



27TH ANNUAL REPORT OF

QUEST LABORATORIES LIMITED

FOR THE FINANCIAL YEAR ENDED

31.03.2025

(FY-2024-25)

Board of Directors

: Shri Anil Sabarwal (Managing Director)
Smt Tejaswini Sabarwal (Whole Time Director)
Shri Vinayak Sabarwal (Whole-Time Director)
Shri Umendra Suthar (Whole-Time Director)
Shri Gautam Chand Kothari (Independent Director)
Shri Amit Ramesh Chandak (Independent Director)
Shri Basant Lal Menghwani (Independent Director)

Chief Financial Officer

: Shri Ramkrishna Sharma

Company Secretary

: Smt. Surabhi Gupta

Auditors

M/s. C.H. PADLIYA & CO.,
: Chartered Accountants;

Bankers

: HDFC Bank Limited

Secretarial Auditor

: M/s. Shilpesh Dalal & Company

Cost Auditors

: M/s. Sushil Kumar Mantri & Associates

Registered Office

:
Plot No. 45 Sector III Pithampur, Dhar M.P.454775
Phone: 07292 292374
investors@questlabltd.com;

Registrar & Share Transfer Agent

: Bigshare Services Private Limited
Office No. S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri East, Mumbai – 400 093, Maharashtra
Tel: 022 - 6263 8200,
E-mail: ipo@bigshareonline.com

Contents	Page
Notice of AGM	01-12
Directors' Report (include Annual Report on CSR and Secretarial Audit Report)	12-45
Management Discussion and Analysis Report	46-48
Certificates	49
Auditors' Report	50-62
Balance Sheet	63
Statement of Profit and Loss	64
Cash Flow Statement	65
Statement of Changes in Equity	66
Notes to the Financial Statements	67-94
Significant Accounting Policies And Practices	95-101

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Members of the Company will be held on **Monday, 29th day of September, 2025 at 12:30 P.M.** through two-way Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") for which purposes the registered office of the Company situated at Plot No. 45, Sector III, Pithampur Industrial Area, Pithampur, Dhar -454775, Madhya Pradesh, shall be deemed as the venue for the Meeting and the proceedings of the Annual General Meeting shall be deemed to be made there at, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2025 and Reports of the Board of Directors and Auditors thereon, and in this regard, to consider, and if thought fit, to pass, with or without modification(s), if any, the following resolutions as an Ordinary Resolution:

"RESOLVED THAT the Audited Financial Statement of the Company for the financial year ended 31st March, 2025 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To appoint a Director in place of Shri. Anil Kumar Sabarwal (DIN- 00646133) who retires by rotation and being eligible, offers himself for re-appointment, and in this regard, to consider, and if thought fit, to pass, with or without modification(s), if any, the following resolutions as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri. Anil Kumar Sabarwal (DIN- 00646133) , who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS

3. To ratify the remuneration of Cost Auditors for the financial year ending 31st March, 2026, and in this regard, to consider, and if thought fit, to pass with or without modification(s), if any, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s Sushil Kumar Mantri & Associates, Cost Accountants, Indore (Registration No. 101049) appointed as Cost Auditors of the Company by the Board of Directors of the Company, to conduct the audit of Cost Records of the Company for the financial year ending 31st March, 2026, be paid the remuneration of Rs. 50,000/- (Rupees Fifty Thousand Only) p.a. in addition to out of pocket and/or travelling expenses as may incur in carrying out their duties as Cost Auditors, and the same is hereby ratified and approved;

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. To appoint Shilpesh Dalal & Co. Practicing Company Secretaries as the Secretarial Auditor of the Company and fix their remuneration, to consider, and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of

SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ' ('SEBI (LODR) Regulations, 2015') read with Circulars issued thereunder from time to time and other applicable provisions as amended time to time (including any Statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the recommendation of the Audit Committee and the Board of Directors, Shilpesh Dalal & Co, Practicing Company Secretaries, Indore (Certificate of Practice No. 4235 and Peer Review Certificate No.: 1833/2022), be and are hereby appointed as Secretarial Auditors of the Company for a term of five consecutive years commencing from financial year 2025-2026 till financial year 2029-2030 to undertake secretarial audit as required under the Act and SEBI Listing Regulations and issue the necessary secretarial audit report for the aforesaid period on such remuneration, as may be approved by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to avail or obtain from the Secretarial Auditor, such other services or certificates, reports, which the Secretarial Auditors may be eligible to provide or issue under the applicable laws at a remuneration to be determined by the Board.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to delegate all or any of the powers herein conferred to the Committee of the Board or to any Director(s) or Officer(s) / Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT any of the Directors and/or the Key Managerial Personnel of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with the Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

Place: Pithampur

Date: 03rd September, 2025

CIN: U24232MP1998PLC012850.

Regd. Office: Plot No. 45, Sector III,
Pithampur Industrial Area, Pithampur, Dhar

454775 (M.P.) Tele: 7292 292374

Email: investors@questlabltd.com,

Website: www.questlabltd.com

**By Order of the Board of Directors
For Quest Laboratories Limited**

**Anil Sabarwal
Managing Director
DIN: 00646133**

Notes:

1. Pursuant to the Circular No. 14/2020 dated 08th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by General Circular No. 20/2020 dated 05th May, 2020, General circular No. 02/2021 dated 13th January, 2021 ,General Circular No. 02/2022 dated 05th May, 2022 and General Circular No. 10/2022 dated 28th December, 2022 read along with SEBI Circular dated 12th May, 2020, 15th January, 2021 ,13th May, 2022 and 05th January, 2023, circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7th October, 2023 and followed by SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 (collectively "SEBI Circulars"), physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the Circular No. 14/2020 dated April 8, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08th, 2020, April 13th, 2020 and May 05th, 2020, General circular No. 02/2021 dated 13th January, 2021 and General Circular No. 02/2022 dated 05th May, 2022 ,and 28th December, 2022 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by Bigshares Services.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.questlabltd.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. NSE Limited at www.nseindia.com the AGM Notice is also available on the website of Bigshare Services Pvt. Ltd. (agency for providing the Remote e-Voting facility) i.e. www.bigshareonline.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 02/2021 dated 13th January, 2021, 02/2022 dated 5th May, 2022 followed by MCA Circular No. 10/2022 dated 28th December, 2022.
8. The recorded transcript of the forthcoming AGM on 29th September, 2025, shall also be made available on the website of the Company www.questlabltd.com .
9. All documents referred to in the accompanying Notice and the Statement can be obtained for inspection by writing to the Company at its email ID investors@questlabltd.com till the date of AGM.
10. The Register of Directors and Key Managerial Personnel, the Register of Contract or Arrangements, has been made available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send their requests to investors@questlabltd.com .
11. The register of members and share transfer books will remain closed from Tuesday, 23rd September, 2025 to Monday, 29th September, 2025 (both days inclusive) for the purpose of Annual General Meeting.

12. Members are requested to notify immediately any change of address to their depository Participant (DPs) in respect of their electronic share accounts and to the Company's Registrar and Share Transfer Agent (RTA), M/s. Bigshare Services Pvt Ltd., Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri East, Mumbai – 400 093, Maharashtra, in respect of their physical share folio, if any.
13. Members who are holding shares in demat mode are requested to notify any change in their residential address, Bank A/c details and/ or email address immediately to their respective Depository Participants.
14. The SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents.
15. A Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Businesses specified above is annexed hereto.
16. Corporate Members intending to send their authorized representative are requested to send a duly certified copy of Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
17. Shri Shilpesh Dalal, Practising Company Secretary (Membership No. F5316, COP No. 4235) appointed as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
18. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.questlabltd.com , and website of Bigshare Services Pvt Ltd i.e. www.bigshareonline.com not later than two working days of the conclusion of the Meeting.
19. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Rules made thereunder, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH.13.
20. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020, 5th May, 2020 , 13th January, 2021, 05th May, 2022 followed by MCA Circular dated 28th December, 2022 the Company is providing facility for voting by electronic means for all its Members to enable them to cast their vote electronically and the business may be transacted through such e-voting.

A member may exercise his/her vote at the Annual General Meeting by electronic means and the Company may pass any resolution by electronic voting system in accordance with the provisions of the aforesaid Rule.

For this purpose, the Company has entered into an agreement with Bigshare Services Pvt. Ltd. for facilitating voting through electronic means, as the authorize agency.

The facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by Bigshare Services Pvt. Ltd.

The Member attending the AGM who have not already cast their vote by remote e-voting on the day of the AGM will be provided by Bigshare Services Pvt. Ltd.

The Members who have cast their vote by remote e-voting prior to the meeting may also attend the AGM but shall not be entitled to cast their vote again.

21. The remote e-voting period commence on Friday, 26th September, 2025 at 09.00 A.M. and ends on Sunday, 28th September, 2025 at 5.00 P.M.

Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Friday, 29th August, 2025, may opt for remote e-voting and cast their vote electronically.

A person, whose name is recorded in the register of members or in the register of beneficial owner maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or e-voting at the Meeting.

Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.

Members may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again.

At the end of remote e-voting period, the facility shall forthwith be blocked

THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- i. The voting period begins on Friday, 26th September, 2025 at 09.00 A.M. and ends on Sunday, 28th September, 2025 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29th August, 2025 may cast their vote electronically. The e-voting module shall be disabled by Bigshare for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest is https://web.cdslindia.com/myeasitoken/home/login or visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of BIGSHARE the e-Voting service provider and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. BIGSHARE, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on BIGSHARE and you will be re-directed to i-Votewebsite for casting your vote during the remote e-voting period.

<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be redirected to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

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

2. Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on “**LOGIN**” button under the ‘**INVESTOR LOGIN**’ section to Login on E-Voting Platform.
- Please enter you ‘**USER ID**’ (User id description is given below) and ‘**PASSWORD**’ which is shared separately on you register email id.
 - Shareholders holding shares in **CDSL demat account should enter 16 Digit Beneficiary ID** as user id.
 - Shareholders holding shares in **NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID** as user id.
 - Shareholders holding shares in **physical form should enter Event No + Folio Number** registered with the Company as user id.

Note If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).

- Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

NOTE: If Shareholders are holding shares in demat form and have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on ‘**LOGIN**’ under ‘**INVESTOR LOGIN**’ tab and then Click on ‘**Forgot your password?**’
- Enter “**User ID**” and “**Registered email ID**” Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on ‘**Reset**’.

(In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for shareholders on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.
- Click on “**VIEW EVENT DETAILS (CURRENT)**” under ‘**EVENTS**’ option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on “**VOTE NOW**” option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option “**INFAVOUR**”, “**NOT IN FAVOUR**” or “**ABSTAIN**” and click on “**SUBMIT VOTE**”. A confirmation box will be displayed. Click “**OK**” to confirm, else “**CANCEL**” to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can “**CHANGE PASSWORD**” or “**VIEW/UPDATE PROFILE**” under “**PROFILE**” option on investor portal.

3. Custodian registration process for i-Vote E-Voting Website:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on “**REGISTER**” under “**CUSTODIAN LOGIN**”, to register yourself on Bigshare i-Vote e-Voting Platform.
- Enter all required details and submit.
- After Successful registration, message will be displayed with “**User id and password will be sent via email on your registered email id**”.

NOTE: If Custodian have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on ‘**LOGIN**’ under ‘**CUSTODIAN LOGIN**’ tab and further Click on ‘**Forgot your password?**’
- Enter “**User ID**” and “**Registered email ID**” Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on ‘**RESET**’.

(In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for Custodian on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.

Investor Mapping:

- First you need to map the investor with your user ID under “**DOCUMENTS**” option on custodian portal.
 - Click on “**DOCUMENT TYPE**” dropdown option and select document type power of attorney (POA).
 - Click on upload document “**CHOOSE FILE**” and upload power of attorney (POA) or board resolution for respective investor and click on “**UPLOAD**”.

Note: The power of attorney (POA) or board resolution has to be named as the “**InvestorID.pdf**” (Mention Demat account number as Investor ID.)

- Your investor is now mapped and you can check the file status on display.

Investor vote File Upload:

- To cast your vote select “**VOTE FILE UPLOAD**” option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on “**UPLOAD**”. Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can “**CHANGE PASSWORD**” or “**VIEW/UPDATE PROFILE**” under “**PROFILE**” option on custodian portal.

Helpdesk for queries regarding e-voting:

Login type	Helpdesk details
Shareholder's other than individual shareholders holding shares in Demat mode & Physical mode.	In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and i-Vote e-Voting module available at https://ivote.bigshareonline.com , under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

4. Procedure for joining the AGM/EGM through VC/ OAVM:

For shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- The Members may attend the AGM through VC/ OAVM at <https://ivote.bigshareonline.com> under Investor login by using the e-voting credentials (i.e., User ID and Password).
- After successful login, **Bigshare E-voting system** page will appear.
- Click on “**VIEW EVENT DETAILS (CURRENT)**” under ‘**EVENTS**’ option on investor portal.
- Select event for which you are desire to attend the AGM/EGM under the dropdown option.
- For joining virtual meeting, you need to click on “**VC/OAVM**” link placed beside of “**VIDEO CONFERENCE LINK**” option.
- Members attending the AGM/EGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

The instructions for Members for e-voting on the day of the AGM/EGM are as under:-

- The Members can join the AGM/EGM in the VC/ OAVM mode 15 minutes before the scheduled time of the commencement of the meeting. The procedure for e-voting on the day of the AGM/EGM is same as the instructions mentioned above for remote e-voting.
- Only those members/shareholders, who will be present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM/EGM.
- Members who have voted through Remote e-Voting will be eligible to attend the EGM. However, they will not be eligible to vote at the AGM/EGM.

Helpdesk for queries regarding virtual meeting:

In case shareholders/ investor have any queries regarding virtual meeting, you may refer the Frequently Asked Questions ('FAQs') available at <https://ivote.bigshareonline.com>, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

**By Order of the Board of Directors
For Quest Laboratories Limited**

CIN: U24232MP1998PLC012850.
Regd. Office: Plot No. 45, Sector III,
Pithampur Industrial Area, Pithampur, Dhar
454775 (M.P.)

Place: Pithampur
Date: 03rd September, 2025

Anil Kumar Sabarwal
Managing Director
DIN: 00646133

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 3

The Board, on the recommendation of the Audit Committee, has approved Rectification of remuneration of the M/s Sushil Kumar Mantri & Associates, Cost Accountants, Indore (Registration No. 101049) as Cost Auditors of the company to conduct the audit of Cost Records of the Company for the financial year 2025-26 at a remuneration of Rs. 50,000/- (Rupees Fifty Thousand Only) p.a. in addition to out of pocket and/or travelling expenses as may incur in carrying out their duties as Cost Auditors. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company.

None of the Directors/Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise in the aforementioned resolution.

The Board of Directors recommends the said resolutions set out at item no. 3 of the notice for your approval by Ordinary Resolution.

ITEM NO 4

The Board at its meeting held on May 28, 2025, based on recommendation of the Audit Committee, after evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., has approved the appointment of Shilpesh Dalal & Co, Practising Company Secretaries, (FCS 5316) a peer reviewed firm, as Secretarial Auditors of the Company for a term of five consecutive years commencing from FY 2025-26 till FY 2029-30, subject to approval of the Members.

The appointment of Secretarial Auditors shall be in terms of the amended Regulation 24A of the SEBI Listing Regulations vide SEBI Notification dated December 12, 2024 and provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Shilpesh Dalal & Co is a well-known firm renowned for its commitment to quality and precision, the firm has been Peer Reviewed under provisions prescribed by the Institute of Company Secretaries of India (ICSI), ensuring the highest standards in professional practices. Shilpesh Dalal & Co is focussed on providing comprehensive professional services in Corporate Law, and SEBI Regulations.

The proposed fees in connection with the secretarial audit shall be Rs. 3,60,000/- (Rupees Three Lac Sixty Thousand only) plus applicable taxes and other out-of-pocket expenses for the Financial Year, and for subsequent year(s) of their term and may be increased mutually agreed between the Board of Directors and M/s Shilpesh Dalal & Co.

In addition to the secretarial audit, Shilpesh Dalal & Co shall provide such other services in the nature of certifications and other professional work, as approved by the Board of Directors. The relevant fees will be determined by the Board, as recommended by the Audit Committee in consultation with the Secretarial Auditors.

The Board recommends the Ordinary Resolution as set out in Item No. 4 of this Notice for approval of the Members.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, in the Resolution set out in Item No. 4 of this Notice.

**By Order of the Board of Directors
For Quest Laboratories Limited**

CIN: U24232MP1998PLC012850.

**Regd. Office: Plot No. 45, Sector III,
Pithampur Industrial Area, Pithampur, Dhar
454775 (M.P.)**

**Place: Pithampur
Date: 03rd September, 2025**

**Anil Kumar Sabarwal
Managing Director
DIN: 00646133**

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 27th Annual Report together with the Audited Financial Statement of the Company for the financial year ended 31st March, 2025.

FINANCIAL HIGHLIGHTS:

Particulars		(Rs. in Lakhs)	
	2024-25	2023-24	
Income			
Revenue from Operations	10396.58	8256.28	
Other Income	424.38	22.91	
Total Revenue	10820.97	8279.19	
Less: Expenses other than Finance cost and Depreciation	8798.39	6701.43	
Profit before finance cost, depreciation & amortization, and tax	2022.58	1577.76	
Less: Finance Costs	90.55	76.40	
Less: Depreciation and amortization expenses	63.60	56.78	
Profit before Tax	1868.43	1444.58	
Less: Tax Expenses			
Current Tax	457.18	420.67	
Deferred Tax (Assets)/Liabilities	54.60	(14.53)	
Profit for the year	1356.64	1009.38	
Other Comprehensive Income	-	-	
Total Comprehensive Income	-	-	
Earning per equity share			
Basic	8.28	6.16	
Diluted	8.28	6.16	

PERFORMANCE REVIEW & COMPANY AFFAIRS

During the year under review, your Company has recorded total revenue (including other income) at Rs. 10820.97 lakhs during the financial year 2024-25 as compared to Rs. 8279.19 lakhs in the corresponding previous financial year which shows 30.70 % increase in the turnover .

Profit After Tax at Rs 1356.64 lakhs in the financial year 2025 as compared to 1009.38 lakhs for the financial year 2024 with YOY growth of 34%

Earnings per share stood at ₹8.28 on face value of ₹10/- each.

Profit of your Company has increased due to increase in Turnover of the Company as well as addition in Other comprehensive income as compared to previous year. Hence, as the result of that profit of your Company has increased at robust growth.

DIVIDEND:

The Board of Directors ("Board"), after considering holistically the relevant circumstances and keeping in view the tremendous growth opportunities that your company is currently engaged with, has decided that it would be prudent not to recommend any dividend for the year under review.

TRANSFER OF SHARES AND UNPAID/UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

There is no money lying to unpaid/unclaimed dividend account pertaining to any of the previous years with the Company. As such the Company is not required to transfer such amount to the Investor Education and Protection Fund established by the Central Government in pursuant to the provisions of Sections 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Further, the provisions related to the shares in respect of which dividend has not been paid/claimed for the consecutive period of seven (7) years or more which are required to be transferred to the demat account of the IEPF Authority, are not applicable to the Company.

TRANSFER TO RESERVE:

Your Company did not transfer profit to Reserves.-

LISTING OF THE SHARES.

The Equity Shares of the Company are presently listed at SME-Emerge Platform of National Stock Exchange Ltd. (NSE Ltd) on dated 24th May, 2024. Further, the Company has paid listing fees to NSE Ltd. for the FY 2025-2026.

Changes in Share Capital:

During the year under review, there was no increase in Authorised Capital.

During the year under review there was increase in Issued, Subscribed and Paid-up Share Capital of the Company, after public issue:

The Authorised and Paid-up share Capital of the Company as on March 31, 2025 was:

Authorized Capital: -

The Equity Authorized share Capital of the Company on March 31, 2025 was ₹ 20,00,00,000/- divided into 2,00,00,000 Equity Shares of ₹ 10/- each as Compared to the previous year ₹ 12,00,00,000 divided into 1,20,00,000 Equity Shares of ₹ 10/- each

Issued, Subscribed & Paid-up Capital: -

The Paid-up Capital of the Company is ₹ 16,38,72,000/- divided into 1,63,87,200 Equity Shares of ₹10/- each Compared to the previous ₹ 11,93,76,000/- divided into 1,19,37,600 Equity Shares of ₹10/- each.

SUBSIDIARIES/ASSOCIATES/ JOINT VENTURES:

Your Company does not have any subsidiaries, associates companies & joint venture companies.

CHANGE IN THE REGISTERED OFFICE:

During the year, there was no change in address of registered office of the Company.

The Registered office of the Company is situated at Plot No. 45 Sector III Pithampur, Pithampur, Dhar, Dhar, Madhya Pradesh, India, 454775

PUBLIC DEPOSITS:

There were no outstanding deposits within the meaning of Section 73 and 74 of the Act read with rules made thereunder at the end of the financial year 2024-25 or the previous financial years. Your Company did not accept any deposit during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

There are no loans, investments, guarantees, and security in respect of which provisions of section 185 of the Companies Act, 2013 is applicable. The Company has complied with the provisions of Section 186 of the Companies Act, 2013, to the extent applicable. The particulars of loans, guarantee and investments made during the year under review are disclosed in the financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), is presented in a separate section, forming part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of provisions of Section 134(3) (c) read with Section 134(5) of the Companies Act, 2013, your Directors state that:

- in the preparation of the annual accounts for the year ended 31st March, 2025, the applicable accounting standards read with requirements set out under schedule III to the act have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2025 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis;
- the Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DISCLOSURE BY DIRECTORS:

The Directors on the Board have submitted notice of interest under Section 184(1) of the Companies Act, 2013 i.e. in Form MBP 1, intimation under Section 164(2) of the Companies Act, 2013 i.e. in Form DIR 8 and declaration as to compliance with the Code of Conduct of the Company.

Further, your Company has received declaration from all the Independent Directors of the Company confirming that they meet criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Listing Regulations and are independent of the management.

DIRECTORS & KEY MANAGERIAL PERSONNEL

During the Year under review, Shri Vinayak Sabarwal (DIN: 09591941) was appointed as Whole-time Director and Shri. Umendra Singh (DIN: 10686009) was also appointed as Whole-time Director.

Shri Rahul Dangi (DIN: 09088127) has resigned as Whole-time Director w.e.f 02.08.2024 and Mr. Jayesh Jain resigned as Company Secretary and Compliance Officer of the Company w.e.f. 01.07.2024.

Smt. Surabhi Gupta appointed as a Company Secretary and Compliance Officer of the Company w.e.f. 25.09.2024.

In accordance with the provisions of Section 152 of the Act, read with rules made thereunder and Articles of Association of the Company, Shri. Anil Kumar Sabarwal (DIN- 00646133) is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers himself for re-appointment.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on date are:-

• Shri Anil Sabarwal	Managing Director
• Smt Tejaswini Sabarwal	Whole Time Director
• Shri Vinayak Sabarwal	Whole Time Director
• Shri. Umendra Singh	Whole Time Director
• Smt. Surabhi Gupta	Company Secretary
• Shri R.K. Sharma	Chief Financial Officer

BOARD EVALUATION:

The Company has duly approved and adopted Nomination and Remuneration policy prescribing inter-alia the criteria for appointment, remuneration and performance evaluation of the directors. As mandate by Section 134 & 178 read with Schedule IV of the Act and Regulation 25 of the SEBI (LODR) Regulations, 2015 as applicable on the Company. The Independent Director in their separate meeting held on 14th November, 2024 have reviewed the performance of Non-Independent Directors and Board as a whole along with review of quality, quantity and timeliness of flow of information between Board and management and expressed their satisfaction over the same.

INSURANCE:

Your Company has taken appropriate insurance for all assets against foreseeable perils.

NO DEFAULTS:

The Company has not defaulted in payment of interest and/or repayment of loans to any of the financial institutions and/or banks during the year under review.

RELATED PARTY TRANSACTIONS:

The Company has not entered into any material contracts, with the related parties during the year 2024-25 and other contracts or arrangements were in the ordinary course of business on arm's length basis. Therefore, there is no particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 which needs to disclose in the prescribed form AOC-2 and may be treated as not applicable. However, the particulars of related parties transaction have been disclosed in the note no. B-5 of the Notes to Accounts of financial statements for the year ended under review.

INTERNAL FINANCIAL CONTROLS:

Your Company's system and process relating to internal controls and procedures for financial reporting provide a reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with applicable Indian Accounting Standards, the Companies Act, 2013 and Rules made thereunder and all other applicable regulatory/ statutory guidelines etc. As per Section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented robust system and framework of Internal Financial Controls. This provides the Directors with reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks. The Company has devised appropriate systems and framework including proper delegation of authority, policies and procedures, effective systems aligned to business requirements, risk based internal audits, risk management framework and whistle blower mechanism.

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT PLAN:

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. Your Company recognizes that the risk is an integral part of business and is committed to managing the risk in proactive and efficient manner. The Company had adopted Risk Management Policy to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management.

The management is however, of the view that none of the risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case of any of these risks materialize. The risk management framework is reviewed periodically by the Board and Audit Committee. The details of risks and other concerns are included in the Management Discussion and Analysis Report which is the part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Management Discussion and Analysis Report is appended to and forms part of this Report.

CORPORATE GOVERNANCE:

Your Company is listed on the NSE Emerge and exempted from provisions of corporate governance as per Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence no Corporate Governance Report is required to be disclosed with Annual Report. It is pertinent to mention that your Company is committed to maintain the highest standards of Corporate Governance.

CONSERVATION OF ENERGY, TECHNICAL ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

The Particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required to be disclosed under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, are provided in **ANNEXURE -I** to this Report.

ANNUAL RETURN:

In compliance with provision of sec 92(3) & sec 134(3)(a), the annual return of company for the FY ended 31st March, 2025 has been uploaded on website of the company and web link of same is <https://www.questlabltd.com>.

MEETING OF DIRECTORS:

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other Board business. The notice of Board meeting is given well in advance to all the Directors. The Agenda of the Board meeting is circulated to all the Directors as per the provisions of Companies Act, 2013 and rules made thereunder. The Agenda for the Board meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision. The Board meets 11 (Eleven) times in the Financial Year 2024-25 viz., 07.05.2024, 21.05.2024, 30.05.2024, 30.06.2024, 01.07.2024, 02.08.2024, 18.09.2024, 24.09.2024, 14.11.2024, 27.01.2025 and 31.03.2025. The time gap between the two meetings was within the maximum permissible/extended time gap as stipulated under Section 173(1) of the Companies Act, 2013.

During the year under review One (1) meeting of Independent Directors was held on 14th November, 2024.

COMMITTEES OF THE BOARD:

The Board of Directors has the following committees:

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination & Remuneration Committee
4. Corporate Social Responsibility Committee

The details of the committees along with their composition, number of the meetings and attendance at the meetings are as follows:

Audit committee:

Your Company has constituted Audit Committee as per section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the terms of reference of Audit Committee are broadly in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. The Audit Committee meets 6 (Six) times in the Financial Year 2024-25 viz., 07.05.2024, 21.05.2024, 30.05.2024, 02.08.2024, 14.11.2024 and 31.03.2025. The Audit Committee comprises of the following Members as on 31st March, 2025:

Name of the Directors	Nature of Directorship	Designation in Committee	Number of Meetings	Attendance
Shri Amit Ramesh Chandak	Non-Executive Independent Director	Chairman	6	2
Shri Gautam Chand Kothari	Non-Executive Independent Director	Member	6	6
Shri Anil Kumar Sabarwal	Chairman & Managing Director	Member	6	6

Stakeholders' Relationship Committee:

Your Company has constituted a Stakeholders' Relationship Committee in accordance with the section 178 (5) of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to redress complaints of the shareholders. The Stakeholders' Relationship Committee meets 2 (two) times in the Financial Year 2024-25 viz., 30.05.2024 and 14.11.2024.

The Stakeholders' Relationship Committee comprises the following Members as on 31st March, 2025:

Name of the Directors	Nature of Directorship	Designation in Committee	Number of Meetings	Attendance
Shri Basant Lal Menghwani	Non-Executive Independent Director	Chairman	2	2
Shri Gautam Chand Kothari	Non-Executive Independent Director	Member	2	1
Shri Anil Kumar Sabarwal	Chairman & Managing Director	Member	2	2

Nomination and Remuneration Committee:

Your Company has constituted a Nomination and Remuneration Committee in accordance with the section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Committee meets 2 (two) times in the Financial Year 2024-25 viz., 01.07.2024 and 18.09.2024. The Nomination and Remuneration Committee comprises of the following Members as on 31st March, 2025:

Name of the Directors	Nature of Directorship	Designation in Committee	Number of Meetings	Attendance
Shri Basant Lal Menghwani	Non-Executive Independent Director	Chairman	2	2
Shri Gautam Chand Kothari	Non-Executive Independent Director	Member	2	2
Shri Amit Ramesh Chandak	Non-Executive Independent Director	Member	2	0

Corporate Social Responsibility Committee:

Your Company has constituted a CSR Committee in accordance with the provisions of section 135 of Companies Act, 2013. The CSR Committee meets 2 (two) times in the Financial Year 2024-25 viz., 30.06.2024 and 27.01.2025. The CSR Committee as on 31st March, 2025 comprises the following Members:

Name of the Directors	Nature of Directorship	Designation in Committee	Number of Meetings	Attendance
Shri Anil Kumar Sabarwal	Chairman & Managing Director	Chairman	2	2
Smt. Tejaswini Sabarwal	Whole Time Director	Member	2	2
Shri Basant Menghwani	Non-Executive Independent Director	Member	2	1

NOMINATION & REMUNERATION POLICY:

Pursuant to Section 178 of the Companies Act, 2013, the rules made there under and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and for determination of their remuneration. The Nomination & Remuneration Policy duly approved by the Board has been posted on the Company's website www.questlabltd.com and annexed herewith as **ANNEXURE-II** to this Report.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has a Vigil Mechanism / Whistle Blower Policy to report genuine concerns or grievances. The vigil mechanism provides for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. Besides, as per the requirement of SEBI (Prohibition of Insider Trading) Regulations as amended by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company ensures to make employees aware of such Whistle -Blower Policy to report instances of leak of unpublished price sensitive information. This policy may be accessed on the Company's website, at web link: <http://www.questlabltd.com/Whistle-Blower-Policy.pdf>

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The information in accordance with the provisions of section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **ANNEXURE -III** to this Report.

CORPORATE SOCIAL RESPONSIBILITY:

In accordance with the requirement under Section 135 of Companies Act, 2013, and the rules made thereunder, read with schedule VII of the Companies Act, 2013, the Company has constituted CSR Committee and framed Policy for CSR indicating the activities to be undertaken by the Company. The CSR policy of the Company is annexed herewith as **ANNEXURE- IV**. The Company had undertaken CSR activities in the areas of promoting education, Health Care and social welfare.

The Annual Report on CSR activities, as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **ANNEXURE- V** to this Report.

CREDIT RATINGS:

During the period under review your company has not obtained any credit rating.

AUDITORS:

a. Statutory Auditors

During the Financial Year, M/s Shyam S. Gupta and Associates (FRN No. 007309C), resigned from office of Statutory Auditors.

Based on the recommendation of the Audit Committee, the Board of Directors proposes the appointment of M/s. C.H. Padliya & Co., Chartered Accountants (FRN: 003151C) as the Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the ensuing 27th AGM till the conclusion of the 32th AGM of the Company, at such remuneration as may be decided by the Board in consultation with the Auditors. The necessary resolution for their appointment is included in the Notice convening the ensuing AGM.

The Auditors Report 2024-25 specified that financial statements of the Company have been prepared in accordance with Accounting Standards as notified under Section 133 of the Companies Act, 2013 and does not contain any qualification, reservation or adverse remark or disclaimer, and no explanation on the part of the Board of Directors is called for.

b. Cost Auditor

M/s. Sushil Kumar Mantri, Cost Accountants, Indore, (Mem. No. 15511) has been appointed as Cost Auditors of the Company to conduct audit of cost accounting records of the Company for the financial year ended 2024-2025.

Further, the Board on recommendation of the Audit Committee has appointed them as the Cost Auditor of the company for the financial year 2024-25 under Section 148 and all other provisions of the Companies Act, 2013. They have confirmed their eligibility for the said appointment.

Further, in compliance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the Board seeks ratification at the ensuing Annual General Meeting of the remuneration payable to the Cost Auditors for the Financial Year 2025-26.

c. Secretarial Auditor

The Secretarial Audit Report for the financial year ended 2024-25 does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is self-explanatory and therefore do not call for any explanatory note and the same is annexed as **ANNEXURE-VI** to this report.

Further, in compliance with provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company, on the recommendation of Audit Committee, has re-appointed M/s. Shilpesh Dalal & Co., Company Secretaries, Indore (C.P. No. 4235) to undertake the Secretarial Audit of the Company for the financial year 2025-26. They have confirmed their eligibility for the said re-appointment.

d. Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, the Company, on the recommendation of Audit Committee, re-appointed M/s Vikas Jain, Chartered Accountant, as an Internal Auditor of the Company for the financial year 2024-25.

REPORTING OF FRAUDS BY AUDITORS:

During the year under review, the Statutory Auditors and Secretarial Auditor have not reported any instances of fraud committed against the Company by its officers or employees to the Audit Committee or the Board under section 143(12) of the Act.

MATERNITY BENEFIT PROVIDED BY THE COMPANY UNDER MATERNITY BENEFIT ACT 1961.

The Company has followed applicable provisions of the Maternity Benefit Act, 1961.

PREVENTION OF SEXUAL HARASSMENT POLICY:

The Company has a Prevention of Sexual Harassment Policy in force in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The objective of this policy is to ensure a safe, secure and friendly work environment where employees will deliver their best without any inhibition, threat of fear. The company has constituted Internal Complaints Committee as per the requirement of Sexual

Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints were reported during the year under review under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

VIGIL MECHANISM:

Your Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for Directors and employees in confirmation with Section 177 of the Act and Regulation 22 of SEBI Listing Regulations, to facilitate reporting of the genuine concerns about unethical or improper activity, without fear of retaliation.

The vigil mechanism of your Company provides for adequate safeguards against victimization of Directors and employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

During the year under review, your Company had not received any complaint.

COMPANY POLICY FOR PROMOTION OF EMPLOYMENT OF YOUTH COMING FROM THE UNDER-PRIVILEGED/DISADVANTAGED SECTION OF THE SOCIETY:

The people are recruited in the Company on the basis of their qualification/eligibility and merits without any discrimination against their gender, religion, caste, colour, ancestry, marital status, nationality and disability, and among equally qualified individuals, preference are given to people from the disadvantaged groups. The Company also conducts training programme from time to time for up-skilling, training of employees from socially disadvantaged sections of society.

ENVIRONMENT & SOCIAL CONCERN:

Your Company is committed to build business with save energy and save environment.

Your Company is committed to the sustainable use of all natural resources and minimizes waste at source and recycles where possible. Considering the scarcity of natural resources, the Company continue to maintain "Rain Water Harvesting System" at the factory premises at Pithampur, resulting in saving water and recharging of ground water consequently.

By providing such assistance, the company has demonstrated its commitment to education and its belief in the power of knowledge to transform lives. This initiative not only honors the legacy of the late founder but also serves as a testament to the company's values and its dedication to making a positive impact on society.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY:

The company got its equity shares listed on SME-Emerge Platform of NSE on 23rd May, 2024.

There are no other material changes and commitments, affecting the financial position of the Company which have occurred after 31st March, 2025 till the date of this report.

There has been no change in the nature of the business of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India. The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

DISCLOSURE OF COMMISSION PAID TO MANAGING OR WHOLE TIME DIRECTORS:

There is no commission paid or payable by the company to the managing director or the whole time directors

ISSUE OF SHARES DURING THE YEAR:

The company issued and allotted 44,49,600 shares in Public issue under the IPO of the Company.

The company has also passed a resolution for authorisation to come up with public issue and get its shares listed on SME Emerge Platform of NSE.

CYBER SECURITY:

In view of increased cyberattack scenarios, the cyber security maturity is reviewed periodically and the processes, technology controls are being enhanced in-line with the threat scenarios. Your Company's technology environment is enabled with real time security monitoring with requisite controls at various layers starting from end user machines to network, application and the data.

GENERAL:

Your Directors state that no disclosures or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Details relating to deposits covered under chapter V of the Companies Act, 2013
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that:

- The accounts and cost records as required to be made and maintained by the Company as specified under sub-section (1) of Section 148 of the Companies Act, 2013, were made and maintained by the Company during the year 2023-24.
- In terms of the provisions of Section 134(3) (ca) of the Companies Act, 2013, there were no fraud committed against the Company by any person under Section 143(12) during the year 2024-25. Further that there were no frauds which needs to be reported by the Auditors of the Company to the Central Government.

ACKNOWLEDGEMENTS:

Your Directors would like to gratefully acknowledge all stakeholders of the Company viz: customers, dealers, suppliers, banks, shareholders and other business associates for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company's well-being.

**For and on behalf of the Board of Directors
Quest Laboratories Limited**

Place: Pithampur

Date: 03 September, 2025

**Anil Kumar Sabarwal
Managing Director
(DIN:00646133)**

**Tejaswini Sabarwal
Whole Time Director
(DIN:09088283)**

ANNEXURE-I

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo

a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	Continuous Monitoring on electricity uses to reduce the misuse or wastage of electricity at factory and office premise
(ii)	the steps taken by the company for utilizing alternate sources of energy	NIL
(iii)	the capital investment on energy conservation equipments	NIL

b) Technology absorption

(i)	the efforts made by the Company towards technology absorption	Updation in process
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Cost Reduction and Product Improvement
(iii)	The information regarding imported technology (imported during the last three years)-	
	(a) the details of technology imported	NIL
	(b) the year of import	NIL
	(c) whether the technology been fully absorbed	NIL
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NIL
(iv)	the expenditure incurred on Research and Development	NIL

c) Foreign exchange earnings and Outgo

Particulars	Year ended 31.03.2025 (Rs. in Lakhs)
Foreign exchange earned in terms of Actual inflows (FOB) basis	0.00
Foreign exchange outgo in terms of Actual outflows basis	0.00

**For and on behalf of the Board of Directors
Quest Laboratories Limited**

Place: Pithampur

Date: 03rd September, 2025

**Anil Kumar Sabarwal
Managing Director
(DIN:00646133)**

**Tejaswini Sabarwal
Whole Time Director
(DIN:09088283)**

NOMINATION & REMUNERATION POLICY**INTRODUCTION**

The Nomination and Remuneration Policy adopted by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee in compliance of Section 178 of the Companies Act, 2013, read along with applicable rules thereto & Regulation 19 of SEBI (LODR) Regulations, 2015 as amended from time to time.

The Policy has been formulated by Nomination and Remuneration Committee & approved by the Board of Directors.

APPLICABILITY

This policy is applicable to:

- a. Directors (Executive, non-Executive and Independent)
- b. Key Managerial Personnel (KMP)
- c. Senior Management Personnel
- d. Other employees as may be decided by the Committees ("NRC")

BRIEF OVERVIEW UNDER COMPANIES ACT 2013 and SEBI (LODR) Regulations, 2015

{Section 178 & Companies [Meetings of Board and its Powers] Rules 2014 and Regulation 19 of SEBI (LODR) Regulations, 2015}

- Constitution of the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors .
- The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and senior management personnel i.e. employees at one level below the Board including functional heads.
- The Nomination and Remuneration Committee shall, while formulating the policy ensure that:—
-the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
-relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
-remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- Such policy shall be disclosed in the Board's report.

TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Removal should be strictly in terms of the applicable law/s and in compliance of principles of natural justice.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on the Board diversity.
- Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Executive Directors on an annual basis or as may be permissible by laws applicable.
- Recommend to the Board, the Sitting Fees payable for attending the meetings of the Board/Committee thereof, and, any other benefits such as Commission, if any, payable to the Non- Executive Directors.
- Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of the independent directors.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

CRITERIA FOR DETERMINING THE FOLLOWING

Qualifications for appointment of Directors (including Independent Directors)

- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Their financial or business literacy/skills.
- Their industrial experience.
- Appropriate other qualification/experience to meet the objectives of the Company.
- As per the applicable provisions of Companies Act 2013, Rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

Positive attributes of Directors (including Independent Directors)

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- Actively update their knowledge and skills with the latest developments in the industry, market conditions and applicable legal provisions.
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

Criteria for appointment of KMP/Senior Management

- To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities.
- To practice and encourage professionalism and transparent working environment.
- To build teams and carry the team members along for achieving the goals/objectives and corporate mission.
- To adhere strictly to code of conduct.

EVALUATION

The Evaluation will be done on the following parameters:

(i) Board

Evaluation criteria for evaluation of Board inter- alia shall covers: Composition in light of business complexities and statutory requirements; establishment of vision, mission, objectives and values for the Company; laying down strategic road map for the Company, growth attained by the Company; providing leadership and directions to the Company and employees; effectiveness in ensuring statutory compliances and discharging its duties/ responsibilities towards all stakeholders; identification, monitoring & mitigation of significant corporate risks; composition of various committees, laying down terms of reference and reviewing committee's working etc.

(ii) Chairperson of the Company

Evaluation criteria for evaluation of Chairperson of the Company are: providing guidance and counsel in strategic matters; providing overall direction to Board towards achieving Company's objectives; effectiveness towards ensuring statutory compliances; maintain critical balance between the views of different Board Members; ensuring maximum participation and contribution by each Board Member; monitoring effectiveness of Company's governance practices; conducting Board and Shareholders meetings in effective and orderly manner etc.

(iii) Committees of the Board

Committees of the Board shall be evaluated for their performance based on: effectiveness in discharging duties and functions conferred; setting up and implementation of various policies, procedures and plans, effective use of committee's powers as per terms of reference, periodicity of meetings, attendance and participation of Committee members, providing strategic guidance to the Board on various matters coming under committee's purview etc.

(iv) Executive Directors

The performance of Managing Director, Chief Executive Officer and other Executive Directors, if any, shall be evaluated on the basis of achievement of performance targets/ criteria given to them by the Board from time to time.

(v) Non-Executive Directors including Independent Directors

The performance of Non-Executive Directors including Independent Directors shall be evaluated based on: Objectivity &constructively while exercising duties, providing independent judgment on strategy, performance, risk management and Board's deliberations; devotion of sufficient time for informed decision making; exercising duties in bona fide manner; safeguarding interest of all shareholders; upholding ethical standards of integrity & probity; updating knowledge of the Company & its external environment ; fulfillment of the independence criteria of Independent Director and their independence from the management etc.

The Board has carried out performance evaluation of its own , the Board Committees and of the Independent Directors, whereas at a separate meeting Independent Directors evaluated performance of the Non Independent Directors, Board as whole. All the Non-executive and Independent Directors having wide experience in their field. Their presence on the Board is advantageous and fruitful in taking business decisions.

POLICY RELATING TO REMUNERATION OF DIRECTORS, KMP & SENIOR MANAGEMENT PERSONNEL

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.

No director/KMP/ other employee is involved in deciding his or her own remuneration and the trend prevalent in the similar industry, nature and size of business is kept in view and given due weightage to arrive at a competitive quantum of remuneration & It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.

- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- Following criteria are also to be considered:-
 - Responsibilities and duties;
 - Time & efforts devoted; Value addition;
 - Profitability of the Company & growth of its business;
 - Analyzing each and every position and skills for fixing the remuneration yardstick;
 - Standards for certain functions where there is a scarcity of qualified resources;
 - Ensuring tax efficient remuneration structures;
 - Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low;
 - Other criteria as may be applicable.
- Consistent application of remuneration parameters across the organisation.
- Provisions of law with regard making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.

REVIEW

The policy shall be reviewed by the Nomination & Remuneration Committee and the Board, from time to time as may be necessary.

**For and on behalf of the Board of Directors
Quest Laboratories Limited**

Place: Pithampur

Date: 03rd September, 2025

**Anil Kumar Sabarwal
Managing Director
(DIN:00646133)**

**Tejaswini Sabarwal
Whole Time Director
(DIN:09088283)**

ANNEXURE-III**DISCLOSURE ON MANAGERIAL REMUNERATION****1. Information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2024-25.

Name	Designation	Ratio of remuneration to the median employees' remuneration
Shri Anil Sabarwal	Managing Director	97.86667
Smt Tejaswini Sabarwal	Whole Time Director	94.88
Shri Vinayak Sabarwal	Whole Time Director	94.88
Shri Umendra Singh	Whole Time Director	80.30769

Remuneration excludes provision for gratuity.

2. Percentage increase in remuneration of each Director and Key Managerial Personnel in the financial year 2024-25.

Name	Designation	Increase in Remuneration (%)
Shri Anil Sabarwal	Managing Director	20.00%
Smt Tejaswini Sabarwal	Whole Time Director	25.00%
Shri R.K. Sharma	Chief Financial Officer	33.33%
Smt Surabhi Gupta	Company Secretary	-
Shri Umendra Singh	Whole Time Director	-
Shri Vinayak Sabarwal	Whole Time Director	-

* Smt Surabhi Gupta appointed as Company Secretary w.e.f 25.09.2024, Shri Umendra Singh appointed w.e.f 01.07.2024, Shri Vinayak Sabarwal w.e.f 01.07.2024.

Therefore the remuneration figure is not comparable.

3. The percentage increase/ decrease in the median remuneration of employees in the financial year 2024-25 is -7.48%.**4. The number of permanent employees on the rolls of Company:**

There were 50 permanent employees on the rolls of Company as on 31st March, 2025.

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration

Average percentile increase in the salaries of employee other than the Managerial personnel in the Financial Year 2024-25 was -5.50% and the Increase in the salary of the Managerial personnel was 4.40%.

There is no direct relationship between the average increase in remuneration and Company performance. The Company takes various things like inflation, market trend and other related issue at the time of increase in remuneration of the employee. The Individual Performance is also one of the major criteria in increase of remuneration.

6. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.

7. Details of employees as per rule 5(2) read with rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

a) Name of the top 10 employees in terms of remuneration drawn during the financial year 2024-25.

Sr. No	Name of Employee	Designation of the Employee	Remuneration received (in Rs.)	Nature of employment whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the company	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1.	Shri Anil Sabarwal	Managing Director	72Lakhs	Permanent Employee	B.Pharma 30years' Experience	Managing Director Wef 01.01.2024	60	-	He is Husband of Smt Tejasvini Sabarwal, Director of the Company
2.	Smt. Tejasvini Sabarwal	Whole Time Director	30Lakhs	Permanent Employee	B.Pharma 7 years' Experience	Whole-time director 05/03/2021	31	-	She is Wife of Shri Anil Sabarwal, Managing Director of the Company
3.	Vinayak Sabarwal	Whole Time Director	30.00 Lakhs	Permanent Employee	BAJMC	Whole-time director 01/07/2024	24	-	He is Son of anil Kumar Sabarwal, managing Director of the Company
4.	Ram Krishna Sharma	CFO	12 Lakhs	Permanent Employee	MBA	12/07/2015	38	-	
5.	Umendra Singh	Whole Time Director	7.8 Lakhs	Permanent Employee	BSC	Whole-time director 01/07/2024	57	-	
6.	Gopal Krishan	FACTORY MANAGER	3.84Lakhs	Permanent Employee	MCOM	12/07/2015	53	-	
7.	Swati Bande	QA MANAGER	3.60 Lakhs	Permanent Employee	BSC	25/12/2023	49	-	

8.	Ravi Kumbhkar	PRODUCTION OFFICER	3.36 Lakhs	Permanent Employee	BPHARMA	01/07/2019	30	-	
9.	Dheeraj Vishwakarma	QC MANAGER	3.36 Lakhs	Permanent Employee	MSC	15/02/2020	29	-	
10.	Mahesh Singh	MAINTANANCE HEAD	3.25 Lakhs	Permanent Employee	BCOM	01/04/2023	47	-	

- b) During the financial year, Shri Anil Sabarwal (Managing Director) did not receive remuneration of Rupees One Crore and Two Lakhs or more per annum.
- c) During a part of the financial year, Shri Anil Sabarwal (Managing Director) did not receive remuneration of eight lakh and fifty thousand rupees or more per month.
- d) During the year or a part thereof, none of the employees received remuneration in excess of that drawn by the Managing Director or Whole Time Director and holds himself or along with his spouse and dependent children, 2% or more of the equity shares of the Company.

**For and on behalf of the Board of Directors
Quest Laboratories Limited**

Place: Pithampur

Date: 03rd September, 2025

**Anil Kumar Sabarwal
Managing Director
(DIN:00646133)**

**Tejaswini Sabarwal
Whole Time Director
(DIN:09088283)**

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. TITLE AND APPLICABILITY

The document describe the Corporate Social Responsibility Policy ("CSR Policy") of Quest Laboratories Limited ('The Company'). It includes Company's vision, mission and other relevant attributes of Corporate Social Responsibility.

In term of the provision of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ('CSR Rule'), the Company has formulated and adopted this Corporate Social Responsibility ('CSR') Policy.

The CSR Policy shall be guided by The Company's corporate philosophy of respect for the individual and the society at large.

Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, requires the Company to constitute a CSR Committee of Directors, adopt a CSR Policy, spend at least 2% of its average net profit made during the immediately preceding three financial years towards CSR activities as set out in Schedule VII to the Companies Act, 2013 and confirm compliance thereof in the Annual Report.

2.CSR OVERVIEW

"Corporate Social Responsibility" (CSR) is a way of conducting business, by which corporate entities visibly contribute to the social good. The essence of CSR is to integrate economic, environmental and social objectives with the company's operations and growth. CSR is the process by which an organization thinks about and evolves its relationships with society for the common good and demonstrates its commitment by giving back to the society for the resources it used to flourish by adoption of appropriate business processes and strategies.

The main objective of CSR policy is to make CSR a key business process for sustainable development of society. In its endeavors to mutually achieve the said objective, the Act stipulates the provisions regarding mandatory adherence to the Corporate Social Responsibility practices by the prescribed classes of companies.

3.OBJECTIVE

Corporate Social Responsibility is a form of corporate self-regulation integrated into a business model. Therefore, the Policy will function as a built-in, self-regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and national norms.

The main objective of this Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.

4.CSR COMMITTEE

i. Composition:

The Corporate Social Responsibility committee (CSR Committee) shall consist of three or more directors, out of which one shall be Independent Director.

ii. Role: the CSR Committee, *inter alia* shall

- a) Formulate and recommend to the Board the CSR Policy and any amendments thereof which shall indicate the activities to be undertaken by the Company as specified in schedule VII of the Companies Act, 2013;

- b) Recommend the amount of expenditure to be incurred on the activities, as per CSR Policy;
- c) Be responsible for implementation and monitoring the CSR projects or programs or activities of the Company;
- d) Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

iii. Meetings: The CSR Committee shall meet as and when necessary

iv. Sitting Fees: No sitting fees shall be payable for attending CSR Committee.

v. Quorum: Quorum of meeting of CSR Committee shall be one third of the total strength or two directors, whichever is higher.

iv. The CSR Committee may invite Executives, Advisors, representatives of Social Organizations, Auditors of the Company and such other person(s) as it may consider necessary to attend the meeting.

v. The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following namely:-

- a) The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
- b) The manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4.
- c) The modalities of utilization of funds and implementation schedules for the projects or programmes.
- d) monitoring and reporting mechanism for the projects or programmes and
- e) Provided that Board may alter such plan at any time during the financial year as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.
- f) details of need and impact assessment, if any, for the projects undertaken by the company

5. LIST OF ACTIVITIES /PROJECTS

The Company shall undertake any of the following Activities/Projects or such other activities/projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility(CSR):

i. Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promoting of sanitation and making available safe drinking water;

ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries: promotion and development of traditional arts and handicrafts;

vi. Measures for the benefit of armed forces veterans, war widows and their dependents, central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

vii. Training to promote rural sports, nationally recognized sports, and Olympic sports;

viii. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizens Assistant and Relief in Emergency Situation Fund (PM Cares Fund) any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, the Schedule Tribes, other backward classes, minorities and women;

ix. a). Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

b). Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]

x. Rural development projects;

xi. Slum area development;

Explanation.- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

xii. Disaster management, including relief, rehabilitation and reconstruction activities.

The provisions of the Companies Act, 2013 and CSR Rules made thereafter shall have overriding effect Vis-a Vis the provisions of this policy.

A Periodic review of this policy shall be done to ensure its continued suitability, adequacy and efficacy.

6. FUNDING

In line with extent provisions of Section 135 of the Companies Act, 2013 and requirements laid down in the Companies (CSR Policy) Rules, 2014; 2 % of the average net profit of the Company made during the three immediately preceding financial years will be allocated for CSR activities.

CSR budget for the relevant financial year shall be approved by the Board.

5% of annual CSR Budget will be kept as reserve for emergency like disaster, calamity, etc. If the same remains unutilized, it may be used in the last quarter of the financial year for the other activities mentioned in Schedule VII of the Companies (CSR Policy) Rules, 2014.

The Company may build CSR capacities of their own personnel as well as those of their implementing agencies through Institutions with established track records of at least 3 financial years but such expenditure shall not exceed 5% of the total CSR expenditure of the Company in one financial year.

Any surplus arising out of the CSR projects or programs or activities shall not form part of the Business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent

CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

If the Company fails to spend, the amount stated hereinabove, then reason for not spending shall be stated in the Directors Report and if the unspent amount is not related to an ongoing project, it shall be transferred to Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further if unspent amount is related to an ongoing project shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

When the Company spends amount in excess of its requirement, such excess amount may be set off against the requirement to spend under sub-section (5) of Section 135 up to immediate succeeding 3 financial years after passing Board Resolution to that effect.

7. IMPLEMENTATION OF CSR ACTIVITIES

The Company may undertake CSR Activities either directly by itself or through a registered trust or registered society or any company established by the Company, its holding or subsidiary company or associate company under Section 8 of the Act for such non-for- profit objectives.

Provided that the Company can carry out the CSR Activities through such other institutes having an established track record of 3 (three) years in undertaking the CSR Activities.

The Company may collaborate with other companies for undertaking the CSR Activities subject to fulfillment of separate reporting requirements as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014(the rules).

The Company should make CSR Contribution through the entities as mentioned in sub-rule 1 of rule 4 but the entity shall have Unique CSR Registration Number on or after 01st April, 2022.

The scope of this policy will extend to activities as stated under Schedule VII of the Companies Act, 2013, as presently in force. The scope of the policy to also include all additional and allied matters, as will be notified by Ministry of Corporate Affairs or such other body, as appointed/notified by Central or State Government, from time to time for this purpose.

CSR programs will be undertaken by the Company to the best possible extent within the defined ambit of the identified Project/Program.

The time period/duration over which a particular program will be spread, will depend on its nature, extent of coverage and the intended impact of the program.

The process for implementation of CSR programs will involve the following steps:

Identification of programs will be done by means of the following:

- i. Need identification studies by the Senior Management/Professional Institutions/agencies.
- ii. Receipt of proposals/ requests from District Administration/local Govt. etc.
- iii. Suggestion from the Board of Directors/Senior Management level.
- iv. Detailed assessment survey.

The Company shall give preference to the local areas and areas where the Company operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.

8. MONITORING AND FEEDBACK

The administration of the CSR policy and execution of CSR Projects/programs and activities shall be carried out under the overall superintendence and guidance of an internal monitoring group (herein after CSR Team) formed for this purpose.

The internal monitoring group/CSR Team shall consist of:

- i. Managing Director
- ii. Executive Director
- iii. Chief Financial Officer of the Company
- iv. HR unit head
- v. Company Secretary

The CSR Team shall submit its report to CSR Committee formed under the Act.

CSR Team will try to obtain feedback from beneficiaries about the programs implemented at the area.

CSR initiatives of the Company will be reported in the Annual Report of the Company & the Board is Report in compliance with Section 135 of the Act, and rules made there under.

9. PROCEDURE FOR CSR ACTIVITIES

The Committee shall recommend the Board suitable CSR Activities to be undertaken during for the financial year along with the detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;

The Board shall give its approval based on the recommendation of the Committee and in compliance of this policy;

The Committee, after approval, shall submit its report giving status of the CSR Activities undertaken, Expenditure incurred and such other details as may be required by the Board.

10. EXCLUSION

The CSR Activities shall not include any activity undertaken by the Company in pursuance of normal course of business of the Company.

The Company shall not make any payment directly or indirectly to Political Party(ies) for CSR Activities.

The CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with Section 135 of the Act.

Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company but should be added in the CSR Fund.

11. ALLIED MATTERS

With regard to CSR activities, Boards Report to state such particulars as stated under Companies (Corporate Social Responsibility) Rules, 2014.

The Company shall display such particulars relating to CSR Policy and activities undertaken there under as stated under Companies (Corporate Social Responsibility) Rules, 2014.

12. GENERAL

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

The CSR Committee reserves the right to modify, add, or amend any of provisions of this policy subject to approval of the Board.

**For and on behalf of the Board of Directors
Quest Laboratories Limited**

Place: Pithampur

Date: 03rd September, 2025

**Anil Kumar Sabarwal
Managing Director
(DIN:00646133)**

**Tejaswini Sabarwal
Whole Time Director
(DIN:09088283)**

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 and
Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken:

In accordance with the provisions of the Companies Act, 2013 and rules made there under, the company had framed its CSR Policy to carry out its CSR activities in accordance with schedule VII of the Act. The CSR Policy annexed as Annexure-IV to this report. The CSR policy may be assessed on the company's website at www.Questlabltd.com

The Company believes in conducting its business responsibly, fairly and in a most transparent manner. It continuously seeks ways to bring about an overall positive impact on the society and environment where it operates and as a part of its social objectives.

The main objective of the CSR Policy of the Company is to lay down guidelines to make CSR a key business process for sustainable development of the society and the environment in which it operates.

During the year, the Company as part of its CSR activities provided a grant towards promoting education and Healthcare including preventive healthcare. The CSR Committee is the governing body that articulates the scope of CSR activities and ensures compliance with the CSR Policy including overview of the projects undertaken.

2. The Composition of the CSR Committee:

S. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Anil Kumar Sabarwal	Chairman - Managing Director	2	2
2.	Smt. Tejaswini Sabarwal	Director	2	2
3.	Shri. Basantlal Meghwani	Member - Non-Executive Independent Director	2	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

[https://www.Questlabltd.com](http://www.Questlabltd.com)
[https://www.Questlabltd.com](http://www.Questlabltd.com)

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8: Not Applicable

5. (a) Average net profit of the company as per Section 135(5): Rs. 907,09,533/-
- (b) Two percent of average net profit of the company as per section 135(5): Rs. 18,14,190/-
- (c) Surplus arising out of CSR Projects or programs or activities of the previous financial years: Nil
- (d) Amount required to be set off for the financial year, if any: Nil
- (e) Total CSR Obligation for the financial year (5b+5c-5d): Rs. 18,14,190/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and Other than Ongoing Project): Rs. 18,21,570/-
 (b) Amount spent in Administrative Overheads: NIL
 (c) Amount spent on Impact Assessment: Not Applicable
 (d) Total amount spent for the Financial Year [6a+6b+6c]: 18,21,570/-
 (e) CSR amount spent or unspent for the financial year:

(1) S.No.	(2) Name of the Project. in Schedule VII to the Act.	(3) Item from the area list of activities.	(4) Local from the area list of (Yes/No)	(5) Location of the project.	(6) Amount spent for the project (in Rs.).	(7) Mode of implementation -Direct (Yes/No).	(8) Mode of implementation-Through implementing agency.	
							(Name)	CSR Registration number.
1	Projects on education	Item (ii)	Yes	Indore, M.P	3,00,000/-	No	Kothari Educational Foundation	CSR00025958
2	Projects on education, eradicating poverty	Item (ii)	No	New Delhi	1,18,800/-	No	SOS Childrens Villages Of India	CSR00000692
3	Eco-Social Development of Industrial Area	(Item iv)	Yes	Pithampur M.P	4,00,000/-	No	Pithampur Audhyogik Sangathan	CSR00065128
4	Projects on animal welfare and health care	(Item iv)	No	Ahmedabad Gujarat	8,85,770	No	Omkar Jankalyan Samaj Seva Kelvani Mandal Trust	CSR00049591
5	promoting education, including special education and employment enhancing vocational skills	(Item ii)	No	Ahmedabad Gujarat	96000/-	No	Orjet Foundation	CSR00021047

6	protection of flora and fauna (Item iv)	No	Jammu Kashmir	11000/-	Yes	-	-
7	Projects on health care, eradicating hunger, poverty	Item (i)	Yes	Indore	10000/-	Yes	-
	Total			1821570/-			

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
1821570/-	-	-	-	-	-

(f) Excess amount for set-off, if any:

Sl. No.	Particular		Amount (in Rs.)
(1)	(2)		(3)
(i)	Two percent of average net profit of the company as per section 135(5)		1814190
(ii)	Total amount spent for the Financial Year		1821570
(iii)	Excess amount spent for the financial year [(ii)-(i)]		7380
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any		-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]		7380

7. (a) Details of Unspent CSR amount for the preceding three financial years:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)	
					Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the Financial Year (in Rs.)			
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the Financial Year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any	Amount (in Rs)	Date of transfer	Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): NA

**For and on behalf of the Board of Directors
Quest Laboratories Limited**

Place: Pithampur

Date: 03rd September, 2025

**Anil Kumar Sabarwal
Managing Director
(DIN:00646133)**

**Tejaswini Sabarwal
Whole Time Director
(DIN:09088283)**

ANNEXURE-VI

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2025

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

To,
The Members,
Quest Laboratories Limited
Plot No. 45, Sector III,
Pithampur Industrial Area,
Pithampur, Dhar-454775,

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Quest Laboratories Ltd. (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Quest Laboratories Limited for the financial year ended on 31st March, 2025 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit Period, as there was no such transaction)
5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-
 - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the Audit Period, as the company was unlisted company)
 - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. (Not applicable to the Company during the Audit Period, as the company was unlisted company)
 - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (iv) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October, 2014; (Not applicable to the Company during the Audit Period, as there was no such transaction)
 - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period, as there was no such transaction)
 - (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period, as there was no such transaction).
- (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the Audit Period, as there was no such transaction).
- (ix) SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as applicable from time to time. (Not applicable to the Company during the Audit Period, as there was no such transaction)

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

- (i) Secretarial Standards on Board and General Meetings, as issued by the Institute of Company Secretaries of India.
- (ii) The SEBI (Listing Obligation and disclosure requirements) Regulations, (LODR). (Not applicable to the Company during the Audit Period as the company was unlisted company)

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

I further report that on the representation made by the Company and its Officer for system and mechanism formed by the Company for compliances, and examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws/acts specifically applicable to the Company:

- (i) The Factories Act,1948
- (ii) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, Compensation etc.;
- (iii) Environment Laws
- (iv) Acts related to Drugs and Pharmacy

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Further the changes in the composition of the Board of directors that took place during the year under review, were carried out in compliance with relevant provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven clear days in advance 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.

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

It may be noted that during the year, the company has filed Draft Red hearing prospectus to SEBI and stock exchange for getting its share listed on NSE Emerge Platform.

**For Shilpesh Dalal & Co.,
Company Secretary**

**Date: 08th August, 2025
UDIN: F005316G000964428
PR:-1833/2022**

FIRM REGISTRATION NUMBER: S2001MP041200

**Shilpesh Dalal
(Proprietor)
M. No. FCS-5316
C.P. No. 4235
Place: Indore**

This report is to be read with my letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report

Annexure- A'

To,
The Members,
Quest Laboratories Limited
Plot No. 45, Sector III,
Pithampur Industrial Area,
Pithampur, Dhar-454775,

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

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

**For Shilpesh Dalal & Co.,
Company Secretary**

**Shilpesh Dalal
(Proprietor)
M.No. FCS-5316
C.P. No. 4235
Place: Indore**

**Date: 08th August, 2025
UDIN: F005316G000964428
PR:-1833/2022**

FIRM REGISTRATION NUMBER: S2001MP041200

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

Quest Laboratories Limited

Plot No. 45, Sector III, Pithampur
Industrial Area, Pithampur, Dhar

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Quest Laboratories Limited** having CIN: U24232MP1998PLC012850 and having registered office at Plot No. 45, Sector III, Pithampur Industrial Area, Pithampur, Dhar (here in after referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility off or the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Shilpesh Dalal & Co.,
Company Secretary

Date: 08th August, 2025
UDIN: F005316G000964483
PR:-1833/2022

FIRM REGISTRATION NUMBER: S2001MP041200

Shilpesh Dalal
(Proprietor)
M. No. FCS-5316
C.P. No. 4235
Indore

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INTRODUCTION:

Our Company, Quest Laboratories Limited is engaged in the business of manufacturing of pharmaceutical formulations across a broad spectrum, including antibiotics, antimalarials, antispasmodics, anti-inflammatories, antiemetics, respiratory medications, diabetes treatments, antidepressants, and more. These formulations fall under the trademark "**Quest Laboratories Limited**". The company produces a variety of products, comprising ethical drugs, generic drugs, and over the-counter drugs (OTC). These products are available in various forms such as tablets, liquid orals, oral dry powders, oral powders (ORS), ointments, and external liquids. This comprehensive approach allows our Company to address a wide range of medical needs and preferences among patients.

INDUSTRY STRUCTURE AND DEVELOPMENT

India is the largest provider of generic drugs globally and is known for its affordable vaccines and generic medications. The Indian Pharmaceutical industry is currently ranked third in pharmaceutical production by volume after evolving over time into a thriving industry growing at a CAGR of 9.43% since the past nine years. Generic drugs, over-the-counter medications, bulk drugs, vaccines, contract research & manufacturing, biosimilars, and biologics are some of the major segments of the Indian pharma industry. India has the most number of pharmaceutical manufacturing facilities that are in compliance with the US Food and Drug Administration (USFDA) and has 500 API producers that make for around 8% of the worldwide API market.

Being a pharmaceutical company, we operate in an industry which is highly regulated and controlled. There are stringent and restrictive norms in relation to quality standards. Further, entry barriers in regulated markets in which we currently operate and seek to expand are very high and have extensive regulations pertaining to research, testing, manufacturing, selling and marketing of pharmaceutical products. In most regulated markets, pharmaceutical products must be registered after being tested for safety, efficacy and environmental impact and the regulations differ from country to country. Some of our customers operate in such highly regulated markets and liaise / do business with our Company based on our Company being the approved source of supply.

OPPORTUNITY AND THREATS

Opportunity and Threats

Company is in new geographies with increasing economy and industrial growth augur well for the company's products in the near short-term.

Global trade wars can pose a challenge to international trade impacting the company. Competition from new players within the country poses a threat.

SEGMENTWISE PERFORMANCE

The Company operates in a single segment of Drugs and Chemicals, which is the primary reportable segment, and the same is given in the notes to the financial statements.

OUTLOOK

Your Company's estimates for future business development are based both on its customer's forecasts and on the Company's own assessments.

RISK AND CONCERNS

The Company had adopted Risk Management Policy to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business.

We believe our Promoters and Senior Management overall experience and vision will enable us to manage and grow our business in the existing markets and to enter new geographies with our competitive advantage. This will help us in addressing and mitigating various risks inherent in our business, including technical problems, facing the competitive landscape changes in global economy resulting in fluctuations in chemical and pharmaceutical pricing across the globe, etc.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate internal financial controls with reference to all its operations and such systems are continuously reviewed and upgraded. All the transactions are properly authorized and recorded. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The Internal Audit is conducted by outside auditing firms which evaluate the functioning and quality of internal controls and check; and provides assurance of its adequacy and effectiveness. The Internal Audit Reports are actively reviewed by the Audit Committee and adequate remedial measures, if any, are taken. The Internal Audit Reports are also reviews by the Board of Directors periodically. During the year, no reportable material weaknesses in the design or operations were observed.

FINANCIAL PERFORMANCE

Particulars	(Rs. in Lakhs)	
	2024-25	2023-24
Income		
Revenue from Operations	10396.58	8256.28
Other Income	424.38	22.91
Total Revenue	10820.97	8279.19
Less: Expenses other than Finance cost and Depreciation	8798.39	6701.43
Profit before finance cost, depreciation & amortization, and tax	2022.58	1577.76
Less: Finance Costs	90.55	76.40
Less: Depreciation and amortization expenses	63.60	56.78
Profit before Tax	1868.43	1444.58
Less: Tax Expenses		
Current Tax	457.18	420.67
Deferred Tax (Assets)/Liabilities	54.60	(14.53)
Profit for the year	1356.64	1009.38
Other Comprehensive Income	-	-
Total Comprehensive Income	-	-
Earning per equity share		
Basic	8.28	6.16
Diluted	8.28	6.16

The Company's total revenue for the year under review amounted to Rs. 10820.97 Lakhs as compared to Rs. 8279.19 Lakhs of the previous year. The Profit before Tax for the year under review amounted to Rs. 1868.43 Lakhs as compared to Rs. 1444.58 Lakhs of the previous year. The Profit after Tax for the year under review amounted to Rs. **1356.64** Lakhs as compared to Rs. 1009.38 Lakhs of the previous year. The Company is engaged in the business of manufacturing of pharmaceutical formulations across a broad spectrum, including antibiotics, antimalarials, antispasmodics, anti-inflammatories, antiemetics, respiratory medications, diabetes treatments, antidepressants, and more.

KEY FINANCIAL RATIOS AND PERFORMANCE

Ratio	2024-25	2023-24	% Variance	Explanation in case change is more than 25%, as compared to previous year
Inventory Turnover	5.55	6.05	-8.37%	-
Current Ratio	2.88	1.67	72.75%	-
Debt Equity Ratio	0.37	0.18	108.54%	During the year, Equity has been increased as company came up with IPO.
Debtors Turnover ratio	3.82	3.62	5.59 %	-
Net Profit Ratio	0.13	0.12	6.73%	-
Return on Capital employed	0.24	0.51	-53.47%	-
EPS	8.28	6.16		-

MATERIAL DEVELOPMENT IN HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Human resource is considered as the most valuable of all resources available to the Company. The Company continues to lay emphasis on building and sustaining an excellent organization climate based on human performance. The Management has been continuously endeavoring in fostering high performance culture in the organization.

Further, industrial relations remained peaceful and harmonious during the year.

CAUTIONARY STATEMENT

The Management Discussions and Analysis Statement made above are on the basis of available data as well as certain assumptions as to the economic conditions, various factors affecting raw material prices, selling prices, trend and consumer demand and preference, governing and applicable laws and other economic and political factors. The Management cannot guarantee the accuracy of the assumptions and projected performance of the Company in future. It is therefore, cautioned that the actual results may differ from those expressed and implied therein.

MD / CFO CERTIFICATION

To,
The Board of Directors
Quest Laboratories Limited

We the undersigned in our respective capacities as the Managing Director and Chief Financial Officer of Quest Laboratories Limited (the Company"), hereby certify to the Board that:

- (a) We have reviewed Financial Statement and the cash flow statement for the Year ended on 31st March, 2025 and to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true & fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and Audit Committee:
 - (i) significant changes, if any, in the internal control over financial reporting during the year;
 - (ii) significant changes, if any, in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board of Directors
Quest Laboratories Limited

Place: Pithampur
Date: 03rd September, 2025

Anil Kumar Sabarwal
Managing Director
(DIN:00646133)

R.K. Sharma
CFO

DECLARATION

As per the requirements of Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that member of the Board of Directors and Senior Management Personnel, affirmed that they have complied with the Code of Conduct of Board of Directors and Senior Management for the year ended 31st March, 2025.

Place: Pithampur
Date: 03rd September, 2025

Anil Kumar Sabarwal
Managing Director
(DIN:00646133)

INDEPENDENT AUDITOR'S REPORT

To the Members of Quest Laboratories Ltd

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone financial statements of QUEST LABORATORIES LTD ("the Company"), which comprises the Balance Sheet as at 31st March, 2025, the Statement of Profit and Loss (including Other Comprehensive Income) the Cash Flow Statement and the Statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2025, profit, other comprehensive income, changes in equity and cash flows for the year ended on that date.

Basis of Opinion

3. We conducted our audit in accordance with the Standards of Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We could not verify the valuation of inventory as on the Balance Sheet Date as insufficient records of the same has been provided to us for verification. However, we have been informed by the management that physical verification has been conducted by them during the year and has not noticed any major discrepancies.
5. Our opinion is not modified in respect of this matter.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
7. We have determined that there are no key audit matters to be communicated in our report.

Responsibility of Management for the Standalone Financial Statements

8 The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Report on Corporate Governance, Directors' Report, etc., but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

9 The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these financial statements that give a true and fair view of the state of affairs, profit 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

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

11 Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

12 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of standalone financial statement and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company (including its joint operations) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Company to express an opinion on the standalone financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the standalone financial statements, which have been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

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

15 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.

Other Matter

16 As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V of the Act.

17 As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The standalone financial statements dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. We have also audited the internal financial controls over financial reporting of the Company as on 31st March, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per "Annexure B" expressed an unmodified opinion;
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note no.28.
 - ii. The Company does not have any pending litigations which would impact its financial position;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv.(a) On the basis of written representation received from the management, we report that, no funds other than as disclosed in the notes to the accounts have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries."), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- iv.(b) On the basis of written representation received from the management, we report that, no funds other than as disclosed in the notes to the accounts, have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- iv.(c) Based on audit procedures applied by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v. No dividend has been declared nor paid during the year. Hence no compliance with section 123 of the Companies Act, 2013 was required.
- vi Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For and on behalf of
C.H. PADLIYA & CO.
Chartered Accountants
Firm Registration No.: 003151C

VIPUL PADLIYA
Partner
Membership No.: 409165
UDIN: 25409165BMORDS7732

Place : Indore
Date : This 28th Day of May, 2025

"ANNEXURE A" REFERRED TO IN PARAGRAPH 17 OF OUR AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF " QUEST LABORATORIES LIMITED", ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2025

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

- (i). (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (i). (a) (B) As the Company does not own any Intangible assets, the provisions of clauses 3(i) (a) (B) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company and hence not commented upon.
- (i). (b) The Property, Plant and Equipment have been physically verified by the management in a phased manner, designed to cover all the items in current period being capitalised in current year itself, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancies between the books records and the physical Property, Plant and Equipment have been noticed.
- (i). (c) The title deeds of all the immovable properties classified as PPE including investment properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (i). (d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year.
- (i). (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii). (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and inventory lying with third parties. In the absence of sufficient records of the same, we cannot express an opinion on the extent of coverage and procedure of such verification by the management being appropriate. Further, we have been informed by the management that no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (ii). (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 sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii). The Company has during the year, not made investments in, 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. Accordingly, the provisions of clauses 3(iii) of the Order are not applicable.

- (iv). The Company has not granted loans nor provided any guarantees or securities to parties covered under Section 185 of the Act. Further, provisions of sections 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security have been complied with by the Company.
- (v). The Company has not accepted any deposits or amounts which are deemed to be deposits under the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi). We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of the Company's products and services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii). a) The Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as may be applicable to it, with the appropriate authorities.

No

undisputed statutory dues in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears as at 31st March, 2025 for a period of more than six months from the date they became payable.

- (vii). a) The Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as may be applicable to it, with the appropriate authorities.

Following undisputed dues are in arrears, as at the year end, for a period of more than six months from the date they became payable:

Sr. No.	Nature of Dues	Amount (in ` in Lakhs)	Related Financial Year
1	Income Tax	14.0162	F.Y. 2018-19

- (vii). b) The dues outstanding in respect of income-tax, sales-tax and value added tax on account of any dispute are as follows:

Name of Statute	Nature of Dues	Amount (in ₹ in Lakhs)	Amount paid under protest (in ₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax	33.57	-	F.Y. 2019-20	First Appeal Commissioner of Income Tax

(viii). According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of account.

(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 defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

b) According to the information and explanations given to us including representations received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financials institution or other lender.

c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures.

(x). a) In our opinion and according to the information and explanations given to us, the Company has not entirely utilised the money raised by way of initial public offer for the purposes for which they were raised as detailed out below:

Nature of the fund raised	Purpose for which funds were raised	Total Amount Raised	Amount utilised for the purpose	Unutilised balance as at balance sheet date	Details of default	Subsequently rectified
Initial Public Offer	Funding of capital expenditure towards purchase of plant and machineries for expansion at the existing manufacturing facility	2,600.00	274.36	2,325.64		
Initial Public Offer	Funding Working Capital Requirements of our Company	1,000.00	1,000.00	-		
Initial Public Offer	General Corporate Purposes	337.99	211.52	126.47		
Initial Public Offer	Issue Related Expenses	378.12	359.11	19.01		

(xi). b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xii). a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

c) According to the information and explanation given to us, no whistle-blower complaints, received during the year by the company;

(xiii). The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a),(b) and (c) of the Order is not applicable to the Company.

(xiv). In our opinion, all transactions with the related parties are in compliance with section 177 and section 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xv). a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under Section 138 of the Act which is commensurate with the size and nature of its business.

b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xvi). The Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvii) According to the information and explanations given to us, we are of the opinion that the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly the provisions of clause 3(xvi) of the Order are not applicable.

(xviii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

(xix) There has been resignation of the statutory auditors during the year and accordingly we have taken into consideration the

(xx) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xxi) a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.

b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

(xxii) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For and on behalf of
C.H. PADLIYA & CO.
Chartered Accountants
Firm Registration No.: 003151C

VIPUL PADLIYA
Partner
Membership no.409165
UDIN: 25409165BMORDS7732

Place: Indore

Date: This 28th Day of May, 2025

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF QUEST LABORATORIES LTD

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 QUEST LABORATORIES LTD (“the Company”) as of 31st March, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 31st March, 2025 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 and on behalf of
C.H. PADLIYA & CO.
Chartered Accountants
Firm Registration No.: 003151C

VIPUL PADLIYA
Partner
Membership No.: 409165
UDIN: 25409165BMORDS7732

Place: Indore
Date: This 28th Day of May, 2025

QUEST LABORATORIES LIMITED

C.I.N. - U24232MP1998PLC012850

Standalone Balance Sheet as at 31st March, 2025

(Amount in ₹ in lakhs)

(Amount in ₹ in lakhs)					
		Note No.	As at 31/03/2025	As at 31/03/2024	As at 01/04/2023
I.	<u>ASSETS</u>				
(1)	<u>Non-current Assets</u>				
	(a) Property, plant and equipment	1	1,178.73	1,023.94	985.03
	(b) Financial assets				
	(i) Investments	2	291.59	-	-
(2)	<u>Current Assets</u>				
	(a) Inventories	3	2,136.83	1,612.28	1,115.72
	(b) Financial Assets				
	(i) Investments	4	4,922.53	675.57	253.26
	(ii) Trade Receivables	5	3,003.16	2,444.34	2,123.33
	(iii) Cash and cash equivalents	6	11.29	14.44	12.11
	(iv) Loans	7	0.88	7.89	13.55
	(v) Other financial assets	8	179.80	70.17	59.32
	(c) Other current assets	9	440.04	205.12	262.35
	Total Assets		12,164.86	6,053.75	4,824.67
II.	<u>EQUITY AND LIABILITIES</u>				
(1)	<u>Equity</u>				
	(a) Equity Share Capital	10	1,638.72	1,193.76	107.88
	(b) Other Equity	10A	6,541.73	1,673.05	1,402.64
(2)	<u>Liabilities</u>				
	<u>Non-current liabilities</u>				
	(a) <u>Financial Liabilities</u>				
	(i) Borrowings	11	135.68	89.92	123.85
	(b) Deferred Tax Liability (Net)		131.14	76.54	62.01
(3)	<u>Current liabilities</u>				
	(a) <u>Financial Liabilities</u>				
	(i) Borrowings	12	2,890.10	418.57	286.44
	(ii) <u>Trade payables</u>	13			
	-Total outstanding dues of micro and small enterprises		193.28	933.67	-
	-Total outstanding dues of creditors other than micro and small enterprises		379.59	1,128.89	2,489.49
	(b) Other current financial liabilities	14	25.25	41.79	38.79
	(c) Other current liabilities	15	182.14	135.24	137.86
	(d) Short term provisions	16	19.05	24.86	26.02
	(e) Current Tax Liabilities		28.18	337.47	149.71
	Total Equity And Liabilities		12,164.86	6,053.75	4,824.67

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

We authenticate the correctness of the above

For and on behalf of the Board of

For and on behalf of the Board of
QUEST LABORATORIES LIMITED

C.I.N. - U24232MP1998PLC012850

As Per Our Report of Even Date Attached

For and on behalf of

For and on behalf of
C.H. PADLIYA & CO.

Chartered Accountants

Firm Registration No.: 003151C

ANIL KUMAR SABARWAL

TEJASWINI SABARWAL

RAM KRISHNA SHARMA

SURABHI GUPTA, VIBHIL PADI LIVA

Company Secretary Partner
Memb. No.A46821 Membership Number: 409165
UDIN: 25409165RMOPDS7732

Place: Indore

Dated: This 28th Day of May, 2025

QUEST LABORATORIES LIMITED
C.I.N. - U24232MP1998PLC012850

Standalone Statement of Profit and Loss for the year ended 31st March, 2025

(Amount in ₹ in lakhs)

	Particulars	Note No.	For the Year ended 31st March, 2025	For the Year ended 31st March, 2024
I. <u>CONTINUING OPERATIONS</u>				
(1) <i>Income</i>				
Revenue from operations	17		10,396.58	8,256.28
Other Income	18		424.38	22.91
Total Income			10,820.97	8,279.19
(2) <i>Expenses</i>				
Cost of materials consumed	19		8,327.65	5,228.96
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20		(411.81)	(4.44)
Manufacturing and Operating Cost	21		141.97	148.32
Employee benefits expense	22		427.71	448.30
Finance costs	23		90.55	77.92
Depreciation and amortisation expense	24		63.60	56.78
Other expenses	25		312.87	878.77
Total Expenses			8,952.54	6,834.60
(3) Profit / (loss) before tax			1,868.42	1,444.59
(4) Tax expense				
Current tax	26		(457.18)	(420.67)
Deferred tax charge/(credit)			(54.60)	(14.54)
(5) Profit/(Loss) for the year from continuing operations			1,356.64	1,009.39
(6) Other Comprehensive Income/(Expenses)				
(i) Items that will not be reclassified to profit or loss				
Interest & Discounting as OCI			-	-
(7) Total Comprehensive Income for the year			1,356.64	1,009.39
(8) Earning per equity share of ₹ 10/- each (for continuing operations)				
(1) Basic (₹)			8.28	6.16
(2) Diluted (₹)			8.28	6.16

We authenticate the correctness of the above

For and on behalf of the Board of

For and on behalf of the Board of
QUEST LABORATORIES LIMITED

QUEST LABORATORIES LTD
G.L.N. U24232MB1008PLC012850

As Per Our Report of Even Date Attached

As Per Our Report on
For and on behalf of

For and on behalf of
C. H. PADLIYA & CO.

C.H. PADLIYA & CO
Chartered Accountants

Firm Registration No.: 003151C

ANIL KUMAR SARABWAI

TEJASWINI SARADWAI

RAM KRISHNA SHARMA

SUBARU CURTA

VIRUL PADIVĀ

VIPUL
Partner

Partner
Membership Number: 409165

Membership Number: 409105
UDIN: 25409165BMORDS7732

Place: Indore

Dated: This 28th Day of May, 2025

Standalone Cash Flow Statement for the year ended 31st March, 2025

(Amount in ₹ in lakhs)

	Particular	For the Year ended 31st March, 2025	For the Year ended 31st March, 2024
I.	<u>CASH FLOW FROM OPERATING ACTIVITIES:</u>		
	Profit / (Loss) before tax	1,868.42	1,444.59
	<i>Adjustments for:</i>		
	Depreciation and amortization	63.60	56.78
	Finance cost	90.55	76.39
	Dividend income	(0.71)	-
	Interest income	(258.44)	(22.91)
	Bad debts / assets written off	0.75	-
	Share of Loss/(Profit) from sale of Investment	(1.70)	-
	FMV Changes	(163.54)	-
	Operating profit before working capital changes	1,598.93	1,554.85
	<i>Changes in Operating assets and liabilities:</i>		
	Decrease/ (Increase) in Trade Receivable/Other Receivables	(559.56)	(347.04)
	Decrease/ (Increase) in Inventories	(524.55)	(496.56)
	Decrease/ (Increase) in Other Current Assets	(234.93)	266.76
	Decrease/ (Increase) in Loans	7.01	75.73
	Decrease/ (Increase) in other financial assets	(109.64)	-
	Increase/ (Decrease) in Borrowings	-	-
	Increase/ (Decrease) in Provisions	(5.81)	4.36
	Increase/ (Decrease) in Trade payable	(1,833.08)	(499.17)
	Increase/ (Decrease) in Other Current Liabilities	46.90	163.07
	Increase/ (Decrease) in Current Tax Liability	(309.29)	-
	Net Cash Flow from Operating Activities	(1,924.01)	721.99
	Income taxes paid	(408.52)	(420.67)
	Net Cash Flow from Operating Activities Before Exceptional Items	(2,332.54)	301.33
	Exceptional Items	-	-
	Net Cash Flow from Operating Activities After Exceptional Items (I)	(2,332.54)	301.33
II.	<u>CASH FLOW FROM INVESTING ACTIVITIES:</u>		
	<i>Proceeds from/(Payments for)</i>		
	Dividend received from others	0.71	-
	Interest Received	258.44	22.91
	Property, plant and equipment	(347.13)	(93.99)
	Purchase of investment	(4,375.01)	(431.85)
	Share of Loss/(Profit) from sale of Investment	1.70	-
	Other Non Current Investment	-	-
	Government Subsidy on fixed assets	64.37	-
	Net Cash Flow from Investing Activities (II)	(4,396.93)	(502.94)
III.	<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
	<i>Proceeds from/(payment for)</i>		
	Long Term Borrowings Taken	45.77	(64.66)
	Short Term Borrowings Taken	2,471.53	-
	Interest Paid	(90.55)	(76.39)
	Issued Share Capital (net)	4,316.11	345.00
	Net Cash Flow From Financing Activities (III)	6,742.85	203.94
IV.	Net Increase/(Decrease) In Cash and Cash Equivalents (I + II + III)	13.39	2.33
V.	Cash and Cash Equivalents as at the beginning of the year	14.36	12.02
VI.	Cash and Cash Equivalents as at the end of the year	11.29	14.36
	Cash and Cash Equivalents as at the end of the year comprise of		
	Cash and Cash Equivalents	11.29	14.44
	Balances as per Statement of Cash Flows	11.29	14.44

We authenticate the correctness of the above

For and on behalf of the Board of

QUEST LABORATORIES LIMITED

C.I.N. - U24232MP1998PLC012850

As Per Our Report of Even Date Attached

For and on behalf of

C.H. PADLIYA & CO.

Chartered Accountants

Firm Registration No.: 003151C

ANIL KUMAR SABARWAL
Managing Director
D.I.N.: 00646133

TEJASWINI SABARWAL
Director
D.I.N.: 09088283

RAM KRISHNA SHARMA
Chief Financial Officer

SURABHI GUPTA
Company Secretary
Memb. No.A46821

VIPUL PADLIYA
Partner
Membership Number: 409165
UDIN: 25409165BMORDS7732

Place: Indore

Dated: This 28th Day of May, 2025

Standalone Statement of Changes In Equity for the year ended 31st March, 2025

Particulars	Equity Share Capital	Other Comprehensive Income		Total equity attributable to equity holders of the Company
		Security Premium Reserve	Retained Earnings	
Balance as at April 1, 2023	107.88		159.78	1,242.85
Changes in equity for the year ended March 31, 2024				1,510.51
Profit for the year	-	-	1,009.39	1,009.39
Depreciation Reserves Adjusted	-	-	-	-
Other Adjustments	-	-	1.90	1.90
Issue of Bonus Shares	970.88	(159.78)	(811.10)	-
Right Issue of Equity Shares	115.00	230.00	-	345.00
Balance as at March 31, 2024	1,193.76	230.00	1,443.05	2,866.81
Balance as at April 1, 2024	1,193.76	230.00	1,443.05	2,866.81
Changes in equity for the year ended March 31, 2025				-
Profit for the year	-	-	1,356.64	1,356.64
Depreciation Reserves Adjusted	-	-	-	-
Initial Public Offer Proceeds (Refer Note 40) (Net of Expenses)	444.96	3,512.04	-	3,957.00
Balance as at March 31, 2025	1,638.72	3,742.04	2,799.69	8,180.45

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

We authenticate the correctness of the above
 For and on behalf of the Board of

QUEST LABORATORIES LIMITED
C.I.N. - U24232MP1998PLC012850

Place: Indore

Dated: This 28th Day of May, 2025

ANIL KUMAR SABARWAL **TEJASWINI SABARWAL** **RAM KRISHNA SHARMA** **SURABHI GUPTA**
 Managing Director Director Chief Financial Officer Company Secretary
 D.I.N.: 00646133 D.I.N.: 09088283 Memb. No.A46821 UDIN: 25409165BMORDS7732

VIJUL PADLIYA
 Partner
 C.H. PADLIYA & CO.
 Chartered Accountants
 Firm Registration No.: 003151C

As Per Our Report of Even Date Attached

For and on behalf of
 C.H. PADLIYA & CO.
 Chartered Accountants
 Firm Registration No.: 003151C

Notes To The Standalone Financial Statements for the year ended 31st March, 2025

**Note - "1"
Property, Plant And Equipment**

Particulars		(Amount in ₹ in lakhs)					
Balance as at 31st March, 2023	512,184	15,408	8,739	68,923	8,639	681,880	10,430
Addition During The Period	45,350	-	1,106	-	1,203	51,693	-
Disposals	5,357	-	-	-	-	-	5,36
Acquisitions through Business Combinations	-	-	-	-	-	-	-
Amount of change due to Revaluation	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-
GROSS CARRYIN G VALUE	552,176	15,408	9,845	68,923	9,842	733,573	10,430
Balance as at 31st March, 2024	68,156	1,092	6,079	122,171	3,981	83,351	62,300
Additions during the year	-	-	-	-	-	-	347,13
Disposals	-	-	-	-	-	-	-
Acquisitions through Business Combinations	-	-	-	-	-	-	-
Amount of change due to Revaluation	-	-	-	-	-	-	-
Other Adjustments	(42,911)	-	-	-	-	(85,822)	(128,73)
Balance as at 31st March, 2025	577,421	16,500	15,924	191,094	13,823	731,102	72,730
Balance as at 31st March, 2023	181,905	5,157	4,477	36,549	6,861	86,224	-
Deduction during the Period	28,891	0,921	0,847	6,405	0,763	18,952	-
Disposals	-	-	-	-	-	-	-
Depreciation and Impairment losses/ Reversals	(3,400)	0,326	0,362	0,005	0,078	0,937	-
Depreciation and Impairment losses/ Reversals relating to Other Adjustments	-	-	-	-	-	-	(1,69)
ACCUMUL ATED DEPRICIA TION	207,396	6,403	5,686	42,958	7,702	106,113	-
Charge for the year	30,38	1,34	1,67	8,18	1,39	20,04	-
Deduction during the Period	-	-	-	-	-	-	63,60
Depreciation and Impairment losses/ Reversals relating to Other Adjustments	-	-	-	-	-	-	-
Balance as at 31st March, 2025	237,77	7,75	7,36	51,13	9,09	126,76	-
Balance as at 31st March, 2023	330,28	10,25	4,26	32,37	1,78	595,66	10,43
Balance as at 31st March, 2024	344,78	9,00	4,16	25,97	2,14	627,46	10,43
Balance as at 31st March, 2025	339,65	8,75	8,56	139,96	4,73	604,35	72,73
NET CARRYIN G VALUE (I II)	339,65	8,75	8,56	139,96	4,73	604,35	72,73
							1,178,73

Note - "2"
Non-Current Investments

(Amount in ₹ in lakhs)					
A. <i>Investment in Debentures</i>	31st March, 2025		31st March, 2024		1st April, 2023
	Quoted	No. of Units	Amount	No. of Units	Amount
(i) At Fair Value through Profit and Loss					
CIPL Zero Coupon NCDs 2028		270.00	291.59	-	-
Total Non-Current Investments		291.59		-	-

Note - "3"
Inventories

	As at <u>31st March, 2025</u>	As at <u>31st March, 2024</u>	As at <u>1st April, 2023</u>	(Amount in ₹ in lakhs)
Raw materials	1,175.87	956.20	792.58	
Packing Material	542.25	649.18	320.69	
Finished goods	318.71	6.90	2.46	
Work-in-Progress	100.00	-	-	
Total Inventories - As Per Balance Sheet	2,136.83	1,612.28	1,115.72	

Note - "5"
Trade Receivables

(a) *Unsecured, considered good*
 (i) Trade receivables outstanding for a period exceeding six months from the date they become due for payment
 (ii) From others

Total Trade Receivables -As Per Balance Sheet

Trade Receivables ageing schedule

Particulars	Outstanding for following Periods from due date of payment				Total
	Less than 6 month	6months -1 year	1-2 years	2-3 years	
As at 31 March, 2025					
Undisputed - Considered good	0.02	243	0.01	29.16	-
Total	252,899,017	243	0.01	29.16	472.55
As at 31 March, 2024					
Undisputed - Considered good	2,216.70	60.19	58	109.12	-
Total	2,216.70	60.19	58.33	109.12	2,444.34
As at 31 March, 2023					
Undisputed - Considered good	1,574.44	296	135.80	117.27	-
Total	1,574	296	135.80	117.27	2,123.33

	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023	(Amount in ₹ in lakhs)	
				As at 31st March, 2025	As at 1st April, 2023
(a) <i>Unsecured, considered good</i>					
(i) Trade receivables outstanding for a period exceeding six months from the date they become due for payment	1,007.23	227.64	548.89		
(ii) From others	1,995.93	2,216.70	1,574.44		
Total	3,003.16	2,444.34	2,123.33		

Note - "6"
Cash And Cash Equivalents

		As at <u>31st March, 2025</u>	As at <u>31st March, 2024</u>	(Amount in ₹ in lakhs)
				As at <u>1st April, 2023</u>
(a)	Cash on hand	4.32	10.06	9.34
(b)	Balances with Banks - In current accounts	6.97	4.38	2.77
		11.29	14.44	12.11

Total Cash and Cash Equivalents - As Per Balance Sheet

Note - "7"
Loans

		As at <u>31st March, 2025</u>	As at <u>31st March, 2024</u>	(Amount in ₹ in lakhs)
				As at <u>1st April, 2023</u>
Inter corporate Deposit		-	6.85	6.85
Loans to staff		0.88	1.04	-
Loan to Others		-	-	6.70
		0.88	7.89	13.55

Total Loans - As Per Balance Sheet

Note - "8"
Other Current Financial Assets

	As at <u>31st March, 2025</u>	As at <u>31st March, 2024</u>	(Amount in ₹ in lakhs)
	As at <u>31st March, 2025</u>	As at <u>31st March, 2024</u>	As at <u>1st April, 2023</u>
Security Deposits	107.91	68.86	59.32
Advance To Employees	-	1.30	-
Subsidy Receivable	64.37	-	-
GST Refundable	7.00	-	-
Professional Tax recoverable from Employees	0.53	-	-
Total Other Current Financial Assets - As Per Balance Sheet	179.80	70.17	59.32

Note - "9"
Other Current Assets

	As at <u>31st March, 2025</u>	As at <u>31st March, 2024</u>	(Amount in ₹ in lakhs)
	As at <u>31st March, 2025</u>	As at <u>31st March, 2024</u>	As at <u>1st April, 2023</u>
Advances to Suppliers	424.75	101.48	29.24
Balance with customs, port trust, excise and other govt. authorities	13.85	102.51	231.04
Prepaid expenses	1.44	1.05	2.00
Interest Receivable	-	0.08	0.07
Total Other Current Assets - As Per Balance Sheet	440.04	205.12	262.35

Note - "10"
Equity Share Capital

(Amount in ₹ in lakhs)

As at
31st March, 2025 As at
31st March, 2024 As at
1st April, 2023

Authorised
1,20,00,000 Shares [31st March, 2024: 1,20,00,000] Equity Shares of ₹10 each
Issued, subscribed and fully paid up
1,63,87,200 Equity Shares [31st March, 2024: 1,19,37,600] Equity Shares of ₹ 10 each

Total Equity Share Capital - As Per Balance Sheet

Notes:

a) **Reconciliation of number of shares**

	As at 31st March, 2025			As at 31st March, 2024		
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Equity Shares:						
Balance as at the beginning of the year	119.38	1,193.76	119.38	1,193.76		
Issued during the year	44.50	444.96	-	-		
Balance as at the end of the year	163.87	1,638.72	119.38	1,193.76		

b) **Rights, preferences and restrictions attached to shares**

Equity shares: The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. 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) **Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of Shareholder	As at 31st March, 2025		As at 31st March, 2024	
	%	No. of Shares	%	No. of Shares
Anil Kumar Sabarwal	62.29%	102	48.52%	102

d) **Details of Shareholding of Promoters**

Name of promoters	Shares held as at 31st March, 2025		Shares held as at 31st March, 2024		Percentage change during the year ended 31st March 2025
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Anil Kumar Sabarwal	102.08	62.29%	101.67	48.32%	13.97%
Tejaswini Sabarwal	4.18	2.55%	4.07	1.93%	0.62%
Vinayak Sabarwal	2.25	1.37%	2.13	1.01%	0.36%
Total	109	66.21%	108	51.27%	

(Amount in ₹ in lakhs)					
			31st March, 2024		31st March, 2023
	No. of Units	NAV per Unit	Amount	No. of Units	NAV per Unit
<i>A Investment in Equity Shares</i>					
<i>Quoted</i>					
(i) At Fair Value through Profit and Loss					
Reliance Industries Ltd.	30.00	1,275.10	0.38	-	-
Nippon India Ltd.	0.01	1,100.00	0.00	-	-
Choksi Laboratories Ltd.	142,200.00	120.10	170.78	142,200.00	6.15
				8.75	6.15
<i>B Other Investments</i>					
(i) At Cost					
Deposits With Bank			4,751.36		244.51
Total Current Investments - As Per Balance Sheet			4,922.53		253.16
			675.57		244.51
			666.82		
			4,751.36		
Aggregate amount of unquoted investments					

Note - "10A"**Other Equity**

(Amount in ₹ in lakhs)

	Securities Premium Reserve	Retained Earnings	Total
Balance as at 1st April, 2023	159.78	1,242.85	1,402.64
Profit for the year	-	1,009.39	1,009.39
Other Comprehensive Income for the year	-	-	-
Depreciation Reserves Adjusted		-	-
Total Comprehensive Income for the year	-	1,009.39	1,009.39
Bonus Issue	(159.78)	(811.10)	(970.88)
Issued Share Capital	230.00	-	230.00
Other adjustments		1.90	
Balance as at 1st April, 2024	230.00	1,443.05	1,673.05
Profit for the year	-	1,356.64	1,356.64
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	-	1,356.64	1,356.64
Issued Share Capital	3,512.04		3,512.04
Balance as at 31st March, 2025	3,742.04	2,799.69	6,541.73

Securities premium reserve

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

Note - "11"**Non-Current Borrowings**

	(Amount in ₹ in lakhs)		
	As at <u>31st March, 2025</u>	As at <u>31st March, 2024</u>	As at <u>1st April, 2023</u>
Secured			
(a) Term loans			
From Banks	54.68	90.49	123.85
From NBFC	81.00	-	-
Total Non-Current Borrowings - As Per Balance Sheet	135.68	90.49	123.85

Nature of Security and terms of repayment for Long Term secured borrowings:

Nature of Security	Terms of Repayment
i. Term loan from HDFC bank, balance outstanding amounting to ₹ 59,08,293.03 (March 31, 2024 : ₹ 77,65,209.05) (April 1, 2023 : ₹ 94,30,069.62) is secured by hypothecation of the trade receivables, inventories and fixed assets.	Repayable in 61 monthly installments starting from December, 2022. Last installment due in December, 2027. Rate of interest 8.87% (P.Y. 8.87%) p.a. as at year end
ii. Term loan from HDFC bank, balance outstanding amounting to ₹ 31,40,987.01 (March 31, 2024 : ₹ 45,78,940.25) (April 1, 2023 : ₹ 58,96,752.89) is secured by hypothecation of the trade receivables, inventories and fixed assets.	Repayable in 64 monthly installments starting from December, 2021. Last installment due in March, 2027. Rate of interest 9.58% (P.Y. 9.58%) p.a. as at year end
iii. Term loan from Mercedes-Benz Financial Services India Pvt. Ltd., balance outstanding amounting to ₹ 86,87,884.33 (March 31, 2024 : Nil) (March 31, 2023 : Nil) is secured by hypothecation of the vehicle.	Repayable in 48 monthly installments starting from October, 2024. Last installment due in September, 2028. Rate of interest 10.15% (P.Y. 10.15%) p.a. as at year end

Installments falling due within a year in respect of all the above Loans aggregating ₹ 41,69,013 (March 31, 2024: ₹ 33,35,422)

(April 1, 2023: ₹ 62,61,940) have been grouped under "Current maturities of long-term debt" (Refer Note 12.)

The carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in Note No. 28

Note - "12"**Current Borrowings**

	(Amount in ₹ in lakhs)		
	As at <u>31st March, 2025</u>	As at <u>31st March, 2024</u>	As at <u>1st April, 2023</u>
Secured			
(a) Term Loan			
i) Current maturities of long-term debt (Refer Note 11)	41.69	33.35	62.62
(b) Loan Repayable on Demand			
i) From Banks	2,848.41	385.21	197.08
Unsecured			
(a) Loan Repayable on Demand			
i) From Related Parties	-	-	25.07
ii) Intercorporate Loan	-	-	1.68
Total Current Borrowings (A+B) - As Per Balance Sheet	2,890.10	418.57	286.44

i) Security Provided:

HDFC Bank

(Working capital loan from banks are secured by hypothecation of inventories, books debts both present and future and fixed assets)

Note - "13"

Trade Payables

	As at <u>31st March, 2025</u>	As at <u>31st March, 2024</u>	As at <u>1st April, 2023</u>	(Amount in ₹ in lakhs)
Micro, Small and Medium enterprises	193.28	933.67	-	
Others	379.59	1,128.89	2,489.49	
Total Trade Payables - As Per Balance Sheet	572.88	2,062.55	2,489.49	

Trade payables ageing schedules

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 Years	1-2 years	2-3 years	More than 3 years	
As at 31st March, 2025						
(i) Micro, Small and Medium enterprises	193.28	-	-	-	-	193.28
(ii) Others	-	356.94	11.39	11.26	-	379.59
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	193.28	356.94	11.39	11.26	-	572.88
As at 31st March, 2024						
(i) Micro, Small and Medium enterprises	933.67	-	-	-	-	933.67
(ii) Others	814.81	-	147.35	65.24	-	1,027.41
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	1,748.48	-	147.35	65.24	-	1,961.07
As at 31st March, 2023						
(i) Micro, Small and Medium enterprises	-	-	-	-	-	-
(ii) Others	2,229.04	196.38	34.83	-	-	2,460.24
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	2,229	196	35	-	-	2,460

Note - "14"

Other Current Financial Liabilities

	As at <u>31st March, 2025</u>	As at <u>31st March, 2024</u>	As at <u>1st April, 2023</u>	(Amount in ₹ in lakhs)
Salary and Wages Payable	25.25	41.79	38.79	
Total Other Current Financial Liabilities - As Per Balance Sheet	25.25	41.79	38.79	

Note - "15"

Other Current Liabilities

	(Amount in ₹ in lakhs)		
	As at <u>31st March, 2025</u>	As at <u>31st March, 2024</u>	As at <u>1st April, 2023</u>
Advance From Customers	9.69	103.50	129.53
Statutory Dues	172.42	32	8
Other payables	0.03	-	0
Total Other Current Liabilities - As Per Balance Sheet	182.14	135.24	137.86

Note - "16"

Provisions

	(Amount in ₹ in lakhs)		
	As at <u>31st March, 2025</u>	As at <u>31st March, 2024</u>	As at <u>1st April, 2023</u>
Provision for Employee Benefits	12.41	20.59	20.50
Other Provision	6.64	4.27	5.51
Total Provisions -As Per Balance Sheet	19.05	24.86	26.02

Note - "17"**Revenue From Operations**

	(Amount in ₹ in lakhs)	
	Year Ended 31st March, 2025	Year Ended 31st March, 2024
<i>(a) Sale of Products</i>		
(i) Manufactured goods	10,391.48	8,256.28
<i>(b) Other operating revenue</i>		
(i) Other	5.10	-
Total Revenue From Operations - As Per Statement of Profit & Loss	10,396.58	8,256.28

Details of sale of products:

Particulars	2024-25	2023-24
<i>Manufactured Goods</i>		
Tablet	6,670.12	5,044.92
Syrup	951.58	1,591.58
Ointment	803.26	203.25
ORS	1,036.71	786.71
Suspension	929.81	629.81
Total	10,391.48	8,256.28

Note - "18"**Other Income**

	(Amount in ₹ in lakhs)	
	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Interest income	258.44	22.91
Dividend Income	0.71	-
Other Miscellaneous Income	165.24	-
Total Other Income - As Per Statement of Profit & Loss	424.38	22.91

* Includes fair value gain / (loss) as at 31st March, 2025 amounting to INR 1,63,54,007.26

Note - "19"**Cost of Materials Consumed**

	(Amount in ₹ in lakhs)	
	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Opening Stock	1,605.37	1,113.26
Purchases	8,440.40	5,721.08
Less : Closing Stock	1,718.12	1,605.38
Total Cost of Materials Consumed - As Per Statement of Profit & Loss	8,327.65	5,228.96

Note - "20"

Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress

	(Amount in ₹ in lakhs)	
	Year Ended 31st March, 2025	Year Ended 31st March, 2024
<i>Opening inventories</i>		
Finished goods	6.90	2.46
	6.90	2.46
<i>Closing inventories</i>		
Finished goods	318.71	6.90
Work-in-Progress	100.00	-
	418.71	6.90
Total Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress - As Per Statement of Profit & Loss	(411.81)	(4.44)

Note - "21"

Manufacturing and Operating Costs

	(Amount in ₹ in lakhs)	
	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Consumption of Analytical Spares	24.42	24.10
Power and fuel	53.77	74.84
Repairs to machinery	4.51	5.60
Other Manufacturing and Operating expenses	59.27	43.77
Total Manufacturing and Operating Costs - As Per Statement of Profit & Loss	141.97	148.32

Note - "22"

Employee Benefits Expense

	(Amount in ₹ in lakhs)	
	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Salaries and wages	397.01	435.50
Contribution to provident funds and other funds	29.97	11.27
Workmen and Staff welfare expenses	0.74	1.52
Total Employee Benefits Expense - As Per Statement of Profit & Loss	427.71	448.30

Note - "23"**Finance Costs**

	(Amount in ₹ in lakhs)	
	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Interest expense on Term Loans	84.26	54
Interest expense - others	0.04	18
Other borrowing costs	6.25	5.26
Total Finance Costs - As Per Statement of Profit & Loss	90.55	77.92

Note - "24"**Depreciation and Amortization Expense**

	(Amount in ₹ in lakhs)	
	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Depreciation on Property, Plant and Equipment	63.60	56.78
Total Depreciation and Amortization Expense - As Per Statement of Profit & Loss	63.60	56.78

Note - "25"**Other Expenses**

	(Amount in ₹ in lakhs)	
	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Rent	0.60	0.25
Insurance	7.08	18.46
Repairs and Maintenance Others	6.99	4.57
Rates and Taxes	0.87	7.34
Advertisement Expenses	3.86	0.82
Freight & Forwarding, etc	1.08	359.28
Legal and Professional Expenses	27.83	30.22
Travelling and Conveyance	6.32	6.76
Printing & Stationery Exp	2.54	2.80
Communication Exp.	0.82	0.79
Sales Promotion expenses	0.56	0.95
Directors Sitting Fees	1.20	-
Expenditure incurred for Corporate Social Responsibility (Refer Note 42)	18.14	17.15
Contribution to Charitable Funds	0.25	-
Sundry Balance Written Off	0.75	-
Miscellaneous Expenses - As Per Statement of Profit & Loss	233.97	429.39
Total Other Expenses - As Per Statement of Profit & Loss	312.87	878.77

Legal and Professional expenses include:

	(Amount in ₹ in lakhs)	
	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Auditors' remuneration and expenses	3.00	2.00
Total	3.00	2.00

Note - "26"

Income Tax Expenses

	Year Ended 31st March, 2025	Year Ended 31st March, 2024	(Amount in ₹ in lakhs)
Tax expense recognized in the Statement of Profit and Loss			
Current tax	439.00	420.67	
Prior Years Taxes	18.18	-	
 Total Current Tax expense	457.18	420.67	
Deferred tax			
Deferred tax charge/(credit)	(54.60)	(14.54)	
Prior Years Taxes	-	-	
Tax in respect of earlier years	-	-	
 Total income tax expense/(Income) - As Per Statement of Profit & Loss	(54.60)	(14.54)	

A. Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

	Year Ended 31st March, 2025	Year Ended 31st March, 2024	(Amount in ₹ in lakhs)
Reconciliation of effective tax rate			
Profit before tax	1,868	1,445	
Enacted income tax rate in India applicable to the Company	26.00%	26.00%	
Tax amount at the enacted income tax rate	485.79	375.59	
Add / (deduct) impact of -			
Expenses not allowable for tax purposes			
Others	(62.58)	18.78	
Total income tax expense	457	421	

The effective tax rate is 26%

B) The movement in deferred tax assets and liabilities during the year ended March 31, 2024 and March 31, 2025:

	As at 1st April, 2023 - Deferred Tax Asset / (Liabilities)	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) directly in other equity	As at 31st March, 2024 - Deferred Tax Asset/ (Liabilities)	Credit/ (charge) in Statement of Profit and Loss	As at 31st March, 2025 - Deferred Tax Asset/ (Liabilities)	(Amount in ₹ in lakhs)
Depreciation	62.01	14.54		76.54	17.28	93.82	
Expenses allowed in the year of payment	-	-	-	-	-	(8.18)	
Others	-		-	-		45.50	
Total	62.01	14.54		76.54	17.28	131.14	

Significant Estimates : Based on the approved plans and budgets, the company has estimated that the future taxable income will be sufficient to absorb carried forward unabsorbed depreciation, which management believes is probable, accordingly the company has recognized deferred tax asset on aforesaid losses.

Note - "27"

Assets Pledged as Security

The carrying amounts of assets Pledged as security for current and non-current borrowings are:

	As at 31st March, 2025	As at 31st March, 2024	(Amount in ₹ in lakhs)
Current Assets			
<i>Non Financial Assets</i>			
Floating Charge			
Inventories	2,136.83	1,612.28	
Total Current assets Pledged as security	2,136.83	1,612.28	
 Non Current Assets			
First Charge			
Land	10.43	10.43	
Building	604.35	627.46	
Total non-current assets Pledged as security	614.78	637.89	
 Total assets Pledged as security - As Per Statement of Profit & Loss	2,751.61	2,250.17	

Note - "28"

Contingent Liabilities And Capital Commitment (To The Extent Not Provided For)

i) Contingent Liabilities

Particulars	(Amount in ₹ in lakhs)		
	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
(a) Claims against the Company not acknowledged as debts in respect of past disputed liabilities			
(i) Disputed Income Tax Dues	47.59	Nil	Nil

ii) Capital Commitment

Particulars	(Amount in ₹ in lakhs)		
	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances of ₹ 275 Lacs (31 March, 2024 : Nil) (1st April 2023 : Nil) (refer note 34)	46.20	Nil	Nil

Note - "29"

Segment Reporting

As the Company operates in the single segment of drugs and chemicals which is the primary reportable segment as per Accounting Standard Ind As 108 on 'Operating Segment', no separate disclosure pertaining to the same has been given.

		Ownership interest			
		As at 31st March, 2025	As at 31st March, 2024	As at 31st March, 2023	
1. Relationships :					
a) Executive Directors					
Anil Kumar Sabarwal	Managing Director	62.29%	48.32%	94.25%	
Tejaswini Sabarwal	Whole-Time Director	2.55%	1.93%	3.78%	
Vinayak Sabarwal	Whole-Time Director	1.37%	1.01%	NA	
Umeshra Singh	Whole-Time Director	NA	NA	NA	
b) Relatives of Executive Directors with whom transactions have taken place					
Sakshi Sabarwal Duggal	Daughter of Managing Director	NA	NA	NA	
c) Entities controlled by Executive directors and their relatives					
QAS Analytical Services Pvt. Ltd.	Firm of Son of Managing Director	NA	NA	NA	
d) Non executive directors and enterprises over which they are able to exercise significant influence (with whom transactions have taken place)					
Gautam Chand Kothari	Independent Director	NA	NA	NA	
Amit Ramesh Chandak	Independent Director	NA	NA	NA	
Basant Lal Menghwani	Independent Director	NA	NA	NA	
e) Key Managerial Persons					
Ramkrishna Sharma	CFO	NA	NA	NA	

2. Transactions carried out with related parties referred in 1 above, in ordinary course of business:

Nature of transactions	Referred in 1(a) above	Referred in 1(b) above	Related Parties	(Amount in ₹ in lakhs)	
			Referred in 1(c) above	Referred in 1(d) above	Referred in 1(e) above
<i>Purchases</i>					
Analytical Expenses	NIL (NIL)	NIL (NIL)	11.17 (NIL)	NIL (NIL)	NIL (NIL)
<i>Expenses</i>					
Employee benefits expenses	139.80 (108.00)	21.00 (18.00)	NIL (NIL)	NIL (NIL)	12.00 (9.00)
<i>Directors' Sitting Fees</i>	NIL (NIL)	NIL (NIL)	NIL (NIL)	1.20 (NIL)	NIL (NIL)

Previous years figures are in ()

(Amount in ₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2025	As at 31st March, 2023
Outstandings			
Unsecured Loan			
Executive Directors	NIL	NIL	25.07
End of the year	NIL	NIL	25.07
Payable to Trade Payables & Other Liabilities			
Executive Directors	0.40	4.95	NIL
Relatives of Executive Directors	6.06	4.02	NIL
Non Executive Directors	1.08	NIL	NIL
Key Managerial Persons	0.74	0.70	NIL
End of the year	8.28	9.67	NIL
Receivables (Advances to Suppliers & Other Current Assets)			
Executive Directors	NIL	1.30	NIL
Entity is controlled by Executive directors and their relatives	19.34	1.53	NIL
End of the year	19.34	2.83	NIL

3. Disclosure in respect of material transactions with related parties during the year. (included in 2 above),

	2024-25	2023-24
Analytical Expenses		
QAS Analytical Services Pvt. Ltd.	11.17	NIL
Employee benefits expenses		
Anil Kumar Sabarwal	72.00	60.00
Tejaswini Sabarwal	30.00	24.00
Vineyak Sabarwal	30.00	18.00
Sakshi Sabarwal Duggal	21.00	18.00
Director Sitting Fees		
Gautam Chand Kothari	0.40	NIL
Amit Ramesh Chandak	0.40	NIL
Basant Lal Menghwani	0.40	NIL

Note - "31"
Managerial Remuneration

	2024-25	2023-24
a) Managerial Remuneration	172.80	135.00
Total	172.80	135.00

Note"32"

Other statutory information

- a. The Company do not have any Benami property, where any proceeding has been initiated or pending against them for holding any Benami property.
- b. The Company do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- c. The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- d. The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- e. The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- f. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- g. The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
- h. The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- i. There were no transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 as of and for the year ended 31st March, 2025.
- j. The Company has not invested in any entity with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries).
- k. The Company has not advanced or loaned funds to any other person(s) or entity(ies), including foreign entities (Intermediaries).

Financial Instrument by category and hierarchy

The fair values of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

3. The fair values for loans and investment in preference shares were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

4. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Assets and Liabilities as at 31st March, 2025	Routed through Profit and Loss						Routed through OCI			Carried at Amortised Cost			
	Non-Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2
Financial Assets													
<i>Investments</i>													
- Equity instruments		171.16	171.16				171.16						
- Debentures	291.59	-	291.59				291.59						
- Fixed Deposits	4,751.36	-	4,751.36										4,751.36
<i>Other Assets</i>													
- Loan to Employees	-	0.88	0.88										0.88
- Security Deposit	-	107.91	107.91										-
- Trade Receivable	-	1,995.93	1,995.93										1,995.93
- Cash and Cash Equivalents	-	11.29	11.29										11.29
- Other Financial Assets	-	71.90	71.90										71.90
	5,042.96	2,359.07	7,402.02	462.76			462.76			107.91			6,831.36
Financial Liabilities													
<i>Borrowings</i>													
-	135.68	2,890.10	3,025.78										3,025.78
- Trade Payables	-	572.88	572.88										572.88
- Other Current Financial Liabilities	-	25.25	25.25										25.25
	135.68	3,488.22	3,623.90	-			-			-			3,623.90

Financial Assets and Liabilities as at 31st March, 2024									(Amount in ₹ in lakhs)						
			Routed through Profit and Loss			Routed through OCI			Carried at Amortised Cost						
	Non-Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets															
<i>Investments</i>															
- Equity instruments	-	8,75	8,75	-			8,75	-	-	-	-	-	-	-	
- Fixed Deposits	-	666,82	666,82	-			-	-	-	-	-	666,82	666,82		
<i>Other Assets</i>															
- Loan to Employees	-	1,04	1,04	-			-	-	-	-	-	-	1,04	1,04	
- Security Deposit	-	68,86	68,86	-			-	68,86	-	68,86	-	-	-	-	
- Inter Corporate Deposit	-	6,85	6,85	-			-	-	-	-	-	6,85	6,85		
- Other Financial Assets	-	1,30	1,30	-			-	-	-	-	-	-	1,30	1,30	
- Trade Receivable	-	2,444,34	2,444,34	-			-	-	-	-	-	2,444,34	2,444,34		
- Cash and Cash Equivalents	-	14,44	14,44	-			-	-	-	-	-	14,44	14,44		
			3,212,41		8,75		8,75		68,86		68,86		3,134,80		
Financial Liabilities															
<i>Borrowings</i>															
Borrowings	89,92	41,857	508,48	-	-	-	-	-	-	-	-	508,48	508,48		
Trade Payables	-	2,062,55	2,062,55	-			-	-	-	-	-	2,062,55	2,062,55		
Other Current Financial Liabilities	-	41,79	41,79	-			-	-	-	-	-	41,79	41,79		
		89,92	2,522,91		2,612,83		-		-		-		2,612,83	2,612,83	
Financial Assets and Liabilities as at 31st March, 2023															
	Non-Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets															
<i>Investments</i>															
- Equity instruments	-	8,75	8,75	-			8,75	-	-	-	-	-	-	-	
- Fixed Deposits	-	244,51	244,51	-			-	-	-	-	-	244,51	244,51		
<i>Other Assets</i>															
- Loan to Employees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- Security Deposit	-	59,32	59,32	-			-	59,32	-	-	-	-	-	-	
- Trade Receivable	-	2,123,33	2,123,33	-			-	-	-	-	-	2,123,33	2,123,33		
- Cash and Cash Equivalents	-	12,11	12,11	-			-	-	-	-	-	12,11	12,11		
			2,448,02		8,75		8,75		59,32		59,32		2,379,95		
Financial Liabilities															
<i>Borrowings</i>															
Borrowings	123,85	286,44	410,29	-	-	-	-	-	-	-	-	410,29	410,29		
Trade Payables	-	2,489,49	2,489,49	-			-	-	-	-	-	2,489,49	2,489,49		
Other Current Financial Liabilities	-	38,79	38,79	-			-	-	-	-	-	38,79	38,79		
		123,85	2,814,72		2,938,57		-		-		-		2,938,57	2,938,57	

Note - "34"**Financial Risk Management***Financial risk management objectives and policies*

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk by evaluating and exercising independent control over the entire process of market risk management. The recommend risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

*(a) (iii) Market Risk- Price Risk**(a) Exposure*

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet either at fair value through OCI or at fair value through profit and loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

(b) Sensitivity

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Impact on Profit before tax	(Amount in ₹ in lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
BSE Sensex 30- Increase 5%	23.14	0.44
BSE Sensex 30- Decrease 5%	(23.14)	(0.44)

Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

		As at 31st March, 2025	As at 31st March, 2024	As at 31st March, 2023
Expiring within one year (bank overdraft and other facilities)		2,890.10	418.57	286.44
Expiring beyond one year (bank overdraft)		136	89.92	123.85

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

(ii) Maturity patterns of borrowings

(Amount in ₹ in lakhs)

	As at 31st March, 2025			
	0-1 years	1-5 years	Beyond 5 years	Total
Long term borrowings	41.69	135.68	-	177.37
Short term borrowings	2,848.41	-	-	2,848.41
Total	2,890.10	135.68	-	3,025.78

(Amount in ₹ in lakhs)

	As at 31st March, 2024			
	0-1 years	1-5 years	Beyond 5 years	Total
Long term borrowings	33.35	90.49	-	123.85
Short term borrowings	385.21	-	-	385.21
Total	418.57	90.49	-	509.06

(Amount in ₹ in lakhs)

	As at 1st April, 2023			
	0-1 years	1-5 years	Beyond 5 years	Total
Long term borrowings	62.62	123.85	-	186.47
Short term borrowings	223.83	-	-	223.83
Total	286.44	123.85	-	410.29

Note - "35"

Capital Risk Management

a) *Risk Management*

The Company aim to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Note - "36"
Earnings Per Share

		Year ended 31st March, 2025	Year ended 31st March, 2024
Earnings Per Share has been computed as under:			
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders		1,356.64	1,009.39
Weighted average number of equity shares outstanding		16,387,200	16,387,200
Earnings Per Share (C) - Basic (Face value of ` 10 per share)		8.28	6.16
Diluted earning per share is same as basic earning per share.			

Note - "37"

Details Of Corporate Social Responsibility (CSR) Expenditure:

		Year ended 31st March, 2025	Year ended 31st March, 2024
(a) Amount required to be spent as per Section 135 of the Act		18.14	-
(b) Amount spent during the year on:		-	-
(i) Construction / acquisition of an asset		-	-
(ii) On purpose other than (i) above		18.14	-
(c) Shortfall at the end of the year [(c) = (a) - (b)]		-	-
(d) Total of Previous Year Shortfall		-	-
(e) Reasons for shortfall		NA	NA

(Amount in ₹ in lakhs)

(Amount in ₹ in lakhs)

Note - "38"
Financial Ratios

Ratio/Measures	Methodology	For the year ended 31st March, 2025	For the year ended 31st March, 2024	Variance Analysis (%)
Current ratio	Current Asset/Current Liabilities	2.88	1.67	72.75%
Debt Equity Ratio	Total Debt/ Shareholders' Equity	0.37	0.18	108.54%
Debt Services coverage Ratio	Annual Net Operating income(EBIDT)/ Total Debt	0.69	15.77	-95.63%
Return on Equity Ratio	EAT-Preference dividend/Average Shareholders Fund	0.25	0.46	-46.75%
Inventory Turnover Ratio	Sales/Average Inventory	5.55	6.05	-8.37%
Trade Receivable Turnover Ratio	Credit Sales/ Average Receivable	3.82	3.62	5.59%
Trade Payable Turnover Ratio	Net credit Purchase/Account payable	6.41	2.51	154.82%
Net Capital Turnover ratio	Revenue or sales/ share capital	6.34	6.92	-8.27%
Net Profit Ratio	Net Profit / Turnover	0.13	0.12	6.73%
Return on Capital Employed	EBIT/Capital Employed	0.24	0.51	-53.47%
Return on Investment	Return or Profit or earning/share capital	0.83	0.85	-2.09%

Explanation for Variances exceeding 25%.

- (i) **Current Ratio:** Increase in Current ratio due to increase in Current Investments in the form of Fixed deposits during the year.
- (ii) **Debt Equity Ratio:** Increase in Debt Equity ratio is due to increase in Short Term Borrowings from Bank during the year.
- (iii) **Return on Equity Ratio:** Decrease in return on Equity Ratio is due to increase in Share capital arising due to Initial Public Offer during the year.
- (iv) **Trade Payable Ratio:** Increase in the ratio is due to increase in Purchase and fall in Trade Payables during the Financial Year.
- (v) **Return on Capital Employed :** Decrease in the ratio due to increase in Share capital arising due to Initial Public Offer during the year.

Note - "39"
Initial Public Offer:

Nature of the fund raised					
	Purpose for which Funds were raised	Total Amount	Amount utilised for the purpose	Unutilised balance as at Balance Sheet date	Invested Amount
Initial Public Offer	Funding of capital expenditure towards purchase of plant and machineries for expansion at the existing manufacturing facility	2,600.00	274.36	2,325.64	2,325.64
Initial Public Offer	Funding Working Capital Requirements of our Company	1,000.00	1000	-	-
Initial Public Offer	General Corporate Purposes	337.99	211.52	126.47	126.47
Initial Public Offer	Issue Related Expenses	378.12	359.11	19.01	19.01

Note - "40"

Significant Accounting Policies & Practices:

Significant accounting policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements as per Annexure- 'A'.

Note - "41"

Previous Years Figures:

Comparative financial information is presented in accordance with the corresponding figure reporting framework set out in standards on Auditing 710 on "Comparatives". Previous year's figures have been regrouped or arranged as wherever appropriate to correspond to figures of the current year.

Note - "42"

The Financial Statements were authorised for issue by the directors on 28th May, 2025

We authenticate the correctness of the above
QUEST LABORATORIES LIMITED
C.I.N. - U24232MP1998PLC012850

As Per Our Report of Even Date Attached
For and on behalf of
C.H. PADLIYA & CO.
Chartered Accountants
Firm Registration No.: 003151C

ANU KUMAR SABARWAL **TEJASWINI SABARWAL** **RAM KRISHNA SHARMA**
Managing Director Director Chief Financial Officer
D.I.N.: 00646133 D.I.N.: 09088283

VIPUL PADLIYA
Partner
Company Secretary
Memb. No.A46821
Membership Number: 409165
UDIN: 25409165BMORDS7732

Place: Indore
Dated: This 28th Day of May, 2025

Annexure A (Annexed to and forming part of the Accounts for the year ended 31stMarch 2025)

SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

A. COMPANY BACKGROUND

Incorporated as Quest Laboratories Private Limited on 01st June 1998 under the Companies Act, 1956 and converted to public limited company on 23rd January 2024 with the name of Quest Laboratories Limited. The Company has been listed on the National Stock Exchange since 23rd May, 2024.

Basis of Preparation of Financial Statements

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules,2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value.
- 2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell.

(iii) Current non-current classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current - noncurrent classification of assets and liabilities.

(iv) Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2. Use of estimates and critical accounting judgements

In the preparation of financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and future periods affected.

Key source of estimation of uncertainty at the date of standalone financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment and intangible assets, valuation of deferred tax assets, provisions, contingent liabilities, and fair value measurements of financial instruments as discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in the respective policies.

3. Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable net of discounts, considering contractually defined terms and excluding taxes and duties collected on behalf of the government.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

Sale of goods

Revenue from sale of goods is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership, no longer retains control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Depending on the contractual terms, risks and rewards of ownership is transferred when the delivery is completed. In case of exports sale delivery is completed on issuance of bill of lading

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate applicable.

Dividend income

Dividend income is recognized at the time when the right to receive is established by the reporting date.

Other operating revenue - Export incentives

Export Incentives under various schemes are recognized on accrual basis.

Other Incomes

Other incomes have been recognized on accrual basis in the financial statements, except when there is uncertainty of collection.

4. Property, plant, and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant, and equipment and to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is derecognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant, and equipment is stated at cost/deemed cost, less accumulated depreciation, and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised.

Capital work-in-progress and intangible assets under development represents expenditure incurred in respect of capital projects / intangible assets under development and are carried at cost. Cost comprises of purchase cost, related acquisition expenses, development / construction costs, borrowing costs and other direct expenditure.

Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset. The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item and is recognised in the statement of profit and loss.

5. Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a Written Down Value basis. Land is not depreciated.

Property, plant and equipment's residual values and useful lives are reviewed at each balance sheet date and changes, if any, are treated as changes in accounting estimate.

- a. Fixed asset is depreciated on a written down value basis over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act 2013.
- b. Depreciation for assets purchased or sold during the period is charged to revenue pro-rata to the period of their use.

6. Inventories

Finished goods (including for trade), work in process and raw materials are stated at 'Cost or Net Realizable Value, whichever is lower'. Cost of Inventories comprises cost of purchases and other costs incurred in bringing the inventories to their present location and condition. 'First In First Out' cost formula is used for determination of cost of inventories.

7. Foreign Currency Transactions

(i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss. Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

8. Employee Benefit

a. Post employment and other long term employee benefits are recognised as expense in the Statement of profit and loss for the year in which the employee has rendered services. The expense is recognised at the value of the amounts payable determined using actuarial valuation techniques as certified by the Actuary. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

b. Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

9. Borrowing Cost

Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds and include exchange differences to the extent regarded as an adjustment to the same. Borrowing costs directly attributable to the acquisition and/ or construction of a qualifying asset are capitalized during the period that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period to get ready for its intended use. All other borrowing costs are charged to the Standalone Statement of Profit and Loss as incurred.

10. Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities. The dividend on these preference shares is recognised in Statement of Profit and Loss as finance costs.

11. Provisions & Contingent liabilities and assets

- a. Provisions are recognized only when there is a present obligation, because of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.
- b. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from the past events where it is probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made.
- c. Contingent assets are neither recognized nor disclosed except when realization of income is virtually certain, related asset is disclosed.

12. Taxation

Tax expense recognized in Standalone Statement of Profit and Loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Minimum Alternate Tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Standalone Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statement and the corresponding tax bases used in computation of taxable profit under Income Tax Act, 1961.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside Standalone Statement of Profit and Loss is recognized outside Standalone Statement of Profit and Loss (either in other comprehensive income or in equity).

13. Financial Instruments

i) Financial Assets

A. Initial Recognition and Measurement

All Financial Assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

B. Subsequent measurement

a) Financial Assets measured at Amortised Cost(AC)

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL.

C. Investments in subsidiaries, associates, and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost/deemed cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognized, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognized in the statement of profit and loss.

D. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

E. Impairment of Financial Assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ii) Financial Liabilities

A. Initial Recognition and Measurement

All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

B. Subsequent Measurement

Financial Liabilities are carried at amortized cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) Derecognition of Financial Instruments

The Company derecognizes a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset, and the transfer qualifies for derecognition under Ind AS 109. A Financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

iv) Offsetting

Financial Assets and Financial Liabilities are offset, and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

14. Earnings Per Share

Basic earnings per share have been computed by dividing profit or loss for the year by the weighted average number of shares outstanding during the year. Partly paid-up shares are included as fully paid equivalents according to the fraction paid up.

Diluted earnings per share have been computed using the weighted average number of shares and dilutive potential shares except where the result would be anti-dilutive.

15. Government Grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight-line basis over the expected lives of related assets and presented within other income.

16. Leases

For any new contracts entered on or after 1 April 2019, (the transition approach has been explained and disclosed in Note 31) the Company considers whether a contract is or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration’.

Classification of leases

The Company enters leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee’s option to extend/purchase etc.

Recognition and initial measurement

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company’s incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. After initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in standalone statement of profit and loss on a straight-line basis over the lease term.

17. Recent Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules, 2015 (as amended). For the year ended 31 March 2025, MCA has notified amendments to Ind AS 116 “Leases”, relating to sale and leaseback transactions, which is applicable w.e.f. 01 April 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it is not likely to have any impact in its standalone financial statements.

B. New standards and amendments issued but not effective -

New standards and amendments issued but not effective – On 7 May 2025, MCA notifies the amendments to Ind AS 21 “Effects of Changes in Foreign Exchange Rates”. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The

amendments are effective for annual periods beginning on or after 1 April 2025. The Company is currently assessing the probable impact of these amendments on its standalone financial statements.

C. Critical estimates and judgements -

The preparation of financial statements requires the use of accounting estimates which will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgement are:

- i. Estimation of current tax expenses and Payable and Recognition of deferred tax assets for carried forward tax losses

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions (refer note 28). The extent to which deferred tax assets/minimum alternate tax credit can be recognized is based on management's assessment of the probability of the future taxable income against which the deferred tax assets/minimum alternate tax credit can be utilized.

- ii. Probable outcome of matters included under Contingent Liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, (refer note 30). By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments by management and the use of estimates regarding the outcome of future events.

- iii. Recoverability of advances / receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

- iv. Classification of leases

The Company enters leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the Commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.\

- v. Inventories

The Company estimates the net realizable values of inventories, considering the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future demand or other market-driven changes that may reduce future selling prices.

- vi. Provisions

At each balance sheet date basis, the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.