

J MADAN & ASSOCIATES

CHARTERED ACCOUNTANTS



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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

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

Basis for Opinion

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



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

The Company's management and board of directors are responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance of the Company, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act.

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

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

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

Auditor's Responsibility for the Audit of Financial Statements

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

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

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



also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in audit of the Financial Statements of current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extreme rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. We have determined that there no key audit matters for the year.

Report On other Legal & Regulatory Requirements

As required by the Companies (Auditor's Report) Order 2020 ("the Order"), issued by the Central Government of India in terms of sub section(11) of section 143 of the Act and on the basis of such checks of the books and records of the company, as we considered appropriate and according to the information



& explanation given to us, we give in the **Annexure “A”**, a statement on the matters specified in Paragraph 3 and 4 of the order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) Proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) The aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to adequacy of the internal financials control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses for which provision was required to be made under the applicable law or accounting standard.
 - (iii) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company
 - (iv) a) Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kinds of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



- b) Management has represented to us that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on our audit procedure conducted that have been considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2)(g)(iv)(a) and (b) contain any material misstatement.
- (v) The Company has not declared or paid any dividend during the period.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using such accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is also applicable. However, Company is not complying with all the requirements mentioned under respective rules.

For J Madan & Associates
Chartered Accountants
FRN: 025913N

Naveen Kumar

Naveen Kumar
Partner
M. NO. 536759
UDIN: 24536759BKCKPS6212
Place: New Delhi
Date: 29/05/2024



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

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

- (i) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
 - (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
B. The Company does not have intangible assets. Hence, Clause(i)(a)(B) is not applicable.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets once every three years, in a phased manner, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that, the company does not own any immovable properties. Hence, clause (i)(c) is not applicable.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment or Intangible assets during the year.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) According to the information and explanations given to us and on the basis of our examination of records of the company, it is involved in the service industry, and accordingly it doesn’t have any inventory. Hence, clause (ii)(a) is not applicable
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis security of current assets. Accordingly, clause (ii)(b) is not applicable.



- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties. during the year. Hence, clause (iii) and its sub clauses are not applicable.
- (iv) According to the information and explanation given to us and on the basis of the examination of the records of the company, there are no loans, investments, guarantees, and securities, and accordingly, sections 185 and 186 of the Companies Act, 2013 is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits from the public. Hence, reporting under clause (v) is not applicable.
- (vi) According to the information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Accordingly, reporting under clause (vi) is not applicable to the Company.
- (vii) In respect of statutory dues:
- (a) The Company does not have liability with respect to GST, sales tax, service tax, duty of customs, duty of excise, value added tax and cess during the year. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax and other material statutory dues applicable to it with the appropriate authorities and therefore there are no statutory dues outstanding as on the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no such statutory dues referred to in sub clause (a) which have not been deposited by the Company on account of any disputes.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any default in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.



- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared willful defaulter by any bank or financial institution or any other lender.
- (c) During the year, company has obtained term loans, which have been applied for the purpose for which they were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds are used for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013.
- (f) According to the information and explanations given to us and procedures performed by us, we report that, the Company has not raised any loans during the year on the pledge of securities held in their subsidiaries as defined under the Companies Act 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, during the year, the moneys raised by way of initial public offer were applied for the purposes for which those are raised during the year. The company has not raised any money by way of further public offer (including debt instruments).
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully partially or optionally convertible).
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that, no fraud by the Company or on the Company has been noticed or reported during the course of the audit
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) The Company has no policy regarding the whistle blower complaints; hence this clause is not applicable.



- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.
b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a) and (b) of the Order is not applicable.
(c) In our opinion and according to the information and explanations provided to us during the course of audit, the company is not a core investment company (CIC) as defined in the regulations made by the Reserve Bank of India, and accordingly reporting under clause (xvi)(c) and (d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year and accordingly reporting under clause (xvii) of the Order is not applicable.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We



further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, sections 135 and 136 of the Companies act, 2013 is not applicable on the company and accordingly, clause (xx)(a) and (b) of the Order are not applicable.

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

For J Madan & Associates
Chartered Accountants
FRN: 025913N

Naveen Kumar



Naveen Kumar
Partner
M. NO. 536759
UDIN: 24536759BKCKPS6212
Place: New Delhi
Date: 29/05/2024

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

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

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

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on



Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For J Madan & Associates
Chartered Accountants
FRN: 025913N

Navleen Kumar

Navleen Kumar
Partner
M. NO. 536759
UDIN: 24536759BKCKPS6212
Place: New Delhi
Date: 29/05/2024



Financial Statements
Qualitek Labs Limited
March 31, 2024

QUALITEK LABS LIMITED
(Formerly "Qualitek Labs Private Limited")
Balance Sheet as at March 31, 2024

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

Summary of significant accounting policies

2

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

As per our report of even date

For J Madan & Associates

Chartered Accountants

FRN No.: 025913N

Naveen Kumar

Partner

M. No.: 536759

UDIN: 24536759BKCKPS6212

For and on behalf of the Board of Directors of

Qualitek Labs Limited

Antaryami Nayak

Managing Director

DIN - 07232463

Ashima Bhatnagar

Company Secretary

M. No.: A25655

Kamal Grover

Whole time Director

DIN - 07429267

Navneet Gupta

CFO

PAN: ANNPG5364K

Place: New Delhi
Date: May 29, 2024

Place: New Delhi
Date: May 29, 2024

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

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

Summary of significant accounting policies

2

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

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


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



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


Antaryami Nayak
Managing Director
DIN - 07232463


Ashima Bhatnagar
Company Secretary
M. No.: A25655




Kamal Grover
Whole time Director
DIN - 07429267


Navneet Gupta
CFO
PAN: ANNPG5364K

Place: New Delhi
Date: May 29, 2024

Place: New Delhi
Date: May 29, 2024

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

Particulars	Amounts in Rs. (Lakh)	
	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
I. Cash Flows From Operating Activities:		
Net Profit before Tax	582.43	393.89
Add: Depreciation	139.80	84.44
Add: Finance Charges	90.92	69.29
Less: Abatual Income	(0.10)	(0.02)
Less: Liabilities Written-back	(0.73)	(15.59)
Add: Bad Debts	3.40	0.46
Add: Sundry Balances Written-off	1.69	8.35
Add: Prior Period Expenditure	-	3.33
Add: Provision for Gratuity and Leave encashment	24.75	5.52
Operating Profit before Working Capital Changes	842.16	549.67
Changes in Working Capital:		
(Increase)/Decrease in Trade Receivables	(206.23)	(363.74)
(Increase)/Decrease in Other Assets	(9.85)	81.42
(Increase)/Decrease in Loans and Advances	31.70	239.53
Increase/(Decrease) in Trade Payables	(129.54)	217.09
Increase/(Decrease) in Other Current Liabilities	43.47	94.47
Increase/(Decrease) in Provisions	-	0.26
Increase/(Decrease) in Security Deposits	(35.00)	(37.91)
	536.71	780.78
Less: Income Tax Paid/(Refunded)	17.32	54.18
Net Cash From Operating Activities	A 519.39	726.60
II. Cash Flows From Investing Activities:		
Purchase Of Property, Plants & Equipments	(132.66)	(246.98)
Acquisition under CWIP	(867.01)	(1485.20)
Sale/(Purchase) of Investments	-	0.70
(Increase)/Decrease in Non-Current Fixed Deposits	(127.18)	(9.10)
Net Cash Used in Investing Activities	B (1126.85)	(1740.57)
III. Cash Flow From Financing Activities:		
Issue of Share Capital	196.44	31.25
Proceeds from Securities Premium	1628.12	468.75
Increase/(Decrease) in Long Term Borrowing	(17.03)	1013.81
Increase/(Decrease) in Short Term Borrowings	(1102.88)	(397.82)
Finance Charges	(90.92)	(69.29)
Net Cash From Financing Activities	C 116.73	1046.70
IV. Net Increase in Cash and Cash Equivalents	A+B+C 6.26	32.73
V. Add: Cash & Cash Equivalents at the beginning of the year	34.59	1.86
VI. Cash & Cash Equivalents as at the end of the year	40.85	34.59



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

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

Note:

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

Summary of significant accounting policies

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

As per our report of even date

For J Madan & Associates

Chartered Accountants

Naveen Kumar

Partner

M. No.: 536759

FRN No.: 025913N

UDIN: 24536759BKCKPS6212

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

Antaryami Nayak

Managing Director

DIN - 07232463

Ashima Bhatnagar

Company Secretary

M. No.: A25055

Kamal Grover

Whole time Director

DIN - 07429267

Navneet Gupta

(CEO)

PAN: ANNRG5364K

Place: New Delhi

Date: May 29, 2024

Place: New Delhi

Date: May 29, 2024

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

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

1 Company overview

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

2 Basis of preparation

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

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

2.1 Use of estimates

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

2.2 Significant accounting policies

A. Revenue recognition

(i) Sale of services:

1. Revenue from the services is recognised if the consideration can be reliably determinable and no significant uncertainty exists regarding the collection of the consideration.

2. Revenue is exclusive of GST and net of trade discounts and quantity discount, if any.

The primary source of revenue of the company is from services which includes services rendered as testing, inspection and certification.

3. Revenue is recognised on completed service contract method since the pattern of performance is depicted by the fact that each test is chargeable only when the test is complete. The time between the initiation of the test and reporting is low and accordingly the services are completed within a small period of time.

(ii) Interest and Other income:

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

B. Property, plant and equipment

1. Property, plant and equipment are stated at cost of acquisition or construction, net of recoverable taxes (wherever applicable) less accumulated depreciation and/or accumulated impairment losses, if any. Cost comprises the purchase price including import duties and other non-refundable taxes or levies and any directly attributable costs of bringing the PPE to its working condition and the location necessary for it to be capable of operating in the manner intended by management.

2. The cost of an item of PPE and any subsequent expenditure is recognised if it is probable that the future economic benefits associated to the item will flow to the enterprise and the cost of an item can be measured reliably.

4. All other expenses including day to day repairs and maintenance and cost of replacing parts are charges to the statement of profit and loss account for the year during which the expenses are incurred.

3. The company follows the cost model.

5. Item of PPE retired from active use on disposal or when no future economic benefits are expected from its use or disposal are derecognised. The gain or loss arising from derecognition is included in the statement of profit and loss account when the item is derecognised.

6. PPE under construction and cost of assets not ready for use before the end of financial year are disclosed as capital work-in-progress.

C. Intangible assets

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



QUALITEK LABS LIMITED

(Formerly "Qualitek Labs Private Limited")

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

D. Depreciation and amortisation

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

The Comparison of useful lives is as follows:

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

E. Impairment of assets

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

F. Lease/Rent Expense

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

G. Employee benefits

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

(i) Provident fund

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

(ii) Retirement Benefits

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

(iii) Other short-term benefits

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

H. Investments

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

I. Taxe

Tax expenses comprises of current tax and deferred tax.

(i) Current tax

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



QUALITEK LABS LIMITED

(Formerly "Qualitek Labs Private Limited")

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

(ii) Deferred tax

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

J. Earnings per share

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

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

K. Foreign currency transactions

(i) Initial recognition

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

(ii) Restatement

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

(iii) Exchange differences

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

L. Contingent liabilities and provisions

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

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

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

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

M. Cash and cash equivalents

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

N. Borrowing Costs

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



QUALITEK LABS LIMITED

(Formerly "Qualitek Labs Private Limited")

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

Figures in Lakh

3 Share Capital**Authorised**

Equity Shares of Face Value of Rs. 10/- each

Issued, Subscribed and Paid-up

Equity Shares of Face Value of Rs. 10/- each, fully paid up

As at March 31, 2024		As at March 31, 2023	
In Nos.	Amount	In Nos.	Amount
100.00	1000.00	100.00	1000.00
73.72	737.19	54.08	540.75
73.72	737.19	54.08	540.75

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the year**Equity Shares:-**

At the beginning of the year

Add: Issued during the year for consideration in cash

Add: Bonus shares issued during the year

Balance at the end of the year

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

b. Rights, preferences and restrictions attached to shares

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

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

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

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

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

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

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

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

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QUALITEK LABS LIMITED

(Formerly "Qualitek Labs Private Limited")

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

Figures in Lakh

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

S.No.	Promoter Name	As at March 31, 2024			As at March 31, 2023		
		In Nos.	In %	% Change in Shareholding	In Nos.	In %	% Change in Shareholding
1	TIC SERVICES PVT. LTD.						
	At the beginning of the period	54.07	99.99%	0.00%	4.60	99.99%	-
	Add: Issued during the year for consideration in cash	-	-	-	3.11	-	-
	Add: Bonus shares issued during the year	-	-	-	46.35	-	-
	At the end of the period	54.07	73.35%	26.64%	54.07	99.99%	-
2	Alok Kumar Agarwal						
	At the beginning of the period	1	0.01%	0.00%	1	0.01%	-
	Add: Issued during the year for consideration in cash	-	-	-	-	-	-
	Add: Bonus shares issued during the year	-	-	-	-	-	-
	At the end of the period	1	0.00001%	99.86%	1	0.01%	-
3	Antaryami Nayak						
	At the beginning of the period	1	0.00%	-	-	-	-
	Add: Issued during the year for consideration in cash	-	-	-	-	-	-
	Add: Bonus shares issued during the year	-	-	-	-	-	-
	At the end of the period	1	0.00001%	0.00%	0	-	-
4	Kamal Grover						
	At the beginning of the period	1	0.00%	-	0	-	-
	Add: Issued during the year for consideration in cash	-	-	-	-	-	-
	Add: Bonus shares issued during the year	-	-	-	-	-	-
	At the end of the period	1	0.00001%	0.00%	0	-	-
		54.08	73.35%		54.08	100%	-

4 Reserves and Surplus
Securities Premium

	As at March 31, 2024	As at March 31, 2023
Opening Balance	59.25	54.00
Add: Received during the year	1767.96	468.75
Less: Expenses related to public issue of shares	(139.84)	-
Less: Issue of fully paid-up bonus shares	-	(463.50)
Closing Balance	1687.37	59.25

Surplus in the Statement of Profit & Loss

	As at March 31, 2024	As at March 31, 2023
Opening Balance	389.61	95.18
Net Profit for the year	430.73	294.43
Closing Balance	820.34	389.61

Total Reserves and Surplus

	As at March 31, 2024	As at March 31, 2023
	2507.71	448.86

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QUALITEK LABS LIMITED

(Formerly "Qualitek Labs Private Limited")

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

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

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

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

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

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

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



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

QUALITEK LABS LIMITED

(Formerly "Qualitek Labs Private Limited")

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

Amounts in Rs. (Lakh)

9 Trade Payables

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

As at March 31, 2024

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

As at March 31, 2023

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

10 Other Current Liabilities

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

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QUALITEK LABS LIMITED

(Formerly "Qualitek Labs Private Limited")

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

Amounts in Rs. (Lakh)

11 Property, Plant and Equipments

Particular	Gross Block								
	Opening Balance as on April 01, 2022	Additions during the year	Capitalized during the year	Sale/ disposal during the year	Opening Balance as on April 01, 2023	Additions during the year	Capitalized during the year	Sale/ disposal during the year	Closing Balance as on 31st March 2024
Lease Hold Improvements	-	-	-	-	0.00	790.52	-	-	790.52
Plant and Machinery	779.40	170.14	199.80	-	1149.33	874.82	-	-	2024.15
Furniture and Fixtures	32.32	60.07	247.35	-	339.74	32.83	-	-	372.58
Computer and Others	10.03	12.38	-	-	22.41	7.88	-	-	30.29
Motor Vehicles*	41.05	.84	-	-	41.89	15.87	-	-	57.75
Office Equipment - Books	5.23	2.00	-	-	7.23	-	-	-	7.23
Office Equipment - OE	1.90	1.55	-	-	3.45	2.31	-	-	5.76
Total	869.92	243.90	447.15	-	1304.03	1724.23	0.00	0.00	3268.21

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

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

12 Capital Work-in-progress

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



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

Amounts in Rs. (Lakh)

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

As at March 31, 2024

Particulars	Outstanding for following periods from the due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade receivables-considered good	689.72	80.30	12.70	0.83	1.83	785.39
(ii) Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
TOTAL	689.72	80.30	12.70	0.83	1.83	785.39

As at March 31, 2023

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

16 Cash and Cash Equivalents

Balances with banks:
 Current accounts
Cash on hand
Other bank balances
 Fixed deposits (below 12 months maturity)



As at	As at
March 31, 2024	March 31, 2023
40.86	33.59
-	1.00
136.28	-
<u>177.13</u>	<u>34.59</u>

QUALITEK LABS LIMITED

(Formerly "Qualitek Labs Private Limited")

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

Amounts in Rs. (Lakh)

17 Short Term Loans and Advances

Loans and advances to related parties

Unsecured, considered good

Others

Advance to vendors

Taxes recoverable

As at March 31, 2024	As at March 31, 2023
-	2.00
103.36	169.68
85.44	58.81
188.79	230.50

18 Other Current Assets

Accrued income

Prepaid expenses

As at March 31, 2024	As at March 31, 2023
0.11	0.02
19.53	11.37
19.64	11.38

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QUALITEK LABS LIMITED

(Formerly "Qualitek Labs Private Limited")

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

Amounts in Rs. (Lakh)

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

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QUALITEK LABS LIMITED

(Formerly "Qualitek Labs Private Limited")

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

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

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QUALITEK LABS LIMITED

(Formerly "Qualitek Labs Private Limited")

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

Amounts in Rs. (Lakh)

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

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


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

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

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

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

27 Earnings/ Expenditure in Foreign Currency

	As at March 31, 2024	As at March 31, 2023
Earnings:		
Export of services	43.30	0.87
Expenditure:		
Outsourcing services	39.06	43.47

28 Employee Benefits (Disclosure under AS 15)

A. Defined Contribution Plans

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

B. Defined Benefit Plans

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

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

I. Assumptions	As at March 31, 2024		As at March 31, 2023	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (%)	7.22	7.22	7.40	-
Expected rate of salary increase (%)	4	4	4	-
Attrition Rate (%)				-
-Upto 30 Years	45	45	45	-
-From 31 to 44 Years	45	45	45	-
-Above 44 Years	45	45	45	-
Mortality Table	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)	-
Retirement Age (Years)	58 Years	58 Years	58 Years	-
II. Changes in present value (PV) of obligation	As at March 31, 2024		As at March 31, 2023	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
a) PV of obligations as at the beginning of the year	8.84	-	3.33	-
b) Acquisition adjustment	-	-	-	-
c) Interest cost	0.65	-	0.24	-
d) Current service cost	4.04	7.34	2.43	-
e) Past service cost	-	9.33	-	-
f) Benefits paid	-	-	-	-
g) Actuarial (gain)/loss on obligation	3.38	-	2.84	-
h) PV of obligations as at the end of the year	16.92	16.67	8.84	-
III. Changes in the fair value (FV) of plan assets	As at March 31, 2024		As at March 31, 2023	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
a) FV of plan assets at the beginning of the year	-	-	-	-
b) Acquisition adjustment	-	-	-	-
c) Expected return on plan assets	-	-	-	-
d) Contributions	-	-	-	-
e) Charges	-	-	-	-
f) Benefits paid	-	-	-	-
g) Actuarial gain/(loss) on plan assets	-	-	-	-
h) FV of plan assets at the beginning of the year	-	-	-	-
IV. Actuarial gain / loss recognized	As at March 31, 2024		As at March 31, 2023	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
a) Actuarial gain/(loss) for the year - Obligation	(3.38)	-	(2.84)	-
b) Actuarial (gain)/loss for the year - Plan Assets	-	-	-	-
c) Total (gain)/loss for the year	3.38	-	2.84	-
d) Actuarial (gain)/loss recognized in the year	3.38	-	2.84	-
e) Unrecognized actuarial (gain)/loss for the year	-	-	-	-

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

Amounts in Rs. (Lakh)

V	The amounts to be recognized in balance sheet and related analysis	As at March 31, 2024		As at March 31, 2023	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
a)	PV of obligations as at the end of the year	16.92	16.67	8.84	-
b)	PV of plan assets as at the end of the year	-	-	-	-
c)	Funded status / Difference	16.92	16.67	8.84	-
d)	Excess of actual over estimated	-	-	-	-
e)	Unrecognized actuarial (gains)/losses	-	-	-	-
f)	Net asset/(liability) recognized in balance sheet	16.92	16.67	8.84	-
VI	Expense recognized in the statement of profit & loss	As at March 31, 2024		As at March 31, 2023	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
a)	Current service cost	4.04	7.34	2.43	-
b)	Past service cost	-	9.33	-	-
c)	Interest cost	0.65	-	0.24	-
d)	Expected return on plan assets	-	-	-	-
e)	Net actuarial (gain)/loss recognized during the year	3.38	-	2.84	-
f)	Expense recognized in statement of profit & loss	8.08	16.67	5.52	-
VII	Reconciliation statement of expense in the statement of profit & loss	As at March 31, 2024		As at March 31, 2023	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
a)	PV of obligation as at the end of year	16.92	16.67	8.84	-
b)	PV of obligation as at the beginning of the year	8.84	-	3.33	-
c)	Benefits paid	-	-	-	-
d)	Actual return on plan assets	-	-	-	-
e)	Acquisition adjustment	-	-	-	-
f)	Expense recognized in the statement of profit & loss	8.08	16.67	5.52	-
VIII	Movements in the liability recognized in the Balance Sheet	As at March 31, 2024		As at March 31, 2023	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
a)	Opening net liability	8.84	-	3.33	-
b)	Expense recognized in the statement of profit & loss	8.08	16.67	5.52	-
c)	Benefits paid	-	-	-	-
d)	Actual return on plan assets	-	-	-	-
e)	Acquisition adjustment	-	-	-	-
f)	Closing net liability	16.92	16.67	8.84	-
IX	Experience Adjustments	As at March 31, 2024		As at March 31, 2023	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
	On Plan Liability Gains/(Losses)	(3.32)	-	(2.87)	-

29 Contingencies & Commitments

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

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

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

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

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

	As at March 31, 2024	As at March 31, 2023
Principal amount due to micro and small enterprises remaining outstanding	68.52	91.21
Interest due on above	7.02	4.18
Amount of interest paid by the buyer in terms of section 16 of the MSMED, along with the amounts of payments made to supplier beyond the appointed day	-	-
Amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act 2006 has not paid)	-	-
Amount of interest accrued and remaining unpaid	-	-

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



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

Amounts in Rs. (Lakh)

31 Additional Regulatory Information

(i) Summary of Ratios as on 31 March 2024

	As at March 31, 2024	As at March 31, 2023	Variance (In %)
A Current Ratio			
Current Assets	1170.96	859.04	
Current Liabilities	688.41	1869.27	
Ratio	1.70	0.46	2711%

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

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

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

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

Explanation - Reduction in debt service on account of repayment of unsecured demand loan from holding company.

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

Explanation - Increase in shareholders equity on account of public issue of shares.

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

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

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

Explanation - Due to increase in credit purchases during the year.

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

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

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

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

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

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

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

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

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

(vi) Capital work in progress ageing schedule:

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

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



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Amounts in Rs. (Lakh)

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

32 Utilisation of IPO proceeds

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

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

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

Notes:

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

33 Operating Leases

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

34 Borrowing Costs Capitalised

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

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



QUALITEK LABS LIMITED

(Formerly "Qualitek Labs Private Limited")

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

Amounts in Rs. (Lakh)

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

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

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date

For J Madan & Associates
Chartered Accountants

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



Place: New Delhi
Date: May 29, 2024

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

Antaryami Nayak
Managing Director
DIN - 07232463
Ashmita Bhatnagar
Company Secretary
M. No.: A25655



Place: New Delhi
Date: May 29, 2024

Kamal Grover
Whole Time Director
DIN - 07429267
Navneet Gupta
CFO
PAN: ANNPG5364K

