined that there no key audit matters for the year.

Report On other Legal & Regulatory Requirements

As required by the Companies (Auditor's Report) Order 2020 ("the Order"), issued by the Central Government of India in terms of sub section(11) of section 143 of the Act and on the basis of such checks of the books and records of the company, as we considered appropriate and according to the information & explanation given to us, we give in the Annexure "A", a statement on the matters specified in Paragraph 3 and 4 of the order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) The aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to adequacy of the internal financials control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in “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:

As required by Section 143 (3) of the Act, we report that:

(i) The Company does not have any pending litigations which would impact its financial position.

(ii) The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses for which provision was required to be made under the applicable law or accounting standard.

(iii) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company

(iv) a) Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kinds of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) Management has represented to us that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on our audit procedure conducted that have been considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2)(g)(iv)(a) and (b) contain any material misstatement.

(v) The Company has not declared or paid any dividend during the period.

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using such accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is also applicable. The Company is complying with all the requirements mentioned under respective rules.

For J Madan & Associates
Chartered Accountants
FRN: 025913N

Naveen Kumar
Partner
M. NO. 536759
UDIN: 24536759BKCKPS6212

Place: New Delhi
Date: May 29, 2024

ANNEXURE “A” referred to in paragraph 1 under the heading “Report on other Legal and Regulatory Requirements” of our report of even date to the members of Qualitek Labs Limited for the year ended March 31, 2024

As required under Paragraph 3 of the Companies (Auditor’s Report) Order, 2020 we report as under:

(i) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:

(a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B. The Company does not have intangible assets. Hence, Clause(i)(a)(B) is not applicable.

(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 program of physical verification of Property, Plant and Equipment so to cover all the assets once every three years, in a phased manner, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that, the company does not own any immovable properties. Hence, clause (i)(c) is not applicable.

(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 any of its Property, Plant and Equipment or Intangible assets 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, there are no proceedings initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) According to the information and explanations given to us and on the basis of our examination of records of company, it is involved in the service industry, and accordingly it doesn’t have any inventory. Hence, clause (ii)(a) is not applicable

(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 not taken any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis security of current assets. Accordingly, clause (ii)(b) is not applicable.

(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 investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties. during the year. Hence, clause (iii) and its sub clauses are not applicable.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that, the company does not own any immovable properties. Hence, clause (i)(c) is not applicable.

(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 any of its Property, Plant and Equipment or Intangible assets 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, there are no proceedings initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) According to the information and explanations given to us and on the basis of our examination of records of company, it is involved in the service industry, and accordingly it doesn't have any inventory. Hence, clause (ii)(a) is not applicable

(iv) According to the information and explanation given to us and on the basis of the examination of the records of the company, there are no loans, investments, guarantees, and securities, and accordingly, sections 185 and 186 of the Companies Act, 2013 is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits from the public. Hence, reporting under clause (v) is not applicable.

(vi) According to the information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Accordingly, reporting under clause (vi) is not applicable to the Company.

(vii) In respect of statutory dues:

(a) The Company does not have liability with respect to GST, sales tax, service tax, duty of customs, duty of excise, value added tax and cess during the year. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax and other material statutory dues applicable to it with the appropriate authorities and therefore there are no statutory dues outstanding as on the last day of the financial year concerned 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 such statutory dues referred to in sub clause (a) which have not been deposited by the Company on account of any disputes.

(viii) 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 surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) (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 made any default in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(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 not been declared willful defaulter by any bank or financial institution or any other lender.

(c) During the year, company has obtained term loans, which have been applied for the purpose for which they were obtained.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds are used 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, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013.

(f) According to the information and explanations given to us and procedures performed by us, we report that, the Company has not raised any loans during the year on the pledge of securities held in their subsidiaries as defined under the Companies Act 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(x) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, during the year, the moneys raised by way of initial public offer were applied for the purposes for which those are raised during the year. The company has not raised any money by way of further public offer (including debt instruments).

(b) According to the information and explanations given to us and on the basis of our examination of the records of the company, during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully partially or optionally convertible).

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) The Company has no policy regarding the whistle blower complaints; hence this clause is not applicable.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) Based on information and explanations provided to us and our audit procedures, in our opinion the Company is not required nor does it have any internal audit system. Accordingly, clause (xiv)(a) and (b) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a) and (b) of the Order is not applicable.

(c) In our opinion and according to the information and explanations provided to us during the course of audit, the company is not a core investment company (CIC) as defined in the regulations made by the Reserve Bank of India, and accordingly reporting under clause (xvi)(c) and (d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year and accordingly reporting under clause (xvii) of the Order is not applicable.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating 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) In our opinion and according to the information and explanations given to us, sections 135 and 136 of the Companies act, 2013 is not applicable on the company and accordingly, clause (xx)(a) and (b) of the Order are not applicable.

(xxi) According to the information and explanations given to us, the company is not required to prepare the consolidated financial statements as it is not having any subsidiary company or any associate or joint venture to consolidate with. Accordingly, the clause (xxi) is not applicable.

For J Madan & Associates
Chartered Accountants
FRN: 025913N

Naveen Kumar
Partner
M. NO. 536759
UDIN: 24536759BKCKPS6212
Place: New Delhi
Date: May 29, 2024

“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of Qualitek Labs Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Qualitek Labs Limited** (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility 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 (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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 ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 was 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 system 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 judgment, 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 system 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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 periods are subject to the risk that the internal financial control 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For J Madan & Associates
Chartered Accountants
FRN: 025913N

Naveen Kumar
Partner
M. NO. 536759
UDIN: 24536759BKCKPS6212
Place: New Delhi
Date: May 29, 2024

QUALITEK LABS LIMITED
 (Formerly "Qualitek Labs Private Limited")

Balance Sheet as at March 31, 2024

| Particulars | Amounts in Rs. (Lakh) | |
|---------------------------------------------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| I. EQUITY AND LIABILITIES | | |
| (1) Shareholders' Funds | | |
| (a) Share Capital | 3 737.19 | 540.75 |
| (b) Reserves and Surplus | 4 2507.71 | 448.86 |
| | 3244.90 | 989.61 |
| (2) Non-Current Liabilities | | |
| (a) Long Term Borrowings | 5 1016.65 | 1033.69 |
| (b) Deferred Tax Liabilities (Net) | 6 86.32 | 59.46 |
| (c) Long Term Provisions | 7 22.60 | 6.67 |
| | 1125.57 | 1099.82 |
| (3) Current Liabilities | | |
| (a) Short Term Borrowings | 8 208.10 | 1310.98 |
| (b) Trade Payables: | | |
| -Total outstanding dues of micro enterprises & small enterprises | 9 75.54 | 95.45 |
| -Total outstanding dues of creditors other than micro & small enterprises | 9 162.22 | 271.85 |
| (c) Other Current Liabilities | 10 231.57 | 188.82 |
| (d) Short Term Provisions | 7 10.99 | 2.17 |
| | 688.41 | 1869.27 |
| Total | 5058.88 | 3958.70 |
| II. ASSETS | | |
| (1) Non-Current Assets | | |
| (a) Property, Plant and Equipment and Intangible Assets | | |
| (i) Property, Plant and Equipment | 11 2950.93 | 1366.50 |
| (ii) Capital Work-In-Progress | 12 760.64 | 1485.20 |
| (b) Long Term Loans & Advances | 13 16.50 | 114.01 |
| (c) Other Non-Current Assets | 14 159.85 | 133.95 |
| | 3887.92 | 3099.66 |
| (2) Current Assets | | |
| (a) Trade Receivables | 15 785.39 | 582.57 |
| (b) Cash & Bank balances | 16 | |
| -Cash & Cash Equivalents | 40.86 | 34.59 |
| -Other bank balance | 136.28 | 0.00 |
| (c) Short Term Loans and advances | 17 188.79 | 230.50 |
| (d) Other Current Assets | 18 19.64 | 11.38 |
| | 1170.96 | 859.04 |
| | 5058.88 | 3958.70 |
| Summary of significant accounting policies | 2 | |
| The accompanying notes are an integral part of the financial statements. | | |

 As per our report of even date
For J Madan & Associates
 Chartered Accountants
 FRN No.: 025913N

 Sd/-
Naveen Kumar
 Partner
 M. No.: 536759

UDIN: 24536759BKCKPS6212

 Place: New Delhi
 Date: May 29, 2024

 For and on behalf of the Board of Directors of
Qualitek Labs Limited

 Sd/-
Antaryami Nayak
 Managing Director
 DIN - 07232463

 Sd/-
Ashima Bhatnagar
 Company Secretary
 M. No.: A25655

 Place: New Delhi
 Date: May 29, 2024

 Sd/-
Kamal Grover
 Managing Director
 DIN - 07429267

 Sd/-
Navneet Gupta
 CFO
 PAN: ANNPG5364K

QUALITEK LABS LIMITED
(Formerly “Qualitek Labs Private Limited”)
Statement of Profit and Loss for the year ended March 31, 2024

| Particulars | | Amounts in Rs. (Lakh) | |
|---------------------------------------------------------|----|--------------------------------------|--------------------------------------|
| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| I. Revenue from Operations | 19 | 2918.38 | 1913.66 |
| II. Other Income | 20 | 8.21 | 21.47 |
| III. Total Income (I+II) | | 2926.59 | 1935.13 |
| IV. Expenses | | | |
| Direct Expenses | 21 | 577.56 | 424.73 |
| Employee Benefits Expense | 22 | 604.97 | 365.67 |
| Finance Cost | 23 | 90.92 | 69.29 |
| Depreciation & Amortization Expense | 11 | 139.80 | 84.44 |
| Other Expenses | 24 | 930.90 | 593.78 |
| Total expenses (II) | | 2344.16 | 1537.91 |
| V. Profit before Prior Period Item (I-II) | | 582.43 | 397.22 |
| Prior Period Item | | - | 3.33 |
| VI. Profit Before Tax | | 582.43 | 393.89 |
| VII. Less: Tax Expenses | | | |
| (1) Current Tax | | 121.42 | 79.20 |
| (2) Deferred Tax | | 26.86 | 20.27 |
| (3) Tax expense for prior years | | 3.42 | - |
| Total Tax Expense | | 151.70 | 99.47 |
| VIII Net Profit/(Loss) for the year | | 430.73 | 294.43 |
| IX. Earnings per equity share | | | |
| [Nominal value of share Rs. 10 (March 31, 2023 Rs. 10)] | | | |
| (1) Basic Earnings Per Share | 25 | 7.46 | 5.44 |
| (2) Diluted Earnings Per Share | | 7.46 | 5.44 |

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For J Madan & Associates
 Chartered Accountants

For and on behalf of the Board of Directors of
Qualitek Labs Limited

Sd/-

Naveen Kumar
 Partner
 M. No.: 536759
 FRN No.: 025913N
 UDIN: 24536759BKCKPS6212

Sd/-

Antaryami Nayak
 Managing Director
 DIN - 07232463

Sd/-

Kamal Grover
 Managing Director
 DIN - 07429267

Sd/-

Ashima Bhatnagar
 Company Secretary
 M. No.: A25655

Sd/-

Navneet Gupta
 CFO
 PAN: ANNPG5564K

Place: New Delhi
 Date: May 29, 2024

Place: New Delhi
 Date: May 29, 2024

QUALITEK LABS LIMITED
 (Formerly “Qualitek Labs Private Limited”)
 Cash Flow Statement for the year ended March 31, 2024

| Particulars | Amounts in Rs. (Lakh) | |
|------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| I. Cash Flows From Operating Activities: | | |
| Net Profit before Tax | 582.43 | 393.89 |
| Add: Depreciation | 139.80 | 84.44 |
| Add: Interest on Loans | 87.84 | 65.10 |
| Less: Accrued Income | (0.10) | (0.02) |
| Less: Liabilities Written-back | (1.23) | (15.59) |
| Add: Bad Debts | 3.40 | 0.46 |
| Add: Sundry Balances Written-off | 1.69 | 8.35 |
| Add: Prior Period Expenditure | - | 3.33 |
| Add: Provision for Gratuity and Leave encashment | 24.75 | 5.52 |
| Operating Profit before Working Capital Changes | 838.59 | 545.49 |
| Changes in Working Capital: | | |
| (Increase)/Decrease in Trade Receivables | (206.23) | (363.74) |
| (Increase)/Decrease in Other Assets | (9.85) | 81.42 |
| (Increase)/Decrease in Loans and Advances | 31.70 | 239.53 |
| Increase/(Decrease) in Trade Payables | (129.54) | 217.09 |
| Increase/(Decrease) in Other Current Liabilities | 43.97 | 94.47 |
| Increase/(Decrease) in Provisions | - | 0.26 |
| Increase/(Decrease) in Security Deposits | (35.00) | (37.91) |
| | 533.64 | 776.59 |
| Less: Income Tax Paid | 17.32 | 54.18 |
| Net Cash From Operating Activities | A 516.32 | 722.42 |
| II. Cash Flows From Investing Activities: | | |
| Purchase Of Property, Plants & Equipments | (132.66) | (246.98) |
| Acquisition under CWIP | (867.01) | (1485.20) |
| Sale/(Purchase) of Investments | - | 0.70 |
| (Increase)/Decrease in Non-Current Fixed Deposits | (127.18) | (9.10) |
| Net Cash Used in Investing Activities | B (1126.85) | (1740.57) |
| III. Cash Flow From Financing Activities: | | |
| Issue of Share Capital | 196.44 | 31.25 |
| Proceeds from Securities Premium | 1628.12 | 468.75 |
| Long-term loans taken | 265.00 | 1425.70 |
| Repayment of Long-term loans | (282.03) | (411.89) |
| Increase/(Decrease) in Short-term loans | (1102.88) | (397.82) |
| Interest paid | (87.84) | (65.10) |
| Net Cash From Financing Activities | C 616.79 | 1050.89 |
| IV. Net Increase in Cash and Cash Equivalents | A+B+C 6.26 | 32.73 |
| V. Add: Cash & Cash Equivalents at the beginning of the year | 34.59 | 1.86 |
| VI. Cash & Cash Equivalents as at the end of the year | 40.85 | 34.59 |

QUALITEK LABS LIMITED
(Formerly “Qualitek Labs Private Limited”)
Cash Flow Statement for the year ended March 31, 2024

| Particulars | Amounts in Rs. (Lakh) | |
|----------------------------------------------------------|-----------------------|--------------------|
| | For the year ended | For the year ended |
| | March 31, 2024 | March 31, 2023 |
| Components of Cash and Cash Equivalents: | | |
| Cash on hand | - | 1.00 |
| Balances with banks: | | |
| - Current accounts | 40.86 | 33.59 |
| Total Cash & Cash Equivalents (Refer Note 16) | 40.86 | 34.59 |

Note:

The above cash flow statement has been prepared under the 'Indirect Method' as set out in AS-3 "Cash Flow Statements".

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For J Madan & Associates
Chartered Accountants

For and on behalf of the Board of Directors of
Qualitek Labs Limited

Sd/-
Naveen Kumar
Partner
M. No.: 536759
FRN No.: 025913N
UDIN: 24536759BKCKPS6212

Sd/-
Antaryami Nayak
Managing Director
DIN - 07232463

Sd/-
Kamal Grover
Managing Director
DIN - 07429267

Sd/-
Ashima Bhatnagar
Company Secretary
M. No.: A25655

Sd/-
Navneet Gupta
CFO
PAN: ANNPG5364K

Place: New Delhi
Date: May 29, 2024

Place: New Delhi
Date: May 29, 2024

QUALITEK LABS LIMITED

(Formerly “Qualitek Labs Private Limited”)

Notes forming part of the financial statements for the year ended March 31, 2024

1 Company overview

Qualitek Labs Limited (Formerly Qualitek Labs Private Limited / “the Company”), is incorporated in India as a public limited company under the Companies Act, 2013. The Company is engaged in the business of providing Testing, Inspection and Certification services in the fields of Automobiles, Defence, Electronics & Electricals, Pharmaceuticals, Medical Devices, Metals, Minerals, Environment Monitoring, Food, Water etc. The Company operates state-of-the-art laboratories which are accredited with NABL and other accreditation bodies in India.

2 Basis of preparation

The financial statements have been prepared to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013. The financial statements are prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company.

All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company as per the guidance as set out in the Schedule III to the Companies Act, 2013.

2.1 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting policies requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements. The estimates and assumptions used are based on management evaluation of relevant facts and circumstances as on the date of financial statements. Actual results if they differ from those estimates are recognised prospectively in the current and future periods. Any revision to accounting estimates is recognised prospectively in the current and future periods.

2.2 Significant accounting policies
A. Revenue recognition
(i) Sale of services:

1. Revenue from the services is recognised if the consideration can be reliably determinable and no significant uncertainty exists regarding the collectuion of the consideration.
 2. Revenue is exclusive of GST and net of trade discounts and quantity discount, if any.
- The primary source of revenue of the company is from services which includes services rendered as testing, inspection and certification.
3. Revenue is recognised on completed service contract method since the pattern of performance is depicted by the fact that each test is chargeable only when the test is complete. The time between the initiation of the test and reporting is low and accordingly the services are completed within a small period of time.

(ii) Interest and Other income:

Interest income is recognised on a time proportion basis at the applicable rates. Other income, if any, is recognised on accrual basis.

B. Property, plant and equipment

1. Property, plant and equipment are stated at cost of acquisition or construction, net of recoverable taxes (wherever applicable) less accumulated depreciation and/or accumulated impairment losses, if any. Cost comprises the purchase price including import duties and other non-refundable taxes or levies and any directly attributable costs of bringing the PPE to its working condition and the location necessary for it to be capable of operating in the manner intended by management.
2. The cost of an item of PPE and any subsequent expenditure is recognised if it is probable that the future economic benefits associated to the item will flow to the enterprise and the cost of an item can be measured reliably.
4. All other expenses including day to day repairs and maintenance and cost of replacing parts are charges to the statement of profit and loss account for the year during which the expenses are incurred.
3. The company follows the cost model.
5. Item of PPE retired from active use on disposal or when no future economic benefits are expeced from its use or disposal are derecognised. The gain or loss arising from derecognition is included in the statement of profit an loss account when the item is derecognised.
6. PPE under construction and cost of assets not ready for use before the end of financial year are disclosed as capital work-in-progress.

C. Intangible assets

Intangible assets comprise of computer software are stated at cost less accumulated amortisation and impairment losses (if any).

QUALITEK LABS LIMITED

(Formerly “Qualitek Labs Private Limited”)

Notes forming part of the financial statements for the year ended March 31, 2024

D. Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment is provided on Straight line method as per the rates prescribed under Schedule II of the Companies Act, 2013.

The Comparison of useful lives is as follows:

| Asset description | Useful life |
|------------------------|-------------|
| Plant and machinery | 15 years |
| Computers and mobiles | 3 years |
| Office Equipments | 5 years |
| Vehicles | 8 years |
| Leasehold Improvements | 10 years |
| Office Furniture | 10 years |

E. Impairment of assets

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. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists then the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.

F. Lease/Rent Expense

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Lease payments under an operating lease are recognised as an expense in the statement of profit and loss on a straight-line method over the lease term.

G. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with the Accounting Standard 15 (Revised) on Employee Benefits. Employee benefit includes salaries and wages, bonus and ex-gratia.

(i) Provident fund

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and (Miscellaneous Provisions) Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which services are rendered by the employee.

(ii) Retirement Benefits

Gratuity and Leave encashment liability is defined benefit obligation and is provided for on the basis of actuarial valuation on projected unit credit method made at the end of financial year.

(iii) Other short-term benefits

Compensated absences are recognized as expense in the period to which they pertain, as the same are short term in nature. Expenses in respect of other short-term benefits, if any, are recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

H. Investments

Investments that are readily realisable and intended to be held for not more than one year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary decline in the value of the long term investments.

I. Taxe

Tax expenses comprises of current tax and deferred tax.

(i) Current tax

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

QUALITEK LABS LIMITED
(Formerly “Qualitek Labs Private Limited”)

Notes forming part of the financial statements for the year ended March 31, 2024

(ii) Deferred tax

Deferred tax reflects the impact of timing differences between taxable income and accounting income for the current year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax asset to the extent it pertains to unabsorbed business loss/depreciation is recognised only to the extent that there is virtual certainty of realisation based on convincing evidence, as evaluated on a case to case basis.

J. Earnings per share

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

Diluted earnings per share is computed by dividing the net profit or loss for the period as adjusted for dividend, interest and other charges relating to the dilutive potential equity shares, by the closing number of equity shares considered for deriving basic earnings per share and the closing number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

K. Foreign currency transactions

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Restatement

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognised as income or expense in the year in which they arise.

L. Contingent liabilities and provisions

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

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

- i) 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; or
- ii) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- iii) present obligation, where a reliable estimate cannot be made.

When there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

M. Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank, cash in hand and short-term investments with an original maturity of three months or less which are highly liquid and readily convertible to known amounts of cash.

N. Borrowing Costs

Borrowing Costs are defined as interest and other costs related to borrowing of funds. Borrowing costs which are directly attributable to acquisition, construction or production of qualifying assets are capitalised as per AS16 - Borrowing Costs. An asset which takes substantial period of time to get ready for its intended use or sale is called qualifying asset.

QUALITEK LABS LIMITED

(Formerly “Qualitek Labs Private Limited”)

Notes forming part of the financial statements for the year ended March 31, 2024

Figures in Lakh

| 3 Share Capital | As at March 31, 2024 | | As at March 31, 2023 | |
|-------------------------------------------------------------|----------------------|---------------|----------------------|---------------|
| | In Nos. | Amount | In Nos. | Amount |
| Authorised | | | | |
| Equity Shares of Face Value of Rs. 10/- each | 100.00 | 1000.00 | 100.00 | 1000.00 |
| Issued, Subscribed and Paid-up | | | | |
| Equity Shares of Face Value of Rs. 10/- each, fully paid up | 73.72 | 737.19 | 54.08 | 540.75 |
| | 73.72 | 737.19 | 54.08 | 540.75 |

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Equity Shares:-

At the beginning of the year

Add: Issued during the year for consideration in cash

Add: Bonus shares issued during the year

Balance at the end of the year

| As at March 31, 2024 | | As at March 31, 2023 | |
|----------------------|---------------|----------------------|---------------|
| In Nos. | Amount | In Nos. | Amount |
| 54.08 | 540.75 | 4.60 | 46.00 |
| 19.64 | 196.44 | 3.13 | 31.25 |
| . | - | 46.35 | 463.50 |
| 73.72 | 737.19 | 54.08 | 540.75 |

b. Rights, preferences and restrictions attached to shares

Equity Shares: The company has only one class of equity shares having par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

c. Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by its subsidiaries or associates of the holding company or the ultimate holding company in aggregate

| S.No. | Party Name | Class of Share | Relation with the company | As at March 31, 2024 | | As at March 31, 2023 | |
|-------|------------------------|----------------|---------------------------|----------------------|--------|----------------------|--------|
| | | | | In Nos. | Amount | In Nos. | Amount |
| 1 | TIC SERVICES PVT. LTD. | Equity Share | Holding Company | 54.08 | 540.75 | 54.08 | 540.75 |

d. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| S.No. | Shareholder Name | As at March 31, 2024 | | As at March 31, 2023 | |
|-------|------------------------|----------------------|---------------|----------------------|---------------|
| | | In Nos. | In % | In Nos. | In % |
| 1 | TIC SERVICES PVT. LTD. | 54.07 | 73.35% | 54.07 | 99.99% |
| | | 54.07 | 73.35% | 54.07 | 99.99% |

As per the records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

d. Aggregate number and class of shares allotted as fully paid up by way of bonus shares for the period of five years immediately preceding March 31, 2024

| S.No. | Particulars | Class of Share | In Nos. |
|-------|------------------------------------------------------------------|----------------|---------|
| 1 | Bonus shares issued in FY 2022-23 (at Face Value of Rs. 10 each) | Equity Share | 46.35 |

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QUALITEK LABS LIMITED
 (Formerly “Qualitek Labs Private Limited”)
 Notes forming part of the financial statements for the year ended March 31, 2024

Figures in Lakh

e. Shares held by promoters at the end of the year

| S.No. | Promoter Name | As at March 31, 2024 | | | As at March 31, 2023 | | |
|-------|-------------------------------------------------------|----------------------|-----------------|--------------------------|----------------------|---------------|--------------------------|
| | | In Nos. | In % | % Change in Shareholding | In Nos. | In % | % Change in Shareholding |
| 1 | TIC SERVICES PVT. LTD. | | | | | | |
| | At the beginning of the period | 54.07 | 99.99% | 0.00% | 4.60 | 99.99% | - |
| | Add: Issued during the year for consideration in cash | - | - | - | 3.13 | - | - |
| | Add: Bonus shares issued during the year | - | - | - | 46.35 | - | - |
| | At the end of the period | 54.07 | 73.35% | 26.64% | 54.07 | 99.99% | - |
| 2 | Alok Kumar Agarwal | | | | | | |
| | At the beginning of the period | 1 | 0.01% | 0.00% | 1 | 0.01% | - |
| | Add: Issued during the year for consideration in cash | - | - | - | - | - | - |
| | Add: Bonus shares issued during the year | - | - | - | - | - | - |
| | At the end of the period | 1 | 0.00001% | 99.86% | 1 | 0.01% | - |
| 3 | Antaryami Nayak | | | | | | |
| | At the beginning of the period | 1 | 0.00% | - | - | - | - |
| | Add: Issued during the year for consideration in cash | - | - | - | - | - | - |
| | Add: Bonus shares issued during the year | - | - | - | - | - | - |
| | At the end of the period | 1 | 0.00001% | 0.00% | 0 | - | - |
| 4 | Kamal Grover | | | | | | |
| | At the beginning of the period | 1 | 0.00% | - | 0 | - | - |
| | Add: Issued during the year for consideration in cash | - | - | - | - | - | - |
| | Add: Bonus shares issued during the year | - | - | - | - | - | - |
| | At the end of the period | 1 | 0.00001% | 0.00% | 0 | - | - |
| | | 54.08 | 73.35% | | 54.08 | 100% | - |

4 Reserves and Surplus

| | As at March 31, 2024 | As at March 31, 2023 |
|------------------------------------------------------|----------------------|----------------------|
| Securities Premium | | |
| Opening Balance | 59.25 | 54.00 |
| Add: Received during the year | 1767.96 | 468.75 |
| Less: Expenses related to public issue of shares | (139.84) | - |
| Less: Issue of fully paid-up bonus shares | - | (463.50) |
| Closing Balance | 1687.37 | 59.25 |
| Surplus in the Statement of Profit & Loss | | |
| Opening Balance | 389.61 | 95.18 |
| Net Profit for the year | 430.73 | 294.43 |
| Closing Balance | 820.34 | 389.61 |
| Total Reserves and Surplus | 2507.71 | 448.86 |

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QUALITEK LABS LIMITED
 (Formerly “Qualitek Labs Private Limited”)
 Notes forming part of the financial statements for the year ended March 31, 2024

| 5 Long Term Borrowings | Amounts in Rs. (Lakh) | |
|-----------------------------------------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Secured | | |
| Term loans | | |
| From Banks | 998.44 | 1019.18 |
| Vehicle Loans | | |
| From Banks | 18.22 | 14.51 |
| (Refer Note below for security and Note no. 8 for current maturities) | | |
| | 1016.65 | 1033.69 |

| Nature of Security | Terms of Repayment | Applicable Interest Rate |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|--------------------------|
| Term Loans from Banks are secured against the hypothecation of current assets (both present and future) and collaterally secured against the property of the company situated at C-40, Sec 57, Noida, UP-201307 | 71 monthly EMIs amounting to Rs. 3.65 Lakh and last installment of Rs. 7.73 Lakh | 9.40% |
| | 71 monthly EMIs amounting to Rs. 9.06 Lakh and last installment of Rs. 20.11 Lakh | |
| | 70 monthly EMIs amounting to Rs. 6.54 Lakh and last installment of Rs. 5.65 Lakh | |
| Vehicle Loans are secured against hypothecation of underlying cars | 60 monthly EMIs amounting to Rs. 0.32 Lakh | 9.75% |
| | 60 monthly EMIs amounting to Rs. 0.66 Lakh | 12% |

Note: Secured Term Loan from banks amounting to Rs. 998.44 lakhs are secured by the personal guarantee of the directors.

| 6 Deferred Tax Liabilities (Net) | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------------------------------------------------------|-------------------------|-------------------------|
| Deferred Tax Liability | | |
| Difference in net block of fixed assets between taxation and financial accounts | 94.77 | 61.68 |
| | 94.77 | 61.68 |
| Deferred Tax Assets | | |
| Provisions disallowable under Income Tax Act, 1961 | 8.45 | 2.23 |
| | 8.45 | 2.23 |
| Net Deferred Tax Liability | 86.32 | 59.46 |

| 7 Provisions | Non-Current | | Current | |
|-----------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Provisions for Employee Benefits | | | | |
| Provision for Gratuity | 11.94 | 6.67 | 4.98 | 2.17 |
| Provision for Leave Encashment | 10.66 | - | 6.01 | - |
| | 22.60 | 6.67 | 10.99 | 2.17 |

| 8 Short Term Borrowings | As at | |
|------------------------------------------------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Secured | | |
| A. Current Maturities of Long Term Borrowings | | |
| Term Loans | | |
| From Banks | 168.89 | 130.87 |
| Vehicle Loans | | |
| From Banks | 9.21 | 5.37 |
| (for security and other terms of loans refer Note 5 above) | | |
| B. Bank Overdraft ^(a) | - | 336.58 |
| Unsecured Loans | | |
| Loan and advances from related parties | | |
| TIC Services Pvt. Ltd. | 10.00 | 818.16 |
| ASC Consulting Pvt. Ltd. (Refer Note no. 26) | 20.00 | 20.00 |
| | 208.10 | 1310.98 |

(a) Bank Overdraft is secured against existing and future current assets as well as hypothecation of immovable property situated at C-40, Sector 57, Noida, Gautam Buddh Nagar, Uttar Pradesh - 201307

QUALITEK LABS LIMITED

(Formerly "Qualitek Labs Private Limited")

Notes forming part of the financial statements for the year ended March 31, 2024

Amounts in Rs. (Lakh)

9 Trade Payables

| | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Total outstanding dues of micro enterprises and small enterprises | 75.54 | 95.45 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 162.22 | 271.85 |
| | 237.76 | 367.30 |

As at March 31, 2024

| Particulars | Outstanding for following periods from due date of payment | | | | |
|------------------------|------------------------------------------------------------|--------------|-------------|-------------------|-------------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 years | Total |
| MSME | 55.30 | 18.87 | 1.38 | - | 75.54 |
| Others | 116.33 | 15.33 | 4.40 | 26.16 | 162.22 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| TOTAL | 171.63 | 34.20 | 5.77 | 26.16 | 0.00 |

As at March 31, 2023

| Particulars | Outstanding for following periods from due date of payment | | | | |
|------------------------|------------------------------------------------------------|--------------|--------------|-------------------|-------------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 years | Total |
| MSME | 82.05 | 13.39 | - | - | 95.45 |
| Others | 234.51 | 9.53 | 26.44 | 1.38 | 271.85 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| TOTAL | 316.56 | 22.92 | 2,644 | 138 | 0.00 |

10 Other Current Liabilities

| | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------------------------------------|-------------------------|-------------------------|
| Other Payables | | |
| Income tax payable (Net of TDS receivable of Rs. 128.97 Lakh) | 15.11 | - |
| Duties and taxes | 1.29 | 8.69 |
| PF ESI Payable | 5.33 | 4.21 |
| Advance from Customers | 133.46 | 114.02 |
| Other Expenses Payable | 53.97 | 38.34 |
| Salary Payable | 22.40 | 23.56 |
| | 231.57 | 188.82 |

This space is intentionally left blank.

QUALITEK LABS LIMITED

(Formerly "Qualitek Labs Private Limited")

Notes forming part of the financial statements for the year ended March 31, 2024

Amounts in Rs. (Lakh)

11 Property, Plant and Equipments

| Particular | Gross Block | | | | | | | | |
|--------------------------|--------------------------------------|---------------------------|-----------------------------|--------------------------------|--------------------------------------|---------------------------|-----------------------------|--------------------------------|---------------------------------------|
| | Opening Balance as on April 01, 2022 | Additions during the year | Capitalized during the year | Sale/ disposal during the year | Opening Balance as on April 01, 2023 | Additions during the year | Capitalized during the year | Sale/ disposal during the year | Closing Balance as on 31st March 2024 |
| Lease Hold Improvements | - | - | - | - | 0.00 | 790.52 | | | 790.52 |
| Plant and Machinery | 779.40 | 170.14 | 199.80 | - | 1149.33 | 874.82 | | | 2024.15 |
| Furniture and Fixtures | 32.32 | 60.07 | 247.35 | - | 339.74 | 32.83 | | | 372.58 |
| Computer and Others | 10.03 | 12.38 | - | - | 22.41 | 7.88 | | | 30.29 |
| Motor Vehicles* | 41.05 | .84 | - | - | 41.89 | 15.87 | | | 57.75 |
| Office Equipment - Books | 5.23 | 2.00 | - | - | 7.23 | - | | | 7.23 |
| Office Equipment - OE | 1.90 | 1.55 | - | - | 3.45 | 2.31 | | | 5.76 |
| Total | 869.92 | 246.98 | 447.15 | - | 1564.05 | 1724.23 | 0.00 | 0.00 | 3288.27 |

| Particular | Accumulated Depreciation | | | | | | Written Down Value | | |
|--------------------------|--------------------------------------|--------------------------|----------------------------------------|--------------------------------------|--------------------------|----------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | Opening Balance as on 1st April 2022 | Provided during the year | Deduction/ adjustments during the year | Opening Balance as on 1st April 2023 | Provided during the year | Deduction/ adjustments during the year | Closing Balance as on 31st March 2024 | Carrying Amount as on 31st March 2024 | Carrying Amount as on 31st March 2023 |
| Lease Hold Improvements | - | - | - | - | 15.18 | - | 15.18 | 775.33 | 0.00 |
| Plant and Machinery | 93.03 | 47.85 | - | 140.88 | 82.14 | - | 223.02 | 1801.12 | 1008.45 |
| Furniture and Fixtures | 4.61 | 21.87 | - | 26.48 | 28.50 | - | 54.98 | 317.59 | 313.26 |
| Computer and Others | 4.84 | 8.50 | - | 13.35 | 5.43 | - | 18.77 | 11.52 | 9.06 |
| Motor Vehicles | 7.90 | 4.50 | - | 12.39 | 6.30 | - | 18.69 | 39.06 | 29.49 |
| Office Equipment - Books | 2.08 | .84 | - | 2.92 | 1.37 | - | 4.29 | 2.94 | 4.31 |
| Office Equipment - OE | .65 | .88 | - | 1.53 | .87 | - | 2.40 | 3.36 | 1.92 |
| Total | 113.11 | 84.44 | - | 197.55 | 139.80 | - | 337.35 | 2950.93 | 1366.50 |

* The closing balance of motor vehicles of Rs. 57,75,231 include car of Rs. 41,04,501 under lien with ICICI bank against loan of Rs. 29,70,000 taken in FY 20-21 and also include another car of Rs. 15,86,730 under lien with HDFC Bank against loan of Rs. 15,00,000 taken in FY 23-24.

12 Capital Work-in-progress

| Particular | Gross Block | | | | | | | Written Down Value | | |
|-----------------------------|--------------------------------------|---------------------------|-----------------------------|--------------------------------------|---------------------------|-----------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--|
| | Opening Balance as on 1st April 2022 | Additions during the year | Capitalized during the year | Opening Balance as on 1st April 2023 | Additions during the year | Capitalized during the year | Closing Balance as on 31st March 2024 | Carrying Amount as on 31st March 2024 | Carrying Amount as on 31st March 2023 | |
| Plant and Machinery - WIP | 199.80 | 831.87 | 199.80 | 831.87 | 98.97 | 810.01 | 120.83 | 120.83 | 831.87 | |
| Furniture and Fixture - WIP | 247.35 | 653.33 | 247.35 | 653.33 | 768.04 | 781.55 | 639.81 | 639.81 | 653.33 | |
| Total | 447.15 | 1485.20 | 447.15 | 1485.20 | 867.01 | 1591.57 | 760.64 | 760.64 | 1485.20 | |

QUALITEK LABS LIMITED
 (Formerly “Qualitek Labs Private Limited”)

Notes forming part of the financial statements for the year ended March 31, 2024

Amounts in Rs. (Lakh)

| 13 Long Term Loans & Advances | As at | As at |
|---------------------------------------------------------------------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Loans and advances to related parties | | |
| Unsecured, considered good | 6.50 | 6.50 |
| Other loans and advances | | |
| TDS receivable [Net of provision for income tax of Rs. Nil (PY: Rs 79.20 Lakh)] | - | 107.51 |
| Capital advances | 10.00 | - |
| | 16.50 | 114.01 |
| 14 Other Non Current Assets | As at | As at |
| | March 31, 2024 | March 31, 2023 |
| Security deposits | 159.85 | 124.85 |
| Others | | |
| Fixed deposits (above 12 months maturity) | - | 9.10 |
| | 159.85 | 133.95 |
| 15 Trade Receivables | As at | As at |
| | March 31, 2024 | March 31, 2023 |
| Secured, considered good | - | - |
| Unsecured, considered good | 785.39 | 582.57 |
| | 785.39 | 582.57 |

As at March 31, 2024

| Particulars | Outstanding for following periods from the due date of payment | | | | | |
|-------------------------------------------------------|----------------------------------------------------------------|--------------------|--------------|-------------|-------------------|---------------|
| | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 Years | Total |
| (i) Undisputed Trade receivables-considered good | 690.18 | 80.30 | 12.70 | 0.83 | 1.83 | 785.85 |
| (ii) Undisputed Trade Receivables-considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| TOTAL | 690.18 | 80.30 | 12.70 | 0.83 | 1.83 | 785.85 |

As at March 31, 2023

| Particulars | Outstanding for following periods from the due date of payment | | | | | |
|-------------------------------------------------------|----------------------------------------------------------------|--------------------|-------------|-------------|-------------------|---------------|
| | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 Years | Total |
| (i) Undisputed Trade receivables-considered good | 554.79 | 24.37 | 3.35 | 0.07 | - | 582.57 |
| (ii) Undisputed Trade Receivables-considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| TOTAL | 554.79 | 24.37 | 3.35 | 0.07 | - | 582.57 |

16 Cash and Cash Equivalents

| | As at | As at |
|-------------------------------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Balances with banks: | | |
| Current accounts | 40.86 | 33.59 |
| Cash on hand | - | 1.00 |
| Other bank balances | | |
| Fixed deposits (below 12 months maturity) | 136.28 | - |
| | 177.13 | 34.59 |

QUALITEK LABS LIMITED
(Formerly “Qualitek Labs Private Limited”)

Notes forming part of the financial statements for the year ended March 31, 2024

| | Amounts in Rs. (Lakh) | |
|-----------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| 17 Short Term Loans and Advances | | |
| Loans and advances to related parties | | |
| Unsecured, considered good | - | 2.00 |
| Others | | |
| Advance to vendors | 103.36 | 169.68 |
| Taxes recoverable | 85.44 | 58.81 |
| | 188.79 | 230.50 |
| 18 Other Current Assets | | |
| Accrued income | 0.11 | 0.02 |
| Prepaid expenses | 19.53 | 11.37 |
| | 19.64 | 11.38 |

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QUALITEK LABS LIMITED
 (Formerly “Qualitek Labs Private Limited”)

Notes forming part of the financial statements for the year ended March 31, 2024

| | Amounts in Rs. (Lakh) | |
|-------------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| 19 Revenue from Operations | | |
| Sale of Services | | |
| Testing services | 2918.38 | 1913.66 |
| | 2918.38 | 1913.66 |
| 20 Other Income | | |
| Interest income | | |
| On fixed deposits | 0.98 | 0.88 |
| On income tax refund | 6.00 | 5.00 |
| Other non-operating income | | |
| Liabilities Written Back | 1.23 | 15.59 |
| | 8.21 | 21.47 |
| 21 Direct Expenses | | |
| Testing Material Purchase | 125.26 | 122.24 |
| Testing Service Charges | 301.20 | 219.32 |
| Calibration Services | 15.32 | 7.87 |
| Consumable & Transportation Expenses | 116.31 | 7.36 |
| Packaging Charges | 0.37 | 0.03 |
| Electrical Material | 12.89 | 67.73 |
| Lab Expenses | 6.20 | 0.18 |
| | 577.56 | 424.73 |
| 22 Employee Benefit Expenses | | |
| Salaries and Wages | 529.92 | 317.80 |
| Contribution to Provident and other Funds | 27.04 | 18.90 |
| Gratuity & Leave Encashment | 24.75 | 5.52 |
| Staff Welfare Expenses | 23.26 | 23.46 |
| | 604.97 | 365.67 |
| 23 Finance Cost | | |
| Interest on Loans | 87.84 | 65.10 |
| Interest on TDS & GST | 0.23 | 0.01 |
| Interest on MSME dues | 2.84 | 4.18 |
| | 90.92 | 69.29 |

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QUALITEK LABS LIMITED
 (Formerly “Qualitek Labs Private Limited”)

Notes forming part of the financial statements for the year ended March 31, 2024

| 24 Other Expenses | Amounts in Rs. (Lakh) | |
|----------------------------------------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Rent: | | |
| Office Rent | 63.95 | 59.49 |
| Other Rent | 61.99 | 44.38 |
| Electricity & Water Charges | 325.09 | 240.38 |
| Repairs: | | |
| Building | 2.55 | 0.00 |
| Plant & Machinery | 14.73 | 9.84 |
| Repair - Others | 11.12 | 6.92 |
| Insurance Charges | 8.75 | 5.15 |
| Rates and Taxes | 5.65 | 9.66 |
| Travelling & Conveyance | 87.55 | 66.19 |
| Postage and Courier | 36.26 | 34.58 |
| Office and Administrative Expenses | 47.52 | 25.21 |
| Printing & Stationery | 11.49 | 12.85 |
| Professional Fees | 57.07 | 29.80 |
| Audit Fees (Refer Note 24.1) | 0.60 | 0.60 |
| Advertisement & Sales Promotion | 24.61 | 12.19 |
| Sample Collection Charges | 48.28 | 5.25 |
| Security and Housekeeping | 81.48 | 8.62 |
| Telephone and Internet | 3.26 | 3.40 |
| Directors Sitting Fees | 3.20 | - |
| Net Gain/Loss in Foreign Exchange | 1.64 | 2.58 |
| Manpower services | 25.38 | - |
| Bank Charges | 2.49 | 0.36 |
| Sundry Balances Written off | 1.69 | 8.35 |
| Other Sundry Expenses | 1.13 | 7.52 |
| | 930.90 | 593.78 |
| 24.1 Audit Fees | | |
| | As at March 31, 2024 | As at March 31, 2023 |
| Statutory Audit Fees | 0.40 | 0.40 |
| Tax Audit Fees | 0.20 | 0.20 |
| | 0.60 | 0.60 |
| 25 Earnings Per Share (EPS) | | |
| | As at March 31, 2024 | As at March 31, 2023 |
| Earnings attributable to Equity Shareholders | 430.73 | 294.43 |
| Weighted average number of equity shares outstanding during the | 57.72 | 54.08 |
| Basic / Diluted Earnings Per Share (Rs.) | 7.46 | 5.44 |
| Number of equity shares outstanding at the end of the financial year | 57.72 | 54.08 |

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QUALITEK LABS LIMITED
 (Formerly "Qualitek Labs Private Limited")

Notes forming part of the financial statements for the year ended March 31, 2024

Amounts in Rs. (Lakh)

26 Related Party Disclosures
I. Names of related parties and related party relationships

| S. No. | Names of Related Parties | Relationship |
|-----------|----------------------------------------------------------------|------------------------------------------|
| A. | Related parties where control exists: | |
| | TIC Services Private Limited | Holding Company |
| | Quality & Testing Infosolution Pvt. Ltd. (upto 25 Nov. 2022) | Subsidiary Company |
| | Interstellar Testing Centre Private Limited | Entity under common control |
| | Quality & Testing Infosolution Pvt. Ltd. (w.e.f. 26 Nov. 2022) | Entity in which Directors are interested |
| | ASC Consulting Private Limited | Common Director |
| | SKM Realcon Private Limited | Common Director |
| | A S C B S R And Company LLP | Entity in which Directors are interested |
| B. | Key Managerial Personnel (KMPs) | |
| | Mr. Kamal Grover | Director |
| | Mr. Antaryami Nayak (w.e.f. 9 January 2023) | Director |
| | Navneet Gupta | Chief Financial Officer (CFO) |
| | Ashima Bhatnagar | Company Secretary |
| C. | Non Executive Director | |
| | Mr. Alok Kumar Agarwal | Director |
| | Mrs. Anju Agarwal (upto 9 January 2023) | Director |
| | Sulabh Jain (W.e.f. 2nd May 2023) | Director |
| | Manish Wahi (W.e.f. 2nd May 2023) | Director |
| | Shubhangi Agarwal (W.e.f. 2nd May 2023) | Director |

II. Transactions during the year and Balances outstanding at the year end with related parties:

| Name of Related Parties | Nature of Transactions & Closing Balances | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------------------|-------------------------------------------|-------------------------|-------------------------|
| TIC Services Private Limited | Loan taken | 457.10 | 850.71 |
| | Loan repaid | 1265.26 | 852.05 |
| | Short Term Borrowings at year end | 10.00 | 818.16 |
| ASC Consulting Private Limited | Loan taken | 25.00 | 20.00 |
| | Loan repaid | 25.00 | - |
| | Reimbursement of expenses | 1.33 | - |
| | Professional fees | 0.54 | 0.01 |
| | Short Term Borrowings at year end | 20.00 | 20.00 |
| | Balance payable as at year end | 0.04 | 0.57 |
| Quality & Testing Infosolution Pvt Ltd | Advance given | - | 26.11 |
| | Repayment received against loan | - | 149.17 |
| | Software development fees | 22.40 | 1.96 |
| | Purchase of software | - | 3.20 |
| | Investment sold | - | 0.70 |
| | Balance payable as at year end | 8.33 | 3.78 |
| Interstellar Testing Centre Private Limited | Revenue from testing services | 13.77 | 43.39 |
| | Outsourced testing expenses | 42.72 | 13.84 |
| | Advance given | 156.96 | 14.07 |
| | Repayment received against advance | 158.96 | 12.07 |
| | Advance given as at year end | - | 2.00 |
| | Balance receivable as at year end | - | 22.88 |
| | Balance payable as at year end | 0.07 | 61.88 |
| SKM Realcon Private Limited | Rent paid | 21.60 | 21.60 |
| | Reimbursement expenses | 0.14 | - |
| | Balance payable as at year end | 5.97 | 3.89 |
| A S C B S R And Company LLP | Professional fees | 3.10 | 5.25 |
| | Balance payable as at year end | - | 1.66 |
| Mr. Antaryami Nayak | Repayment received against advance | - | 20.00 |
| | Advance recoverable as at year end | 6.50 | 6.50 |
| | Investment sold | - | 0.35 |
| Mr. Alok Kumar Agarwal | Investment sold | - | 0.35 |
| Mr. Kamal Grover | Reimbursement of Expenses | 9.62 | 6.77 |
| | Loan taken | - | 13.05 |
| | Loan repaid | - | 13.49 |
| | Repayment received against advance | - | 10.09 |
| | Balance recoverable as at year end | 0.48 | - |
| | Balance payable as at year end | - | 0.12 |
| Mr. Navneet Gupta | Remuneration | 16.30 | - |
| | Remuneration payable as at year end | 1.58 | - |
| Ashima Bhatnagar | Remuneration | 4.13 | - |
| | Remuneration payable as at year end | 0.35 | - |

QUALITEK LABS LIMITED
 (Formerly "Qualitek Labs Private Limited")

Notes forming part of the financial statements for the year ended March 31, 2024

Amounts in Rs. (Lakh)

26 Related Party Disclosures
I. Names of related parties and related party relationships

| S. No. | Names of Related Parties | Relationship | |
|---------------------------------------------|----------------------------------------------------------------|------------------------------------------|----------|
| A. | Related parties where control exists: | | |
| | TTC Services Private Limited | Holding Company | |
| | Quality & Testing Infosolution Pvt. Ltd. (upto 25 Nov. 2022) | Subsidiary Company | |
| | Interstellar Testing Centre Private Limited | Entity under common control | |
| | Quality & Testing Infosolution Pvt. Ltd. (w.e.f. 26 Nov. 2022) | Entity in which Directors are interested | |
| | ASC Consulting Private Limited | Common Director | |
| | SKM Realcon Private Limited | Common Director | |
| | A S C B S R And Company LLP | Entity in which Directors are interested | |
| | B. | Key Managerial Personnel (KMPs) | |
| | | Mr. Kamal Grover | Director |
| Mr. Antaryami Nayak (w.e.f. 9 January 2023) | | Director | |
| Navneet Gupta | | Chief Financial Officer (CFO) | |
| C. | Non Executive Director | | |
| | Mr. Alok Kumar Agarwal | Director | |
| | Mrs. Anju Agarwal (upto 9 January 2023) | Director | |
| | Sulabh Jain (W.e.f. 2nd May 2023) | Director | |
| | Manish Wahi (W.e.f. 2nd May 2023) | Director | |
| | Shubhangi Agarwal (W.e.f. 2nd May 2023) | Director | |

II. Transactions during the year and Balances outstanding at the year end with related parties:

| Name of Related Parties | Nature of Transactions & Closing Balances | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------------------|-------------------------------------------|-------------------------|-------------------------|
| TTC Services Private Limited | Loan taken | 457.10 | 850.71 |
| | Loan repaid | 1265.26 | 852.05 |
| | Short Term Borrowings at year end | 10.00 | 818.16 |
| ASC Consulting Private Limited | Loan taken | 25.00 | 20.00 |
| | Loan repaid | 25.00 | - |
| | Reimbursement of expenses | 1.33 | - |
| | Professional fees | 0.54 | 0.01 |
| | Short Term Borrowings at year end | 20.00 | 20.00 |
| | Balance payable as at year end | 0.04 | 0.57 |
| Quality & Testing Infosolution Pvt Ltd | Advance given | - | 26.11 |
| | Repayment received against loan | - | 149.17 |
| | Software development fees | 22.40 | 1.96 |
| | Purchase of software | - | 3.20 |
| | Investment sold | - | 0.70 |
| | Balance payable as at year end | 8.33 | 3.78 |
| Interstellar Testing Centre Private Limited | Revenue from testing services | 13.77 | 43.39 |
| | Outsourced testing expenses | 42.72 | 13.84 |
| | Advance given | 156.96 | 14.07 |
| | Repayment received against advance | 158.96 | 12.07 |
| | Advance given as at year end | - | 2.00 |
| | Balance receivable as at year end | - | 22.88 |
| SKM Realcon Private Limited | Balance payable as at year end | 0.07 | 61.88 |
| | Rent paid | 21.60 | 21.60 |
| | Reimbursement expenses | 0.14 | - |
| A S C B S R And Company LLP | Balance payable as at year end | 5.97 | 3.89 |
| | Professional fees | 3.10 | 5.25 |
| Mr. Antaryami Nayak | Balance payable as at year end | - | 1.66 |
| | Repayment received against advance | - | 20.00 |
| Mr. Alok Kumar Agarwal | Advance recoverable as at year end | 6.50 | 6.50 |
| | Investment sold | - | 0.35 |
| Mr. Kamal Grover | Investment sold | - | 0.35 |
| | Reimbursement of Expenses | 9.62 | 6.77 |
| | Loan taken | - | 13.05 |
| | Loan repaid | - | 13.49 |
| | Repayment received against advance | - | 10.09 |
| | Balance recoverable as at year end | 0.48 | - |
| Mr. Navneet Gupta | Balance payable as at year end | - | 0.12 |
| | Remuneration | 16.30 | - |
| Ashima Bhatnagar | Remuneration payable as at year end | 1.58 | - |
| | Remuneration | 4.13 | - |
| | Remuneration payable as at year end | 0.35 | - |

QUALITEK LABS LIMITED
 (Formerly "Qualitek Labs Private Limited")

Notes forming part of the financial statements for the year ended March 31, 2024

| Name of Related Parties | Nature of Transactions & Closing Balances | Amounts in Rs. (Lakh) | |
|-------------------------|-------------------------------------------|-------------------------|-------------------------|
| | | As at March 31, 2024 | As at March 31, 2023 |
| Sulabh Jain | Sitting fees | 1.10 | - |
| | Sitting fees payable as at year end | 0.99 | - |
| Manish Wahi | Sitting Fees | 0.95 | - |
| | Sitting fees payable as at year end | 0.86 | - |
| Shubhangi Agarwal | Sitting Fees | 1.15 | - |
| | Sitting fees payable as at year end | 1.04 | - |

| 27 Earnings/ Expenditure in Foreign Currency | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------------------------|-------------------------|-------------------------|
| Earnings: | | |
| Export of services | 43.30 | 0.87 |
| Expenditure: | | |
| Outsourcing services | 39.06 | 43.47 |

28 Employee Benefits (Disclosure under AS 15)
A. Defined Contribution Plans

The Company has defined contribution plans such as employees provident fund and employees state insurance for the benefit of its employees. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized in the statement of profit and loss during the year towards contribution to defined contribution plans of ESIC and EPF are Rs. 2.76 Lakh and Rs. 24.29 Lakh respectively (Previous year contribution to defined contribution plan of ESIC and EPF are Rs. 1.90 Lakh and Rs. 17.00 Lakh respectively).

B. Defined Benefit Plans

The Company has a defined benefit gratuity plan. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Cost Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. These benefits are unfunded.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet.

| I. Assumptions | As at March 31, 2024 | | As at March 31, 2023 | |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| Discount rate (%) | 7.22 | 7.22 | 7.40 | - |
| Expected rate of salary increase (%) | 4 | 4 | 4 | - |
| Attrition Rate (%) | | | | - |
| -Upto 30 Years | 45 | 45 | 45 | - |
| -From 31 to 44 Years | 45 | 45 | 45 | - |
| -Above 44 Years | 45 | 45 | 45 | - |
| Mortality Table | 100% of IALM (2012 - 14) | 100% of IALM (2012 - 14) | 100% of IALM (2012 - 14) | - |
| Retirement Age (Years) | 58 Years | 58 Years | 58 Years | - |

| II. Changes in present value (PV) of obligation | As at March 31, 2024 | | As at March 31, 2023 | |
|------------------------------------------------------|----------------------|------------------|----------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| a) PV of obligations as at the beginning of the year | 8.84 | - | 3.33 | - |
| b) Acquisition adjustment | - | - | - | - |
| c) Interest cost | 0.65 | - | 0.24 | - |
| d) Current service cost | 4.04 | 7.34 | 2.43 | - |
| e) Past service cost | - | 9.33 | - | - |
| f) Benefits paid | - | - | - | - |
| g) Actuarial (gain)/loss on obligation | 3.38 | - | 2.84 | - |
| h) PV of obligations as at the end of the year | 16.92 | 16.67 | 8.84 | - |

| III. Changes in the fair value (FV) of plan assets | As at March 31, 2024 | | As at March 31, 2023 | |
|----------------------------------------------------|----------------------|------------------|----------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| a) FV of plan assets at the beginning of the year | - | - | - | - |
| b) Acquisition adjustment | - | - | - | - |
| c) Expected return on plan assets | - | - | - | - |
| d) Contributions | - | - | - | - |
| e) Charges | - | - | - | - |
| f) Benefits paid | - | - | - | - |
| g) Actuarial gain/(loss) on plan assets | - | - | - | - |
| h) FV of plan assets at the beginning of the year | - | - | - | - |

| IV. Actuarial gain / loss recognized | As at March 31, 2024 | | As at March 31, 2023 | |
|-----------------------------------------------------|----------------------|------------------|----------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| a) Actuarial gain/(loss) for the year - Obligation | (3.38) | - | (2.84) | - |
| b) Actuarial (gain)/loss for the year - Plan Assets | - | - | - | - |
| c) Total (gain)/loss for the year | 3.38 | - | 2.84 | - |
| d) Actuarial (gain)/loss recognized in the year | 3.38 | - | 2.84 | - |
| e) Unrecognized actuarial (gain)/loss for the year | - | - | - | - |

QUALITEK LABS LIMITED
 (Formerly "Qualitek Labs Private Limited")

Notes forming part of the financial statements for the year ended March 31, 2024

Amounts in Rs. (Lakh)

| V. The amounts to be recognized in balance sheet and related analysis | As at March 31, 2024 | | As at March 31, 2023 | |
|-----------------------------------------------------------------------|----------------------|------------------|----------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| a) PV of obligations as at the end of the year | 16.92 | 16.67 | 8.84 | - |
| b) FV of plan assets as at the end of the year | - | - | - | - |
| c) Funded status / Difference | 16.92 | 16.67 | 8.84 | - |
| d) Excess of actual over estimated | - | - | - | - |
| e) Unrecognized actuarial (gains)/losses | - | - | - | - |
| f) Net asset/(liability) recognized in balance sheet | 16.92 | 16.67 | 8.84 | - |

| VI. Expense recognized in the statement of profit & loss | As at March 31, 2024 | | As at March 31, 2023 | |
|----------------------------------------------------------|----------------------|------------------|----------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| a) Current service cost | 4.04 | 7.34 | 2.43 | - |
| b) Past service cost | - | 9.33 | - | - |
| c) Interest cost | 0.65 | - | 0.24 | - |
| d) Expected return on plan assets | - | - | - | - |
| e) Net actuarial (gain)/loss recognized during the year | 3.38 | - | 2.84 | - |
| f) Expense recognized in statement of profit & loss | 8.08 | 16.67 | 5.52 | - |

| VII. Reconciliation statement of expense in the statement of profit & loss | As at March 31, 2024 | | As at March 31, 2023 | |
|----------------------------------------------------------------------------|----------------------|------------------|----------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| a) PV of obligation as at the end of year | 16.92 | 16.67 | 8.84 | - |
| b) PV of obligation as at the beginning of the year | 8.84 | - | 3.33 | - |
| c) Benefits paid | - | - | - | - |
| d) Actual return on plan assets | - | - | - | - |
| e) Acquisition adjustment | - | - | - | - |
| f) Expense recognized in the statement of profit & loss | 8.08 | 16.67 | 5.52 | - |

| VIII. Movements in the liability recognized in the Balance Sheet | As at March 31, 2024 | | As at March 31, 2023 | |
|------------------------------------------------------------------|----------------------|------------------|----------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| a) Opening net liability | 8.84 | - | 3.33 | - |
| b) Expense recognized in the statement of profit & loss | 8.08 | 16.67 | 5.52 | - |
| c) Benefits paid | - | - | - | - |
| d) Actual return on plan assets | - | - | - | - |
| e) Acquisition adjustment | - | - | - | - |
| f) Closing net liability | 16.92 | 16.67 | 8.84 | - |

| IX. Experience Adjustments | As at March 31, 2024 | | As at March 31, 2023 | |
|----------------------------------|----------------------|------------------|----------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| On Plan Liability Gains/(Losses) | (3.32) | - | (2.87) | - |

29 Contingencies & Commitments

There is no contravention of laws or regulations the effect of which could form the basis for recording a contingent loss provision or a disclosure in the financial statement and there are no other material liabilities or contingent gains or losses which require accrual or disclosure.

There are no significant claims for which the Company would be contingently liable in respect of litigation, if any which may be pending against the Company. There is no litigation pending against any of the employees of the Company for which the Company would be contingently liable either directly or indirectly.

The Company is not involved in any litigation or arbitration proceedings relating to claims or amounts which are material. So far as the Management is aware, no such litigation or arbitration proceedings are pending or threatened.

30 The following is the information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The information has been determined to the extent such parties have been identified on the basis of information available with the Company.

| The principal amount and the interest due thereon remaining unpaid to any supplier | As at | As at |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Principal amount due to micro and small enterprises remaining outstanding | 68.52 | 91.27 |
| Interest due on above | 7.02 | 4.18 |
| Amount of interest paid by the buyer in terms of section 16 of the MSMED, along with the amounts of payments made to supplier beyond the appointed day | - | - |
| Amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act 2006 has not paid) | - | - |
| Amount of interest accrued and remaining unpaid | - | - |

During the year, Company has recognised interest only for those MSME parties with whom transactions took place during the year or dues are outstanding at the end of the year. However, in future if any liability arises related to those MSME parties with whom no transaction has taken place during the year, the Company will be liable for the same.

QUALITEK LABS LIMITED
 (Formerly “Qualitek Labs Private Limited”)

Notes forming part of the financial statements for the year ended March 31, 2024

Amounts in Rs. (Lakh)

| V. The amounts to be recognized in balance sheet and related analysis | As at March 31, 2024 | | As at March 31, 2023 | |
|-----------------------------------------------------------------------|----------------------|------------------|----------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| a) PV of obligations as at the end of the year | 16.92 | 16.67 | 8.84 | - |
| b) FV of plan assets as at the end of the year | - | - | - | - |
| c) Funded status / Difference | 16.92 | 16.67 | 8.84 | - |
| d) Excess of actual over estimated | - | - | - | - |
| e) Unrecognized actuarial (gains)/losses | - | - | - | - |
| f) Net asset/(liability) recognized in balance sheet | 16.92 | 16.67 | 8.84 | - |

| VI. Expense recognized in the statement of profit & loss | As at March 31, 2024 | | As at March 31, 2023 | |
|----------------------------------------------------------|----------------------|------------------|----------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| a) Current service cost | 4.04 | 7.34 | 2.43 | - |
| b) Past service cost | - | 9.33 | - | - |
| c) Interest cost | 0.65 | - | 0.24 | - |
| d) Expected return on plan assets | - | - | - | - |
| e) Net actuarial (gain)/loss recognized during the year | 3.38 | - | 2.84 | - |
| f) Expense recognized in statement of profit & loss | 8.08 | 16.67 | 5.52 | - |

| VII. Reconciliation statement of expense in the statement of profit & loss | As at March 31, 2024 | | As at March 31, 2023 | |
|----------------------------------------------------------------------------|----------------------|------------------|----------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| a) PV of obligation as at the end of year | 16.92 | 16.67 | 8.84 | - |
| b) PV of obligation as at the beginning of the year | 8.84 | - | 3.33 | - |
| c) Benefits paid | - | - | - | - |
| d) Actual return on plan assets | - | - | - | - |
| e) Acquisition adjustment | - | - | - | - |
| f) Expense recognized in the statement of profit & loss | 8.08 | 16.67 | 5.52 | - |

| VIII. Movements in the liability recognized in the Balance Sheet | As at March 31, 2024 | | As at March 31, 2023 | |
|------------------------------------------------------------------|----------------------|------------------|----------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| a) Opening net liability | 8.84 | - | 3.33 | - |
| b) Expense recognized in the statement of profit & loss | 8.08 | 16.67 | 5.52 | - |
| c) Benefits paid | - | - | - | - |
| d) Actual return on plan assets | - | - | - | - |
| e) Acquisition adjustment | - | - | - | - |
| f) Closing net liability | 16.92 | 16.67 | 8.84 | - |

| IX. Experience Adjustments | As at March 31, 2024 | | As at March 31, 2023 | |
|----------------------------------|----------------------|------------------|----------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| On Plan Liability Gains/(Losses) | (3.32) | - | (2.87) | - |

29 Contingencies & Commitments

There is no contravention of laws or regulations the effect of which could form the basis for recording a contingent loss provision or a disclosure in the financial statement and there are no other material liabilities or contingent gains or losses which require accrual or disclosure.

There are no significant claims for which the Company would be contingently liable in respect of litigation, if any which may be pending against the Company. There is no litigation pending against any of the employees of the Company for which the Company would be contingently liable either directly or indirectly.

The Company is not involved in any litigation or arbitration proceedings relating to claims or amounts which are material. So far as the Management is aware, no such litigation or arbitration proceedings are pending or threatened.

30 The following is the information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The information has been determined to the extent such parties have been identified on the basis of information available with the Company.

The principal amount and the interest due thereon remaining unpaid to any supplier

| | As at | As at |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Principal amount due to micro and small enterprises remaining outstanding | 68.52 | 91.27 |
| Interest due on above | 7.02 | 4.18 |
| Amount of interest paid by the buyer in terms of section 16 of the MSMED, along with the amounts of payments made to supplier beyond the appointed day | - | - |
| Amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act 2006 has not paid) | - | - |
| Amount of interest accrued and remaining unpaid | - | - |

During the year, Company has recognised interest only for those MSME parties with whom transactions took place during the year or dues are outstanding at the end of the year. However, in future if any liability arises related to those MSME parties with whom no transaction has taken place during the year, the Company will be liable for the same.

QUALITEK LABS LIMITED
 (Formerly "Qualitek Labs Private Limited")

Notes forming part of the financial statements for the year ended March 31, 2024

Amounts in Rs. (Lakh)

31 Additional Regulatory Information

(i) Summary of Ratio as on 31 March 2024

A Current Ratio

| | As at March 31, 2024 | As at March 31, 2023 | Variance (In %) |
|---------------------|----------------------|----------------------|-----------------|
| Current Assets | 1170.96 | 859.04 | |
| Current Liabilities | 688.41 | 1869.27 | |
| Ratio | 1.70 | 0.46 | 270% |

Explanation - Reduction in current liabilities due to repayment of unsecured demand loan from holding company.
B Debt-Equity ratio

| | As at March 31, 2024 | As at March 31, 2023 | Variance (In %) |
|----------------------|----------------------|----------------------|-----------------|
| Total Debt | 1224.75 | 2344.67 | |
| Shareholder's Equity | 3244.90 | 989.61 | |
| Ratio | 0.38 | 2.37 | (84%) |

Explanation - Increase in shareholders equity due to public issue of shares and repayment of unsecured demand loan from holding company.
C Debt Service Coverage Ratio

| | As at March 31, 2024 | As at March 31, 2023 | Variance (In %) |
|-------------------------------------|----------------------|----------------------|-----------------|
| Earnings Available for Debt service | 838.59 | 545.49 | |
| Debt Service | 295.94 | 1376.09 | |
| Ratio | 2.83 | 0.40 | 615% |

Explanation - Reduction in debt service on account of repayment of unsecured demand loan from holding company.
D Return On Equity Ratio

| | As at March 31, 2024 | As at March 31, 2023 | Variance (In %) |
|-----------------------------|----------------------|----------------------|-----------------|
| Net Profit After Tax (PAT) | 430.73 | 294.43 | |
| Average Shareholders Equity | 2117.26 | 592.39 | |
| Ratio | 20% | 50% | (59%) |

Explanation - Increase in shareholders equity on account of public issue of shares.
E Inventory turnover ratio

| | As at March 31, 2024 | As at March 31, 2023 | Variance (In %) |
|-------------------|----------------------|----------------------|-----------------|
| Revenue | - | - | |
| Average Inventory | - | - | |
| Ratio | N/A | N/A | N/A |

F Trade Receivables Turnover Ratio -

| | As at March 31, 2024 | As at March 31, 2023 | Variance (In %) |
|----------------------------|----------------------|----------------------|-----------------|
| Sales | 2918.38 | 1913.66 | |
| Average Account Receivable | 683.98 | 400.93 | |
| Ratio | 4.27 | 4.77 | (11%) |

G Trade Payable Turnover Ratio -

| | As at March 31, 2024 | As at March 31, 2023 | Variance (In %) |
|------------------------|----------------------|----------------------|-----------------|
| Credit Purchases | 1493.59 | 997.46 | |
| Average Trade Payables | 302.53 | 258.75 | |
| Ratio | 4.94 | 3.85 | 28% |

Explanation - Due to increase in credit purchases during the year.
H Net Capital Turnover Ratio

| | As at March 31, 2024 | As at March 31, 2023 | Variance (In %) |
|-------------------------|----------------------|----------------------|-----------------|
| Net Sales | 2918.38 | 1913.66 | |
| Average Working Capital | (263.84) | (1108.36) | |
| Ratio | (11.06) | (1.73) | 541% |

Explanation - Reduction in working capital due to repayment of unsecured demand loan from holding company.
I Net Profit Ratio

| | As at March 31, 2024 | As at March 31, 2023 | Variance (In %) |
|------------|----------------------|----------------------|-----------------|
| Net profit | 430.73 | 294.43 | |
| Net Sales | 2918.38 | 1913.66 | |
| Ratio | 14.8% | 15.4% | -4% |

J Return On Capital Employed

| | As at March 31, 2024 | As at March 31, 2023 | Variance (In %) |
|---------------------------------------|----------------------|----------------------|-----------------|
| Earnings Before Interest & Tax (EBIT) | 670.28 | 459.00 | |
| Capital Employed | 4555.97 | 3393.73 | |
| Ratio | 14.7% | 13.5% | 9% |

K Return On Investment

| | As at March 31, 2024 | As at March 31, 2023 | Variance (In %) |
|---------------------------|----------------------|----------------------|-----------------|
| Earnings from Investments | - | - | |
| Average Investments | - | - | |
| Ratio | N/A | N/A | N/A |

(ii) No immovable property is held by the Company.

(iii) During the year, no revaluation was made in Company's property, plant and equipment.

(iv) The Company has borrowings or sanctioned overdraft limit from bank on the basis of security of current assets. However, quarterly returns or statements of current assets are not required to be filed by the company with banks or financial institution.

(v) The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(vi) Capital work in progress ageing schedule:

| As at March 31, 2024 | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|-------------------|--------|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| Projects in progress | 371.88 | 388.76 | - | - | 760.64 |

| As at March 31, 2023 | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|-------------------|---------|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| Projects in progress | 1485.20 | - | - | - | 1485.20 |

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Notes forming part of the financial statements for the year ended March 31, 2024

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- (vii) There is no intangible assets under development.
- (viii) Company does not hold any benami property under the Benami Transactions (Prohibition) Act 1988.
- (ix) Company has borrowings from bank on the basis of security of current assets but not asking for submission of stock or book debts statements.
- (x) No transactions were made with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- (xi) No charges or satisfaction is yet to be registered with Registrar of Companies, except the below :
 - In year 2021, the Company has availed vehicle loan facility from ICICI Bank for Rs. 29.70 Lakh against hypothecation of the underlying vehicle.
- (xii) Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.
- (xiii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial years.
- (xiv) The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entity (Intermediary) with the understanding that the Intermediary shall:
 a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiary) or
 b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiary.
- (xv) The Company has not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that:
 a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiary), or
 b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiary.
- (xvi) There is no income surrendered or disclosed as income during the current or previous financial years in the tax assessment under the Income Tax Act, 1961 that has not been recorded in the books of accounts.
- (xvii) The company has not traded or invested in crypto currency or virtual currency during the current or previous financial years.
- (xviii) The company has done assessment to identify Core Investment Company (CIC) {including CICs in the group} as per the necessary guidelines of Reserve Bank of India (including Core Investment Companies (reserve Bank) Directions, 2016). The company is not CIC and no entities have been identified as CIC in the group, of which company is a part.
- (xix) The Company has not received any whistle-blower complaints during the current or previous financial years.

32 Utilisation of IPO proceeds

During the year, the Company has raised total capital of Rs. 1964.40 Lakh through its initial public offering (IPO) of 19.64 Lakh equity shares of Rs. 10 each fully paid-up at a premium of Rs. 90 per equity share. The net proceeds from the IPO are Rs. 1831.18 Lakh after reduction of issue related expenses.

The details of utilisation of IPO proceeds as on March 31, 2024 are as follows:

| S.No. | Particulars | Objects of the issue as per Prospectus | Amount utilised | Unutilised amount |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-----------------|-------------------|
| 1 | Funding capital expenditure towards installation of plant and machinery for new & existing laboratories and for expansion of laboratories | 622.38 | 210.16 | 412.22 |
| 2 | Repayment of unsecured loan to Promoter | 818.16 | 818.16 | - |
| 3 | Funding of working capital requirements | 250.00 | 196.60 | 53.40 |
| 4 | General corporate purposes | 140.64 | 52.91 | 87.73 |
| | TOTAL | 1,831.18 | 1,277.83 | 553.35 |

Notes:

- (i) Unutilised amount as on 31 March 2024 has been temporarily deployed in overdraft account and short term fixed deposit.
- (ii) The Company has incurred total expenses of Rs. 139.84 Lakh in connection with the IPO. These expenses have been adjusted against securities premium in accordance with Section 52 of the Companies Act, 2013.
- (iii) The Company has utilised the IPO proceeds in funding capital expenditure towards installation of plant and machinery as per approved object in the prospectus. However, due to change in technology and emerging business requirements, machinery with higher configuration were purchased instead of those which were mentioned in prospectus.

33 Operating Leases

The Company has taken office premises and machinery on operating leases during the year. The leases are cancellable in nature. The lease rental expense or the minimum lease payments recognised in respect of the leases during the year is Rs. 125.94 Lakh (Previous Year: Rs. 103.87 Lakh).

34 Borrowing Costs Capitalised

The Company has capitalised borrowing costs directly attributable to acquisition, construction or production of qualifying assets during the year amounting to Rs. 66.72 Lakh (Previous Year: Rs. 32.29 Lakh).

35 The Company has only one business segment primarily, i.e. testing & inspection and operates in one geographical segment. All the company's revenue, trade receivables and non current assets are within India.

QUALITEK LABS LIMITED
(Formerly “Qualitek Labs Private Limited”)

Notes forming part of the financial statements for the year ended March 31, 2024

Amounts in Rs. (Lakh)

36 The Company was incorporated on 17 May, 2018 as a Private Limited Company under the Companies Act, 2013. During the financial year ended 31st March 2023, the Company had altered its Memorandum of Association and Articles of Association for conversion into a Public Limited Company and filed the application for the same with the Central Government under Section 18 of the said Act. On 26 April 2023, the Company received the approval of the Central Government for conversion into a Public Limited Company. Accordingly, the name of the Company has been changed from Qualitek Labs Private Limited to Qualitek Labs Limited.

37 Figures for the previous year have been regrouped/reclassified/reinstated, wherever considered necessary to align with current year figures.

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For J Madan & Associates
Chartered Accountants

For and on behalf of the Board of Directors of
Qualitek Labs Limited

Sd/-
Naveen Kumar
Partner
M. No.: 536759
FRN No.: 025913N
UDIN: 24536759BKCKPS6212

Sd/-
Antaryami Nayak
Managing Director
DIN - 07232463

Sd/-
Ashima Bhatnagar
Company Secretary
M. No.: A25655

Sd/-
Kamal Grover
Managing Director
DIN - 07429267

Sd/-
Navneet Gupta
CFO
PAN: ANNPG5364K

Place: New Delhi
Date: May 29, 2024

Place: New Delhi
Date: May 29, 2024