

(Annual Report 2024-2025)

KWALITY

PHARMACEUTICALS LIMITED



**INNOVATING FOR A BETTER
TOMMOROW**



BOARD OF DIRECTORS Mr. Ramesh Arora (Managing Director) Mr. Ajay Kumar Arora (Whole Time Director) Mrs. Anju Arora (Whole Time Director) Mrs. Geeta Arora (Whole Time Director) Mr. Aditya Arora (Whole Time Director) Mr. Pankaj Takkar (Independent Director) Mr. Ravi Shanker Singh (Independent Director) Mr. Kartik Kapur (Independent Director) Mr. Prashanth Vellanki (Independent Director) Mr. Kiran Kumar Verma (Independent Director) (resigned w.e.f. 26-07-2025) Mr. Vinod Kumar Sharma (Independent Director) (appointed w.e.f. 26-07-2025)	CHIEF FINANCIAL OFFICER Mr. Aditya Arora				
AUDITORS M/s VIJAY MEHRA & CO. Chartered Accountants Head Office : D-351, Ranjit Avenue, Amritsar-143001 Tel: 9878887627	BANKERS <table border="1"> <tr> <td data-bbox="901 622 1141 808"> HDFC Bank Limited The Mall, Amritsar – 143001 </td><td data-bbox="1141 622 1394 808"> Axis Bank Limited, Green Field Avenue, Majitha Road, Amritsar-143001. </td></tr> <tr> <td data-bbox="901 808 1141 945"> ICICI Bank Limited The Mall, Amritsar – 143001 </td><td data-bbox="1141 808 1394 945"></td></tr> </table>	HDFC Bank Limited The Mall, Amritsar – 143001	Axis Bank Limited, Green Field Avenue, Majitha Road, Amritsar-143001.	ICICI Bank Limited The Mall, Amritsar – 143001	
HDFC Bank Limited The Mall, Amritsar – 143001	Axis Bank Limited, Green Field Avenue, Majitha Road, Amritsar-143001.				
ICICI Bank Limited The Mall, Amritsar – 143001					
COMPANY SECRETARY & COMPLIANCE OFFICER Ms. Gurpreet Kaur	REGISTRAR & SHARE TRANSFER AGENTS BIGSHARE SERVICES PRIVATE LIMITED Office No S6-2, 6 th floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400093, India. Board No.: 022 62638200, Fax No: 022 62638299 Email: investor@bigshareonline.com Website: www.bigshareonline.com				
REGISTERED OFFICE Village Nagkalan, Majitha Road, Amritsar, Punjab – 143601, India Tel: 8558820862 Website: www.kwalitypharma.com , E-mail: cs@kwalitypharma.com	42ND ANNUAL GENERAL MEETING ON TUESDAY 09TH SEPTEMBER, 2025 AT 12:00 NOON THROUGH VIDEO CONFERENCING (“VC”) / OTHER AUDIO VISUAL MEANS (“OAVM”)				

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FROM THE MANAGING DIRECTOR'S DESK

Dear Shareholder,

I am pleased to report that Kwality Pharmaceuticals Ltd. achieved a revenue of ₹370 crore, reflecting a robust year-on-year growth, along with a healthy net profit of almost ₹40 crore. These results are a testament to our unwavering focus on quality, operational excellence, and expanding global reach. The improvement in our margins and profitability further underscores the strength of our flexible business model and the relentless commitment of our team.

Throughout the year, we strengthened our presence across both domestic and international markets. With approvals from leading global regulatory bodies such as EU-GMP, SFDA, INVIMA, ANVISA, among others, we have deepened our footprint in over 80 countries. Our diverse portfolio—comprising more than 3,000 formulations across General, Beta-Lactam, Cephalosporins, Oncology, and Biological segments—remains a cornerstone of our competitive advantage.

As the pharmaceutical industry moves rapidly toward greater innovation, regulatory compliance, and global integration, Kwality is evolving as well. We are aligning our strategy with quality enhancement, R&D-led product development, and expansion into highly regulated markets. Our focus remains strong on high-value therapeutic areas such as oncology, biosimilars, and complex generics, where we see substantial long-term potential and lower competition.

On the R&D and marketing front, we are moving decisively. We are in the process of obtaining DSIR approval to further enhance our research capabilities. Our pipeline includes a carefully selected mix of peptide-based oncology products and complex generics, aimed at global filing of the same. These programmes are currently at various stages of BE and PE studies.

Our biosimilar programme also continues to advance meaningfully. Notably, our biological erythropoietin has successfully completed preclinical studies and is currently undergoing clinical trials. We expect to commercialize this product within the ongoing financial year, which would mark a major milestone in our foray into biologics.

While global uncertainties and regulatory challenges persist, our diversified product base, disciplined execution, and expanding international footprint position us well to deliver sustained value. At the same time, we continue to advance our environmental, social, and governance (ESG) commitments, ensuring that our growth is responsible and inclusive.

I would like to extend my heartfelt appreciation to all our stakeholders—our employees, customers, partners, board members, and most importantly, our shareholders—for your continued trust and support. As we look ahead, our commitment remains clear: to deliver high-quality, affordable healthcare solutions worldwide, while building a stronger, future-ready Kwality Pharmaceuticals.

Let us continue this journey of growth, together.

With Warm Regards
Ramesh Arora
Managing Director



KWALITY PHARMACEUTICALS LIMITED

Regd. Office:- VILLAGE NAGKALAN, MAJITHA ROAD, AMRITSAR – 143601

CIN : L24232PB1983PLC005426; Phone no. :-8558820862

Email Id:- ramesh@kwalitiypharma.com; Website :- www.kwalitiypharma.com

NOTICE

Notice is hereby given that the **42nd Annual General Meeting** of the members of **KWALITY PHARMACEUTICALS LIMITED** will be held on **Tuesday 09th September, 2025** at 12:00 noon through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - (i) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2025, together with Reports of the Board of Directors and Auditors' thereon.
 - (ii) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2025 and the Report of the Auditors thereon.
2. To appoint a Director in place of **Mr. AJAY KUMAR ARORA (DIN: 00462664)**, liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for reappointment.
3. To appoint a Director in place of **Mrs. GEETA ARORA (DIN : 03155615)**, liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4. APPOINTMENT OF MR. VINOD KUMAR SHARMA (DIN: 08502519) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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

“RESOLVED THAT Mr. Vinod Kumar Sharma (DIN: 08502519) who was appointed by the Board of Directors on the recommendation of the Nomination and Remuneration Committee as an Additional Director (Independent, Non Executive) of the Company with effect from July 26, 2025 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature to the office of Directorship of the Company, be and is hereby appointed as an Independent Director of the Company.”



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“RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and 25 read with other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the appointment of **Mr. Vinod Kumar Sharma (DIN: 08502519)** who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from **July 26, 2025 upto July 25, 2030**, be and is hereby approved.”

5. RE-APPOINTMENT OF MR. RAMESH ARORA (DIN: 00462656), AS MANAGING DIRECTOR OF THE COMPANY AND APPROVAL OF PAYMENT OF REMUNERATION:

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

“RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee to the Board Directors and in accordance with the provisions of Sections 196, 197, 198 and 203 read with schedule V to the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations, 2015”), and the Articles of Association of Company, consent of the members of the company be and is hereby accorded to the re-appointment of **Mr. Ramesh Arora (DIN: 00462656), as Managing Director** of the Company, for a further period of five years from the completion of his present term of office (i.e. on 15th January 2026) and commencing from 16th January, 2026 till 15th January 2031 who shall be liable to retire by rotation.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 17(6) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable clauses of Memorandum and Articles of Association of the Company, and on the recommendation of the Nomination and Remuneration Committee and approved by the Board of Directors, approval of the members be and is hereby accorded for fixing the remuneration of **Mr. RAMESH ARORA (DIN: 00462656)**, Managing Director of the Company for Rs. 7,00,000/- per month for the period of 3 years starting with effect from 16th January, 2026, with the liberty to the Board of Directors to alter and vary the terms and conditions of his remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.”

“RESOLVED FURTHER THAT in addition to the fixed remuneration, he will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 2013 (collectively called "perquisites and allowances") and these perquisites and allowances may be granted to the Managing Director in such forms and manner as the Board may decide.



- a) Company car with driver for official use.
- b) Payment/Reimbursement of telephone Expenses.
- c) Food Facility at office
- d) Other perquisites, allowances, benefits and amenities as per the service rules of the Company applicable from time to time
- e) Credit Card Facility

“RESOLVED FURTHER THAT the aforesaid remuneration shall be paid as the minimum remuneration in accordance with the provisions of Part II of Schedule V of the Act, even if in any year, during the tenure of the managerial personnel, the company has no profits or its profits are inadequate as may be determined by the Board/ Nomination & Remuneration committee after making an assessment of company’s performance and subject to necessary approvals, if any.”

“RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. RE-APPOINTMENT OF MR. AJAY KUMAR ARORA (DIN: 00462664), AS WHOLE TIME DIRECTOR OF THE COMPANY AND APPROVAL OF PAYMENT OF REMUNERATION:

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

“RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee to the Board Directors and in accordance with the provisions of Sections 196, 197, 198 and 203 read with schedule V to the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015"), and the Articles of Association of Company, consent of the members of the company be and is hereby accorded to the re-appointment of **Mr. Ajay Kumar Arora (DIN: 00462664), as Whole Time Director** of the Company, for a further period of five years from the completion of his present term of office (i.e. on 15th January 2026) and commencing from 16th January, 2026 till 15th January 2031 who shall be liable to retire by rotation.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 17(6) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable clauses of Memorandum and Articles of Association of the Company, and on the recommendation of the Nomination and Remuneration Committee and approved by the Board of Directors, approval of the members be and is hereby accorded for fixing the remuneration of **Mr. Ajay Kumar Arora (DIN: 00462664), Whole Time Director** of the Company for Rs. 7,00,000/- per month for the period of 3 years starting with effect from 16th January, 2026, with the liberty to the Board of Directors to alter and vary the terms and conditions of his



remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.”

“RESOLVED FURTHER THAT in addition to the fixed remuneration, he will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 2013 (collectively called "perquisites and allowances") and these perquisites and allowances may be granted to the Whole Time Director in such forms and manner as the Board may decide.

- a) Company car with driver for official use.
- b) Payment/Reimbursement of telephone Expenses.
- c) Food Facility at office
- d) Other perquisites, allowances, benefits and amenities as per the service rules of the Company applicable from time to time
- e) Credit Card Facility

“RESOLVED FURTHER THAT the aforesaid remuneration shall be paid as the minimum remuneration in accordance with the provisions of Part II of Schedule V of the Act, even if in any year, during the tenure of the managerial personnel, the company has no profits or its profits are inadequate as may be determined by the Board/ Nomination & Remuneration committee after making an assessment of company's performance and subject to necessary approvals, if any.”

“RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. RE-APPOINTMENT OF MRS. ANJU ARORA (DIN: 03155641), AS WHOLE TIME DIRECTOR OF THE COMPANY AND APPROVAL OF PAYMENT OF REMUNERATION:

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

“RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee to the Board Directors and in accordance with the provisions of Sections 196, 197, 198 and 203 read with schedule V to the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015"), and the Articles of Association of Company, consent of the members of the company be and is hereby accorded to the re-appointment of **Mrs. Anju Arora (DIN: 03155641), as Whole Time Director** of the Company, for a further period of five years from the completion of her present term of office (i.e. on 15th January 2026) and commencing from 16th January, 2026 till 15th January 2031 who shall be liable to retire by rotation.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and



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Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 17(6) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable clauses of Memorandum and Articles of Association of the Company, and on the recommendation of the Nomination and Remuneration Committee and approved by the Board of Directors, approval of the members be and is hereby accorded for fixing the remuneration of **Mrs. Anju Arora (DIN: 03155641)**, Whole Time Director of the Company for Rs. 3,00,000/- per month for the period of 3 years starting with effect from 16th January, 2026, with the liberty to the Board of Directors to alter and vary the terms and conditions of her remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT in addition to the fixed remuneration, she will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 2013 (collectively called "perquisites and allowances") and these perquisites and allowances may be granted to the Whole Time Director in such forms and manner as the Board may decide.

- a) Company car with driver for official use.
- b) Payment/Reimbursement of telephone Expenses.
- c) Food Facility at office
- d) Other perquisites, allowances, benefits and amenities as per the service rules of the Company applicable from time to time
- e) Credit Card Facility

"RESOLVED FURTHER THAT the aforesaid remuneration shall be paid as the minimum remuneration in accordance with the provisions of Part II of Schedule V of the Act, even if in any year, during the tenure of the managerial personnel, the company has no profits or its profits are inadequate as may be determined by the Board/ Nomination & Remuneration committee after making an assessment of company's performance and subject to necessary approvals, if any."

"RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. RE-APPOINTMENT OF MRS. GEETA ARORA (DIN: 03155615), AS WHOLE TIME DIRECTOR OF THE COMPANY AND APPROVAL OF PAYMENT OF REMUNERATION:

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

"RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee to the Board Directors and in accordance with the provisions of Sections 196, 197, 198 and 203 read with schedule V to the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015"),



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and the Articles of Association of Company, consent of the members of the company be and is hereby accorded to the re-appointment of **Mrs. Geeta Arora (DIN: 03155615)**, as **Whole Time Director** of the Company, for a further period of five years from the completion of her present term of office (i.e. on 15th January 2026) and commencing from 16th January, 2026 till 15th January 2031 who shall be liable to retire by rotation."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 17(6) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable clauses of Memorandum and Articles of Association of the Company, and on the recommendation of the Nomination and Remuneration Committee and approved by the Board of Directors, approval of the members be and is hereby accorded for fixing the remuneration of **Mrs. Geeta Arora (DIN: 03155615)**, Whole Time Director of the Company for Rs. 3,00,000/- per month for the period of 3 years starting with effect from 16th January, 2026, with the liberty to the Board of Directors to alter and vary the terms and conditions of her remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT in addition to the fixed remuneration, she will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 2013 (collectively called "perquisites and allowances") and these perquisites and allowances may be granted to the Whole Time Director in such forms and manner as the Board may decide.

- a) Company car with driver for official use.
- b) Payment/Reimbursement of telephone Expenses.
- c) Food Facility at office
- d) Other perquisites, allowances, benefits and amenities as per the service rules of the Company applicable from time to time
- e) Credit Card Facility

"RESOLVED FURTHER THAT the aforesaid remuneration shall be paid as the minimum remuneration in accordance with the provisions of Part II of Schedule V of the Act, even if in any year, during the tenure of the managerial personnel, the company has no profits or its profits are inadequate as may be determined by the Board/ Nomination & Remuneration committee after making an assessment of company's performance and subject to necessary approvals, if any."

"RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. RE-APPOINTMENT OF MR. KARTIK KAPUR (DIN: 08966816) AS AN INDEPENDENT DIRECTOR OF THE COMPANY



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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read along with Schedule IV to the Companies Act, 2013 (‘the Act’), the Companies (Appointment and Qualifications of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time, **Mr. Kartik Kapur (DIN: 08966816)**, who was appointed as an Independent Director of the Company for a term of five (5) consecutive years commencing from **January 16, 2021 to January 15, 2026** (both days inclusive) and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office **for a second term of five (5) consecutive years** commencing from **January 16, 2026 to January 15, 2031** (both days inclusive).

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

10. APPOINTMENT OF SECRETARIAL AUDITORS AND FIX THEIR REMUNERATION

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

“RESOLVED THAT pursuant to the provisions of Section 204 and all other applicable provisions of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force); and pursuant to the recommendations of the Audit Committee and the approval of the Board of Directors of the Company, **M/s Rishi Mittal & Associates, Peer-reviewed Practicing Company Secretaries (Membership No. 12613 & Peer Review Number 2486/2022)** be and is hereby appointed as Secretarial Auditors of the Company for a term of 5 (Five) consecutive years commencing from Financial Year 2025- 26 and to hold office from the conclusion of 42nd Annual General Meeting (AGM) till the conclusion of the 47th AGM, to conduct Secretarial Audit and furnish the Secretarial Audit Report and to provide any other services, certificates, or reports as may be permissible under applicable laws.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to fix the annual remuneration plus applicable taxes and out-of pocket expenses payable to them during



their tenure as the Secretarial Auditors of the Company, as determined by the Audit Committee in consultation with the said Secretarial Auditors.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take such steps and do all such acts, deeds, matters, and things as may be considered necessary, proper, and expedient to give effect to this Resolution.”

11. RATIFICATION OF COST AUDITORS REMUNERATION

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Rules framed there under, the company hereby ratifies the remuneration of Rs. 1,10,000/- (Rupees One Lac Ten Thousand Only) plus reimbursement of out of pocket expenses to M/s Verma Khushwinder & Co., Cost Accountants, Jalandhar, appointed 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.”

By Order Of the Board

Sd/-

(GURPREET KAUR)

Company Secretary & Compliance Officer

Place:- Amritsar

Date:- 16th August 2025

NOTES

1. Pursuant to the General Circular No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs (MCA) and circular issued by SEBI vide circular no. SEBI/ HO/ CFD/ CFDPoD-2/ P/ CIR/ 2024/ 133 dated October 3, 2024 (“SEBI Circular”) and other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time, companies are allowed to hold AGM through Video Conferencing (VC) or other audio visual means (OAVM), without the physical presence of members at a common venue. In compliance with the said Circulars, 42nd AGM shall be conducted through VC / OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 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 authorised representatives to attend the AGM through VC/OAVM and participate there at 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



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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), the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs from time to time, 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 e-voting on the date of the AGM will be provided by NSDL.
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.kwalitapharma.com. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular issued from time to time
8. In Compliance with the Ministry of Corporate Affairs (MCA) Circular No. 09/2024 dated 19 September, 2024 issued by the Ministry of Corporate Affairs (MCA) and circular number SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3 October, 2024 issued by the Securities and Exchange Board of India (SEBI) ("the Circulars") the Notice of the AGM along with the Annual Report 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2024-25 will also be available on the Company's website at www.kwalitapharma.com, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com. A letter providing the web-link for accessing the Annual report, including the exact path, is being sent to those members who have not registered their email addresses with the Company.
9. In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names shall be entitled to vote.
10. The Deemed Venue of the 42nd AGM of the Company shall be its Registered Office i.e. **VILLAGE NAGKALAN, MAJITHA ROAD, AMRITSAR – 143601.**
11. Members desirous of obtaining any information on the financials and operations of the Company, are requested to send an email to the Company at least seven working days prior to the date of the AGM, so that the information can be kept ready during the meeting.



12. Pursuant to the requirements of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and respective provisions of Secretarial Standard -2, the brief profile /particulars of the Directors of the Company proposed to be appointed/re-appointed at the Annual General Meeting are given in the Annexure to the Notice.
13. The relevant Explanatory Statements pursuant to section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, are annexed hereto and forms part of this notice.
14. The register of members and share transfer books will remain closed from **Tuesday, 02nd September, 2025 to Tuesday, 09th September, 2025** (both days inclusive) for the purpose of Annual General Meeting.
15. Members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e., Monday, 01st September, 2025**, shall be entitled to vote on the matters provided in the notice.
16. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
17. The remote e-voting period commence on **Saturday, 06th September, 2025 at 09.00 A.M.** and ends on **Monday, 08th September, 2025 at 5.00 PM**. 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. At the end of remote e-voting period, the facility shall forthwith be blocked.
18. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their registered email id, bank detail, mandates, nominations, power of attorney etc. to their Depository Participants. Changes intimated to the Depository Participants will then be automatically reflected in Company's records which will help the Company and its Registrars and Transfer Agents, M/s Big share Services Private Limited, to provide efficient and better service to the Members. Members holding share in physical form are requested to advice such changes to the Company's Registrar and transfer agents, M/s Big share Services Private Limited Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India. (Board No.: 022 62638200, Fax No: 022 62638299, Email: investor@bigshareonline.com , Website: www.bigshareonline.com)
19. As per Regulation 40 of SEBI (LODR) Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1 April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s Big share Services Private Limited for assistance in this regard.
20. Non Resident Indian Members are requested to inform Registrar and Transfer Agent, immediately of:
 - i) Change in their residential status on return to India for permanent settlement.



- ii) Particulars of their Bank Account maintained in India with complete name, branch, account, type, account number and address of the bank with pin code number, if not furnished earlier.
21. 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.
22. Mr. Rishi Mittal, Practicing Company Secretary (Membership No. A12613, COP No. 3004) appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
23. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kwalitypharma.com and website of National Securities Depository Limited (NSDL) i.e. www.evoting.nsdl.com not later than two working days of the conclusion of the Meeting.
24. To support 'Green Initiative', the members who have not yet registered their e-mail addresses are requested to register the same with the Company's Registrar & Share Transfer Agent/ their respective Depository Participants. Members whose e-mail ids are already registered may update the changes therein, if any. This may be treated as an advanced opportunity in terms of proviso to rule 18(3) (i) of the Companies (Management & Administration) Rules, 2014.

25. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on 06th September, 2025 at 9:00 A.M. and ends on 08th September, 2025 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Monday 01st September, 2025 , may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 01st September, 2025.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular 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.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are 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 4. 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 i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

5. Shareholders/Members can also download NSDL Mobile App “**NSDL Speede**” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL

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 users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user 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 the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, 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 CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. 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.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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. NSDL and CDSL.

Login type	Helpdesk details
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.com or call at 022 - 4886 7000
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 toll free no. 1800-21-09911



B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.



- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.



4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
 5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rmittalcs@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to (Pallavi Mhatre) at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@kwalitapharma.com.



2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@kwalitiypharma.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.



3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@kwalitiypharma.com. The same will be replied by the company suitably.
6. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance **between 04th September, 2025 (09:00 a.m.) to 06th September, 2025 (05:00 p.m.)** mentioning their name, demat account number/folio number, email id, mobile number at cs@kwalitiypharma.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries during **04th September, 2025 (09:00 a.m.) to 06th September, 2025 (05:00 p.m.)** mentioning their name, demat account number/folio number, email ID, mobile number at cs@kwalitiypharma.com. These queries will be replied to by the company suitably by email.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

By Order Of the Board

Sd/-

(GURPREET KAUR)

Company Secretary & Compliance Officer

Place:- Amritsar

Date:- 16th August 2025

**Explanatory Statements Pursuant to Section 102 (1) of the Companies Act, 2013****Item No: 4**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed **Mr. Vinod Kumar Sharma (DIN: 08502519) as an Additional Director (Non-Executive, Independent) of the Company with effect from July 26, 2025**. In terms of Section 161 (1) of the Companies Act, 2013, Mr. Vinod Kumar Sharma holds office up to the date of this Annual General Meeting. Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, **Mr. Vinod Kumar Sharma** has given necessary declaration to the Board that he meets the criteria for independence as provided u/s 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board is of the opinion that Mr. Vinod Kumar Sharma fulfils the conditions specified in the Act and the Rules framed thereunder, for appointment as Independent Director and that, he is independent of the management. The appointment of Mr. Vinod Kumar Sharma is now being placed before the Members for their approval.

The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature to the office of the directorship of the Company. **Mr. Vinod Kumar Sharma** is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent for appointment as an Independent Director of the Company. The Company has also received the confirmation that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties with an objective judgement and without any external influence.

Further, he is not debarred from holding the office of a Director by virtue of any order passed by SEBI or any other such authority pursuant to circulars dated June 20, 2018, issued by the BSE Limited. He has confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014 with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

Except **Mr. Vinod Kumar Sharma**, being an appointee, 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 proposed resolution.

The Board recommends the **Special Resolution** set out at Item No. 4 of the accompanying Notice for the approval of members.

Additional Information as required under Regulation 36(3) of the Listing Regulation, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) with respect to appointment or re-appointment and/or fixation of remuneration of Director is as under :-

Name of the Director	Vinod Kumar Sharma
Director Identification Number (DIN)	08502519
Date of birth /(Age)	08/07/1972 53 years
Date of First Appointment on the Board	26/07/2025



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Qualification	Doctor of Philosophy- PhD, Marketing Management, Certificate Course, Digital Transformation from University of Virginia, USA, Diploma Program in Innovation Management from International Business Management Institute (IBMI), Berlin, PGDBM, Marketing from Institute of Management Technology, Ghaziabad, M.M.M- Marketing from Pondicherry University
Brief Profile	Mr. Vinod Kumar Sharma has extensive experience over 33 years in the Pharmaceutical Industry. He has worked with leading FMCG & Healthcare Organisations like Dabur India Limited, Sun Pharmaceuticals Limited, IPCA Labs Limited, Mankind Pharma Limited, Alkem Labs Limited, Unichem Labs Limited & Sentiss Pharma at Senior positions (upto Vice President & Sr. Vice President) primarily in Business Management roles. He has held key leadership positions and has been instrumental in driving Strategic Growth, Operational Excellence and Regulatory Compliance within reputed Pharmaceutical Companies. Mr. Vinod Kumar Sharma has also worked with various industries leaders including – Pharma/Healthcare, IT, PSUs, Banking/Finance, Consulting, Telecom/Electronics, General Management/HR, Education, Human Resource/Hospitality. He is also serving as Guest/Visiting faculty in top Institutes in India & USA, including IIMs & IITs.
Experience and expertise in specific functional areas	Business Management, Strategic Planning, Corporate Governance, Regulatory Affairs in the Pharmaceutical Industry.
Terms and conditions of appointment or re-appointment	Appointed as an Independent Director for a term of 5 years, not liable to retire by rotation
Remuneration sought to be paid (₹)	Sitting Fees
Remuneration Last Drawn (₹)	Not Applicable
Number of Meetings of Board attended during the year	Not Applicable
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	There exists no relationship with other Directors and Key Managerial Personnel inter-se
Shareholding in the Company as on March 31, 2025	NIL



Directorships of other Boards (including Directorships on the Board of Listed companies) as on March 31, 2025	Dezin Consulting Private Limited
Listed entities from which the Director has resigned in the past three years	NIL
Memberships/ Chairmanship of Board Committees of other companies as on March 31, 2025	NIL
Skills and capabilities required for the role	Knowledge of managing a business, especially in the pharmaceutical industry, Ability to guide the company in its growth, operations, and risk management and Independent thinking and good judgment to contribute effectively in Board meetings.
Manner in which the proposed person meet such requirements/ Justification for choosing the appointee for appointment as Independent Director	Mr. Vinod Kumar Sharma has extensive experience in business and general management within the pharmaceutical industry. He has successfully contributed to strategic business decisions. His leadership background and deep understanding of the pharma sector equip him to offer valuable, independent guidance to the Board of Kwaliti Pharmaceuticals Limited.

Item No.5

At 38th AGM held on 30th September 2021, **Mr. Ramesh Arora (DIN: 00462656)** was re-appointed as the Managing Director of the company for a period of 5 (five) years effective from 16th January 2021 till 15th January, 2026. Further at 41st AGM held on 24th September 2024, the resolution for increase in remuneration of **Mr. Ramesh Arora**, Managing Director, with effect from 1st October, 2024 for the remaining period of his tenure in terms of the applicable provisions of the Companies Act 2013, for Companies having inadequate profits and in compliance with the requirements of regulation 17(6)(e) SEBI Listing Regulations, 2015 was passed vide Special Resolution. The current term of re-appointment and validity of remuneration resolution will expire on 15th January 2026. Therefore, it is proposed to seek members' approval for the re-appointment of **Mr. Ramesh Arora**, Managing Director, for a period of another 5 (five) years starting from 16th January, 2026 till 15th January 2031 and remuneration payable to **Mr. Ramesh Arora** is proposed to be approved for a period of 3 (three) years starting w.e.f. 16th January, 2026.

As per the Nomination and Remuneration Policy adopted by the Board, applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Nomination & Remuneration Committee of Directors and the Board of Directors at their meetings held on 16th August 2025, have considered and recommended/ approved the reappointment and remuneration proposed to be paid to **Mr. Ramesh Arora**, Managing Director, subject to approval of the Members by way of Special Resolution.



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In terms of the provisions of Section 197 (as amended by the Companies (Amendment) Act, 2017), read with Schedule V of the Act, the Company is required to obtain the approval of the members by way of a special resolution for payment of remuneration to Managerial Personnel in case of no profits / inadequacy of profits. Further, In terms of Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") the fee and compensation payable to Executive Directors who are promoters or members of promoter group, shall be subject to the approval of the members by a Special Resolution in General Meeting, if, the annual remuneration payable to such executive director exceeds rupees 5 Crore or 2.5 per cent of the net profits of the Company, whichever is higher; **OR** where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the Company.

In order to comply with the requirements of SEBI Listing Regulations and on recommendation of the Nomination and Remuneration Committee and the Board of Directors, approval of members is sought for paying **Mr. Ramesh Arora's** remuneration even if the annual aggregate remuneration payable to Mr. Ramesh Arora, Mr. Ajay Kumar Arora, Mr. Aditya Arora, Mrs. Anju Arora and Mrs. Geeta Arora, Directors of Company, who are also promoters or members of the promoter group, exceeds 5% of the net profit of the Company, as calculated under section 198 of the Companies Act, in any year during the tenure of his appointment.

The Company has received a declaration from **Mr. Ramesh Arora** in terms of BSE circular LIST/COMP/14/2018-19 dated June 20, 2018, confirming that he is not debarred from holding the office of Director pursuant to order of SEBI or any other authority. In the opinion of the Board, **Mr. Ramesh Arora** satisfies all the conditions set out in the SEBI Listing Regulations and in Part-I of Schedule V to the Act and also conditions set out under sub-section 3 of section 196 of the Act for being eligible for appointment as a Director. Further, he is not disqualified from being appointed as Director in terms of section 164 of the Act and have given consent to act as Director. Brief resume, nature of expertise, name of companies in which he hold directorships and memberships/chairmanships of Board Committees, shareholding, and relationships among directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 besides above, are provided in the statement giving details pursuant to Regulation 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard-2 in respect of Directors seeking appointment / reappointment.

Additional Information as required under Regulation 36(3) of the Listing Regulation, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) with respect to appointment or re-appointment and/or fixation of remuneration of Director is as under :-

Name of the Director	Ramesh Arora
Director Identification Number (DIN)	00462656
Date of birth /(Age)	12/06/1954, 71 years.
Date of First Appointment on the Board	04-05-1983
Qualification	He holds a degree in Bachelor of Commerce from the Guru Nanak Dev University Amritsar.
Brief Profile	The Managing Director and Promoter of the company, Mr. Ramesh Arora, has been the Director of the Company since incorporation.



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	Mr. Ramesh Arora has widely travelled as an avid reader and an astute thinker in the Pharma industry with a rare insight into various sectors. His responsibilities are to provide direction, business, and organizational leadership, formulate long-term business strategy and planning, explore new business opportunities, and create and maintain high corporate official relationships.
Experience and expertise in specific functional areas	Mr. Ramesh Arora has more than 4 decades of experience in the areas of management, marketing strategies and overall administration control and supervision. He is a visionary and guides the Company and its management at all the stages of its development and strategic decisions.
Terms and conditions of appointment or re-appointment	Re-appointed as Managing Director for a period of 5 years, effective from 16-01-2026 to 15-01-2031, liable to retire by rotation.
Remuneration sought to be paid (₹)	No change proposed. The same remuneration as previously approved by the shareholders will continue for the new term i.e. Rs. 7,00,000/- per month
Remuneration Last Drawn (₹)	Rs. 7,00,000/- per month
Number of Meetings of Board attended during the year	11/11 board meetings attended during 2024-25.
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	Mrs. Anju Arora (Whole Time Director) Wife Mr. Ajay Kumar Arora (Whole Time Director) Brother Mrs. Geeta Arora (Whole Time Director) Brother's wife Mr. Aditya Arora (Whole Time Director & CFO) Brother's Son
Shareholding in the Company as on March 31, 2025	2698684
Directorships of other Boards (including Directorships on the Board of Listed companies) as on March 31, 2025	PHD CHAMBER OF COMMERCE AND INDUSTRY KALER BIOPHARMACHEM PRIVATE LIMITED IAIR INFOCOM PRIVATE LIMITED
Listed entities from which the Director has resigned in the past three years	NIL
Memberships/ Chairmanship of Board Committees of other companies as on March 31, 2025	NIL



A statement referred to in Section II, Part II of Schedule V, of the Companies Act, 2013 is stated below:

I. General Information

(1).	Nature of Industry	Pharmaceuticals (manufacturing)
(2).	Date of commencement of commercial production	04-05-1983 (date of Incorporation)
(3).	In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus	Not applicable
(4).	Financial Performance based on given indicators	Please refer to the Financial results in Annual Report.
(5).	Foreign investments or collaborations, if any	For details in relation to foreign investment in the Company, refer to the shareholding pattern of the Company available on the website of the Company & that of the BSE Limited.

II. INFORMATION ABOUT THE APPOINTEE

(1).	Background details	Mr. Ramesh Arora is on board of Company since inception and has more than 4 decades of experience in the areas of management, marketing strategies and overall administration control and supervision.
(2).	Past Remuneration	Rs. 7,00,000/- per month
(3).	Recognition or awards	The Company has received various awards and recognition during his Tenure.
(4).	Job Profile and his suitability	4 decades experience in the areas of management, marketing strategies, administration control and supervision. Having spent a long time in the industry and the moving spirit of the Company, he is best suited to take up the job.
(5).	Remuneration proposed	As set out in the resolution for the item no. 5 of the notice
(6).	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration is in tune with the current remuneration packages of the similar industry at this level, qualifications and experience of the appointee and the responsibilities shouldered by him.
(7).	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:	Mrs. Anju Arora (Whole Time Director) Wife Mr. Ajay Kumar Arora (Whole Time Director) Brother

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		Mrs. Geeta Arora (Whole Time Director) Brother's wife Mr. Aditya Arora (Whole Time Director & CFO) Brother's Son
(8).	Reasons for Losses / Inadequate profits	There are no losses however, there may be inadequate profits in future due to hike in the interest rate, rising running cost, challenging business environment, adverse market conditions and due to change in government policy.
(9).	Steps taken or proposed to be taken for improvement	Company is working towards improving plant efficiencies. Company is taking initiatives in increasing efficiency and cost reduction making progress in turnover. Company is also striving for better efficiency of manufacturing facility by adopting Energy Management Systems, debottlenecking of processes, cost reductions and focusing on new area of market and sales maximization.
(10).	Expected increase in productivity and profits in measurable terms	The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. In view of the steps taken by the Company as stated above, the Company believes that there will be significant increase in productivity and profitability in the years to come.
(11.)	Disclosures	NIL

As required by the Companies Act, 2013, approval of the members is being sought, for the reappointment and fixation of remuneration of Mr. Ramesh Arora, Managing Director.

Except **Mr. Ramesh Arora**, Appointee and Mr. Ajay Kumar Arora, Mrs. Geeta Arora, Mrs. Anju Arora & Mr. Aditya Arora, directors being relatives of **Mr. Ramesh Arora**, none of the other Directors and/or Key Managerial Personnel (KMP) or relatives of other directors and KMP are concerned or interested either financially or otherwise in the Resolution at Item No. 5 of the accompanying Notice.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval of the Members.



Item No.6

At 38th AGM held on 30th September 2021, **Mr. Ajay Kumar Arora (DIN: 00462664)** was re-appointed as the Whole Time Director of the company for a period of 5 (five) years effective from 16th January 2021 till 15th January, 2026. Further at 41st AGM held on 24th September 2024, the resolution for increase in remuneration of **Mr. Ajay Kumar Arora**, Whole Time Director, with effect from 1st October, 2024 for the remaining period of his tenure in terms of the applicable provisions of the Companies Act 2013, for Companies having inadequate profits and in compliance with the requirements of regulation 17(6)(e) SEBI Listing Regulations, 2015 was passed vide Special Resolution. The current term of re-appointment and validity of remuneration resolution will expire on 15th January 2026. Therefore, it is proposed to seek members' approval for the re-appointment of **Mr. Ajay Kumar Arora**, Whole Time Director, for a period of another 5 (five) years starting from 16th January, 2026 till 15th January 2031 and remuneration payable to **Mr. Ajay Kumar Arora** is proposed to be approved for a period of 3 (three) years starting w.e.f. 16th January, 2026.

As per the Nomination and Remuneration Policy adopted by the Board, applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Nomination & Remuneration Committee of Directors and the Board of Directors at their meetings held on 16th August 2025, have considered and recommended/ approved the reappointment and remuneration proposed to be paid to **Mr. Ajay Kumar Arora**, Whole Time Director, subject to approval of the Members by way of Special Resolution.

In terms of the provisions of Section 197 (as amended by the Companies (Amendment) Act, 2017), read with Schedule V of the Act, the Company is required to obtain the approval of the members by way of a special resolution for payment of remuneration to Managerial Personnel in case of no profits / inadequacy of profits. Further, In terms of Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") the fee and compensation payable to Executive Directors who are promoters or members of promoter group, shall be subject to the approval of the members by a Special Resolution in General Meeting, if, the annual remuneration payable to such executive director exceeds rupees 5 Crore or 2.5 per cent of the net profits of the Company, whichever is higher; **OR** where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the Company.

In order to comply with the requirements of SEBI Listing Regulations and on recommendation of the Nomination and Remuneration Committee and the Board of Directors, approval of members is sought for paying **Mr. Ajay Kumar Arora's** remuneration even if the annual aggregate remuneration payable to Mr. Ajay Kumar Arora, Mr. Ramesh Arora, Mr. Aditya Arora, Mrs. Anju Arora and Mrs. Geeta Arora, Directors of Company, who are also promoters or members of the promoter group, exceeds 5% of the net profit of the Company, as calculated under section 198 of the Companies Act, in any year during the tenure of his appointment.

The Company has received a declaration from **Mr. Ajay Kumar Arora** in terms of BSE circular LIST/COMP/14/2018-19 dated June 20, 2018, confirming that he is not debarred from holding the office of Director pursuant to order of SEBI or any other authority. In the opinion of the Board, **Mr. Ajay Kumar Arora** satisfies all the conditions set out in the SEBI Listing Regulations and in Part-I of Schedule V to the Act and also conditions set out under sub-section 3 of section 196 of the Act for being eligible for appointment as a Director. Further, he is not disqualified from being appointed as Director in terms of



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section 164 of the Act and have given consent to act as Director. Brief resume, nature of expertise, name of companies in which he hold directorships and memberships/chairmanships of Board Committees, shareholding, and relationships among directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 besides above, are provided in the statement giving details pursuant to Regulation 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard-2 in respect of Directors seeking appointment / reappointment.

Additional Information as required under Regulation 36(3) of the Listing Regulation, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) with respect to appointment or re-appointment and/or fixation of remuneration of Director is as under :-

Name of the Director	Ajay Kumar Arora
Director Identification Number (DIN)	00462664
Date of birth /(Age)	29/01/1968 , 57 years.
Date of First Appointment on the Board	01-08-1995
Qualification	Mr. Ajay Kumar Arora holds degree of B.PHARMACY
Brief Profile	Mr. Ajay Kumar Arora is the Promoter and Whole Time Director of the Kwaliti Pharmaceuticals Limited. He has completed his Bachelor of Pharmacy from Sagar University Madhya Pradesh. He is associated with our Company for more than 3 decades. He heads the purchasing department from RM to machinery to every other requirement. He is also responsible for carrying out the day to day business of manufacturing, keeping watch over various departments carrying out their business. He drives our Company with his insights and vision.
Experience and expertise in specific functional areas	He has experience of more than 3 decades in Pharmaceuticals. He has been associated with the Company since 1995 as a promoter and well versed with manufacturing technologies, systems, processes and controls.
Terms and conditions of appointment or re-appointment	Re-appointed as Whole Time Director for a period of 5 years, effective from 16-01-2026 to 15-01-2031, liable to retire by rotation.
Remuneration sought to be paid (₹)	No change proposed. The same remuneration as previously approved by the shareholders will continue for the new term.
Remuneration Last Drawn (₹)	Rs. 7,00,000/- per month
Number of Meetings of Board attended during the year	11/11 board meetings attended during 2024-25.
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	Mrs. Anju Arora (Whole Time Director) Brother's Wife, Mr. Ramesh Arora (Managing Director) Brother, Mrs. Geeta Arora (Whole Time Director)



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	Wife, Mr. Aditya Arora (Whole Time Director & CFO) Son
Shareholding in the Company as on March 31, 2025	1410638
Directorships of other Boards (including Directorships on the Board of Listed companies) as on March 31, 2025	BIOBURN INNOVATIONS PRIVATE LIMITED
Listed entities from which the Director has resigned in the past three years	NIL
Memberships/ Chairmanship of Board Committees of other companies as on March 31, 2025	NIL

A statement referred to in Section II, Part II of Schedule V, of the Companies Act, 2013 is stated below:

III. General Information

(1).	Nature of Industry	Pharmaceuticals (manufacturing)
(2).	Date of commencement of commercial production	04-05-1983 (date of Incorporation)
(3).	In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus	Not applicable
(4).	Financial Performance based on given indicators	Please refer to the Financial results in Annual Report.
(5).	Foreign investments or collaborations, if any	For details in relation to foreign investment in the Company, refer to the shareholding pattern of the Company available on the website of the Company & that of the BSE Limited.

IV. INFORMATION ABOUT THE APPOINTEE

(1).	Background details	Mr. Ajay Kumar Arora has more than 3 decades of experience in the overall operations of Company. Under his leadership, Company has made a strong presence in the Pharmaceutical Sector today. He is adept to the new technological changes taking place in the Industry all over the world.
(2).	Past Remuneration	Rs. 7,00,000/- per month
(3).	Recognition or awards	The Company has received various awards and recognition during his Tenure.
(4).	Job Profile and his suitability	3 decades of experience in the overall operations of our Company. Having spent a long time in the industry and the moving



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		spirit of the Company, he is best suited to take up the job.
(5).	Remuneration proposed	As set out in the resolution for the item no. 6 of the notice
(6).	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration is in tune with the current remuneration packages of the similar industry at this level, qualifications and experience of the appointee and the responsibilities shouldered by him.
(7).	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:	Mrs. Anju Arora (Whole Time Director) Brother's Wife Mr. Ramesh Arora (Managing Director) Brother Mrs. Geeta Arora (Whole Time Director) Wife Mr. Aditya Arora (Whole Time Director & CFO) Son
(8).	Reasons for Losses / Inadequate profits	There are no losses however, there may be inadequate profits in future due to hike in the interest rate, rising running cost, challenging business environment, adverse market conditions and due to change in government policy.
(9).	Steps taken or proposed to be taken for improvement	Company is working towards improving plant efficiencies. Company is taking initiatives in increasing efficiency and cost reduction making progress in turnover. Company is also striving for better efficiency of manufacturing facility by adopting Energy Management Systems, debottlenecking of processes, cost reductions and focusing on new area of market and sales maximization.
(10).	Expected increase in productivity and profits in measurable terms	The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. In view of the steps taken by the Company as stated above, the Company believes that there will be significant increase in productivity and profitability in the years to come.
(11.)	Disclosures	NIL

As required by the Companies Act, 2013, approval of the members is being sought, for the reappointment and fixation of remuneration of Mr. Ajay Kumar Arora, Whole Time Director.



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Except **Mr. Ajay Kumar Arora**, Appointee and Mr. Ramesh Arora, Mrs. Geeta Arora, Mrs. Anju Arora & Mr. Aditya Arora, directors being relatives of **Mr. Ajay Kumar Arora**, none of the other Directors and/or Key Managerial Personnel (KMP) or relatives of other directors and KMP are concerned or interested either financially or otherwise in the Resolution at Item No. 6 of the accompanying Notice.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval of the Members.

Item No.7

At 38th AGM held on 30th September 2021, **Mrs. Anju Arora (DIN: 03155641)** was re-appointed as the Whole Time Director of the company for a period of 5 (five) years effective from 16th January 2021 till 15th January, 2026. Further at 41st AGM held on 24th September 2024, the resolution for increase in remuneration of **Mrs. Anju Arora**, Whole Time Director, with effect from 1st October, 2024 for the remaining period of her tenure in terms of the applicable provisions of the Companies Act 2013, for Companies having inadequate profits and in compliance with the requirements of regulation 17(6)(e) SEBI Listing Regulations, 2015 was passed vide Special Resolution. The current term of re-appointment and validity of remuneration resolution will expire on 15th January 2026. Therefore, it is proposed to seek members' approval for the re-appointment of **Mrs. Anju Arora**, Whole Time Director, for a period of another 5 (five) years starting from 16th January, 2026 till 15th January 2031 and remuneration payable to **Mrs. Anju Arora** is proposed to be approved for a period of 3 (three) years starting w.e.f. 16th January, 2026.

As per the Nomination and Remuneration Policy adopted by the Board, applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Nomination & Remuneration Committee of Directors and the Board of Directors at their meetings held on 16th August 2025, have considered and recommended/ approved the reappointment and remuneration proposed to be paid to **Mrs. Anju Arora**, Whole Time Director, subject to approval of the Members by way of Special Resolution.

In terms of the provisions of Section 197 (as amended by the Companies (Amendment) Act, 2017), read with Schedule V of the Act, the Company is required to obtain the approval of the members by way of a special resolution for payment of remuneration to Managerial Personnel in case of no profits / inadequacy of profits. Further, In terms of Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") the fee and compensation payable to Executive Directors who are promoters or members of promoter group, shall be subject to the approval of the members by a Special Resolution in General Meeting, if, the annual remuneration payable to such executive director exceeds rupees 5 Crore or 2.5 per cent of the net profits of the Company, whichever is higher; **OR** where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the Company.

In order to comply with the requirements of SEBI Listing Regulations and on recommendation of the Nomination and Remuneration Committee and the Board of Directors, approval of members is sought for paying **Mrs. Anju Arora's** remuneration even if the annual aggregate remuneration payable to Mrs. Anju Arora, Mr. Ramesh Arora, Mr. Aditya Arora, Mr. Ajay Kumar Arora and Mrs. Geeta Arora, Directors of Company, who are also promoters or members of the promoter group, exceeds 5% of the net profit of the Company, as calculated under section 198 of the Companies Act, in any year during the tenure of her appointment.



The Company has received a declaration from **Mrs. Anju Arora** in terms of BSE circular LIST/COMP/14/2018-19 dated June 20, 2018, confirming that she is not debarred from holding the office of Director pursuant to order of SEBI or any other authority. In the opinion of the Board, **Mrs. Anju Arora** satisfies all the conditions set out in the SEBI Listing Regulations and in Part-I of Schedule V to the Act and also conditions set out under sub-section 3 of section 196 of the Act for being eligible for appointment as a Director. Further, she is not disqualified from being appointed as Director in terms of section 164 of the Act and have given consent to act as Director. Brief resume, nature of expertise, name of companies in which she hold directorships and memberships/chairmanships of Board Committees, shareholding, and relationships among directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 besides above, are provided in the statement giving details pursuant to Regulation 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard-2 in respect of Directors seeking appointment / reappointment.

Additional Information as required under Regulation 36(3) of the Listing Regulation, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) with respect to appointment or re-appointment and/or fixation of remuneration of Director is as under :-

Name of the Director	Anju Arora
Director Identification Number (DIN)	03155641
Date of birth /(Age)	01/02/1962, 63 years.
Date of First Appointment on the Board	01-10-2010
Qualification	Mrs. Anju Arora holds degree of Bachelor of Arts.
Brief Profile	Mrs. Anju Arora is the Whole Time Director of the Company. She has completed her Bachelor of Arts from Amritsar. She oversees day to day marketing operations of the Company. She leads and manages the marketing team, ensuring seamless execution of marketing plans. Monitor day-to-day operations of the department to ensure efficiency, productivity, and adherence to timelines.
Experience and expertise in specific functional areas	She has experience of more than 18 years in Marketing. She has been instrumental in driving the Company's sales growth, market expansion, and strategic positioning in highly competitive environments.
Terms and conditions of appointment or re-appointment	Re-appointed as Whole Time Director for a period of 5 years, effective from 16-01-2026 to 15-01-2031, liable to retire by rotation.
Remuneration sought to be paid (₹)	No change proposed. The same remuneration as previously approved by the shareholders will continue for the new term.
Remuneration Last Drawn (₹)	Rs. 3,00,000/- per month
Number of Meetings of Board attended during the year	11/11 board meetings attended during 2024-25.



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Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	Mr. Ramesh Arora (Managing Director) Husband, Mrs. Geeta Arora (Whole Time Director) Husband's Brother's wife, Mr. Ajay Kumar Arora (Whole Time Director) Husband's Brother, Mr. Aditya Arora (Whole Time Director & CFO) Husband's Brother's Son
Shareholding in the Company as on March 31, 2025	135634
Directorships of other Boards (including Directorships on the Board of Listed companies) as on March 31, 2025	NIL
Listed entities from which the Director has resigned in the past three years	NIL
Memberships/ Chairmanship of Board Committees of other companies as on March 31, 2025	NIL

A statement referred to in Section II, Part II of Schedule V, of the Companies Act, 2013 is stated below:

V. General Information

(1).	Nature of Industry	Pharmaceuticals (manufacturing)
(2).	Date of commencement of commercial production	04-05-1983 (date of Incorporation)
(3).	In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus	Not applicable
(4).	Financial Performance based on given indicators	Please refer to the Financial results in Annual Report.
(5).	Foreign investments or collaborations, if any	For details in relation to foreign investment in the Company, refer to the shareholding pattern of the Company available on the website of the Company & that of the BSE Limited.

VI. INFORMATION ABOUT THE APPOINTEE

(1).	Background details	Mrs. Anju Arora , is Whole Time Director of Company. She has completed her Bachelor of Arts from Amritsar. She is on the Board of the Company since 2010. She leads and manages the marketing team, ensuring seamless execution of marketing plans.
(2).	Past Remuneration	Rs. 3,00,000/- per month



(3).	Recognition or awards	The Company has received various awards and recognition during her Tenure.
(4).	Job Profile and her suitability	She oversees day to day marketing operations of the Company. She has been instrumental in driving the Company's sales growth, market expansion, and strategic positioning in highly competitive environments. She is best suited to take up the job
(5).	Remuneration proposed	As set out in the resolution for the item no. 7 of the notice
(6).	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration is in tune with the current remuneration packages of the similar industry at this level, qualifications and experience of the appointee and the responsibilities shouldered by her.
(7).	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:	Mr. Ramesh Arora (Managing Director) Husband Mrs. Geeta Arora (Whole Time Director) Husband's Brother's wife Mr. Ajay Kumar Arora (Whole Time Director) Husband's Brother Mr. Aditya Arora(Whole Time Director & CFO) Husband's Brother's Son
(8).	Reasons for Losses / Inadequate profits	There are no losses however, there may be inadequate profits in future due to hike in the interest rate, rising running cost, challenging business environment, adverse market conditions and due to change in government policy.
(9).	Steps taken or proposed to be taken for improvement	Company is working towards improving plant efficiencies. Company is taking initiatives in increasing efficiency and cost reduction making progress in turnover. Company is also striving for better efficiency of manufacturing facility by adopting Energy Management Systems, debottlenecking of processes, cost reductions and focusing on new area of market and sales maximization.
(10).	Expected increase in productivity and profits in measurable terms	The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. In view of the steps taken by the Company as stated above, the



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		Company believes that there will be significant increase in productivity and profitability in the years to come.
(11.)	Disclosures	NIL

As required by the Companies Act, 2013, approval of the members is being sought, for the reappointment and fixation of remuneration of **Mrs. Anju Arora**, Whole Time Director.

Except **Mrs. Anju Arora**, Appointee and Mr. Ramesh Arora, Mrs. Geeta Arora, Mr. Ajay Kumar Arora & Mr. Aditya Arora, directors being relatives of **Mrs. Anju Arora**, none of the other Directors and/or Key Managerial Personnel (KMP) or relatives of other directors and KMP are concerned or interested either financially or otherwise in the Resolution at Item No. 7 of the accompanying Notice.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval of the Members.

Item No.8

At 38th AGM held on 30th September 2021, **Mrs. Geeta Arora (DIN: 03155615)** was re-appointed as the Whole Time Director of the company for a period of 5 (five) years effective from 16th January 2021 till 15th January, 2026. Further at 41st AGM held on 24th September 2024, the resolution for increase in remuneration of **Mrs. Geeta Arora**, Whole Time Director, with effect from 1st October, 2024 for the remaining period of her tenure in terms of the applicable provisions of the Companies Act 2013, for Companies having inadequate profits and in compliance with the requirements of regulation 17(6)(e) SEBI Listing Regulations, 2015 was passed vide Special Resolution. The current term of re-appointment and validity of remuneration resolution will expire on 15th January 2026. Therefore, it is proposed to seek members' approval for the re-appointment of **Mrs. Geeta Arora**, Whole Time Director, for a period of another 5 (five) years starting from 16th January, 2026 till 15th January 2031 and remuneration payable to **Mrs. Geeta Arora** is proposed to be approved for a period of 3 (three) years starting w.e.f. 16th January, 2026.

As per the Nomination and Remuneration Policy adopted by the Board, applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Nomination & Remuneration Committee of Directors and the Board of Directors at their meetings held on 16th August 2025, have considered and recommended/ approved the reappointment and remuneration proposed to be paid to **Mrs. Geeta Arora**, Whole Time Director, subject to approval of the Members by way of Special Resolution.

In terms of the provisions of Section 197 (as amended by the Companies (Amendment) Act, 2017), read with Schedule V of the Act, the Company is required to obtain the approval of the members by way of a special resolution for payment of remuneration to Managerial Personnel in case of no profits / inadequacy of profits. Further, In terms of Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") the fee and compensation payable to Executive Directors who are promoters or members of promoter group, shall be subject to the approval of the members by a Special Resolution in General Meeting, if, the annual remuneration payable to such executive director exceeds rupees 5 Crore or 2.5 per cent of the net profits of the Company, whichever is higher; **OR** where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the Company.



In order to comply with the requirements of SEBI Listing Regulations and on recommendation of the Nomination and Remuneration Committee and the Board of Directors, approval of members is sought for paying **Mrs. Geeta Arora's** remuneration even if the annual aggregate remuneration payable to Mrs. Geeta Arora, Mr. Ramesh Arora, Mr. Aditya Arora, Mr. Ajay Kumar Arora and Mrs. Anju Arora, Directors of Company, who are also promoters or members of the promoter group, exceeds 5% of the net profit of the Company, as calculated under section 198 of the Companies Act, in any year during the tenure of her appointment.

The Company has received a declaration from **Mrs. Geeta Arora** in terms of BSE circular LIST/COMP/14/2018-19 dated June 20, 2018, confirming that she is not debarred from holding the office of Director pursuant to order of SEBI or any other authority. In the opinion of the Board, **Mrs. Geeta Arora** satisfies all the conditions set out in the SEBI Listing Regulations and in Part-I of Schedule V to the Act and also conditions set out under sub-section 3 of section 196 of the Act for being eligible for appointment as a Director. Further, she is not disqualified from being appointed as Director in terms of section 164 of the Act and have given consent to act as Director. Brief resume, nature of expertise, name of companies in which she hold directorships and memberships/chairmanships of Board Committees, shareholding, and relationships among directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 besides above, are provided in the statement giving details pursuant to Regulation 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard-2 in respect of Directors seeking appointment / reappointment.

Additional Information as required under Regulation 36(3) of the Listing Regulation, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) with respect to appointment or re-appointment and/or fixation of remuneration of Director is as under :-

Name of the Director	Geeta Arora
Director Identification Number (DIN)	03155615
Date of birth /(Age)	29/11/1970, 54 years.
Date of First Appointment on the Board	01-10-2010
Qualification	Mrs. Geeta Arora did Master of Arts from Amritsar.
Brief Profile	Mrs. Geeta Arora is the Whole Time Director of the Company. She has completed her Master of Arts from Amritsar. She plays a key role in overseeing the Human Resources function of the Company, contributing to talent management, organizational development, and employee welfare initiatives. Her leadership ensures a strong people-centric culture aligned with the Company's strategic objectives.
Experience and expertise in specific functional areas	She has experience of more than 18 years in Administration. She oversees the entire HR function, including talent acquisition, employee engagement, training and development, performance management, and policy formulation. Under her leadership, the Company



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	has witnessed a more structured and employee-centric approach to workforce management, contributing significantly to employee retention and organizational culture.
Terms and conditions of appointment or re-appointment	Re-appointed as Whole Time Director for a period of 5 years, effective from 16-01-2026 to 15-01-2031, liable to retire by rotation.
Remuneration sought to be paid (₹)	No change proposed. The same remuneration as previously approved by the shareholders will continue for the new term.
Remuneration Last Drawn (₹)	Rs. 3,00,000/- per month
Number of Meetings of Board attended during the year	11/11 board meetings attended during 2024-25.
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	Mr. Ramesh Arora (Managing Director) Husband's Brother, Mrs. Anju Arora (Whole Time Director) Husband's Brother's wife, Mr. Ajay Kumar Arora (Whole Time Director) Husband, Mr. Aditya Arora (Whole Time Director & CFO) Son
Shareholding in the Company as on March 31, 2025	111500
Directorships of other Boards (including Directorships on the Board of Listed companies) as on March 31, 2025	NIL
Listed entities from which the Director has resigned in the past three years	NIL
Memberships/ Chairmanship of Board Committees of other companies as on March 31, 2025	NIL

A statement referred to in Section II, Part II of Schedule V, of the Companies Act, 2013 is stated below:

VII. General Information

(1).	Nature of Industry	Pharmaceuticals (manufacturing)
(2).	Date of commencement of commercial production	04-05-1983 (date of Incorporation)
(3).	In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus	Not applicable
(4).	Financial Performance based on given indicators	Please refer to the Financial results in Annual Report.
(5).	Foreign investments or collaborations, if any	For details in relation to foreign investment in the Company, refer to the shareholding pattern of the Company



		available on the website of the Company & that of the BSE Limited.
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VIII. INFORMATION ABOUT THE APPOINTEE

(1).	Background details	Mrs. Geeta Arora , is Whole Time Director of Company. She has completed her Master of Arts from Amritsar. She is on the Board of the Company since 2010. She plays a key role in overseeing the Human Resources function of the Company.
(2).	Past Remuneration	Rs. 3,00,000/- per month
(3).	Recognition or awards	The Company has received various awards and recognition during her Tenure.
(4).	Job Profile and her suitability	She oversees the Human Resources function of the Company, contributing to talent management, organizational development, and employee welfare initiatives. Her leadership ensures a strong people-centric culture aligned with the Company's strategic objectives. She is best suited to take up the job
(5).	Remuneration proposed	As set out in the resolution for the item no. 8 of the notice
(6).	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration is in tune with the current remuneration packages of the similar industry at this level, qualifications and experience of the appointee and the responsibilities shouldered by her.
(7).	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:	Mr. Ramesh Arora (Managing Director) Husband's Brother Mrs. Anju Arora (Whole Time Director) Husband's Brother's wife Mr. Ajay Kumar Arora (Whole Time Director) Husband Mr. Aditya Arora (Whole Time Director & CFO) Son
(8).	Reasons for Losses / Inadequate profits	There are no losses however, there may be inadequate profits in future due to hike in the interest rate, rising running cost, challenging business environment, adverse market conditions and due to change in government policy.
(9).	Steps taken or proposed to be taken for improvement	Company is working towards improving plant efficiencies. Company is taking initiatives in increasing efficiency and cost



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		reduction making progress in turnover. Company is also striving for better efficiency of manufacturing facility by adopting Energy Management Systems, debottlenecking of processes, cost reductions and focusing on new area of market and sales maximization.
(10).	Expected increase in productivity and profits in measurable terms	The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. In view of the steps taken by the Company as stated above, the Company believes that there will be significant increase in productivity and profitability in the years to come.
(11.)	Disclosures	NIL

As required by the Companies Act, 2013, approval of the members is being sought, for the reappointment and fixation of remuneration of **Mrs. Geeta Arora**, Whole Time Director.

Except **Mrs. Geeta Arora**, Appointee and Mr. Ramesh Arora, Mrs. Anju Arora, Mr. Ajay Kumar Arora & Mr. Aditya Arora, directors being relatives of **Mrs. Geeta Arora**, none of the other Directors and/or Key Managerial Personnel (KMP) or relatives of other directors and KMP are concerned or interested either financially or otherwise in the Resolution at Item No. 8 of the accompanying Notice.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval of the Members.

Item No.9

The term of office of **Mr. Kartik Kapur (DIN: 08966816)** as an Independent Director of the Company, is due to expire on 15th January, 2026. Based on the recommendation of the Nomination and Remuneration Committee and pursuant to the performance evaluation of **Mr. Kartik Kapur**, the Board of Directors at its meeting held on **16th August, 2025** proposed to re-appoint him as an Independent Director for a second term of 5 consecutive years, with effect from 16th January, 2026, not liable to retire by rotation.

In accordance with Section 149(10) of the Companies Act, 2013 and Regulation 17(1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of shareholders by way of a special resolution is required for such re-appointment, even if the re-appointment is being made prior to the expiry of the existing term.

The Company has received a declaration from **Mr. Kartik Kapur** confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015. In the opinion of the Board, he possesses appropriate skills, experience, knowledge, and integrity for re-appointment as an Independent Director.



Additional Information as required under Regulation 36(3) of the Listing Regulation, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) with respect to appointment or re-appointment and/or fixation of remuneration of Director is as under :-

Name of the Director	Kartik Kapur
Director Identification Number (DIN)	08966816
Date of birth /(Age)	18/04/1994, 31 years
Date of First Appointment on the Board	16/01/2021
Qualification	Mr. Kartik Kapur hold degree of M. Pharma (Industrial Pharmacy) from Manipal College of Pharmaceutical Sciences, Karnataka.
Brief Profile	Mr. Kartik Kapur is a pharmaceutical industry professional with over 6 years of experience in areas including regulatory affairs, quality control and manufacturing . He holds qualification of M. Pharma and brings valuable insights into pharma operations and governance.
Experience and expertise in specific functional areas	Business Management, Strategic Planning, Corporate Governance, Regulatory Affairs in the Pharmaceutical Industry.
Terms and conditions of appointment or re-appointment	Re-appointed for a second term of 5 consecutive years from 16-01-2026 to 15-01-2031, not liable to retire by rotation.
Remuneration sought to be paid (₹)	Sitting Fees
Remuneration Last Drawn (₹)	Sitting Fees
Number of Meetings of Board attended during the year	3/11 board meetings attended during 2024-25.
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	There exists no relationship with other Directors and Key Managerial Personnel inter-se
Shareholding in the Company as on March 31, 2025	NIL
Directorships of other Boards (including Directorships on the Board of Listed companies) as on March 31, 2025	NIL
Listed entities from which the Director has resigned in the past three years	NIL
Memberships/ Chairmanship of Board Committees of other companies as on March 31, 2025	NIL
Skills and capabilities required for the role	Strong ethical standards and professional integrity, deep knowledge of pharmaceutical regulations, Strategic thinking and risk oversight in pharma operations and good judgment to contribute effectively in Board meetings.



Manner in which the proposed person meet such requirements/ Justification for choosing the appointee for re-appointment as Independent Director	Mr. Kartik Kapur possesses over 6 years of rich experience in the pharmaceutical industry . He has in-depth knowledge of pharmaceutical regulations. He has sound understanding of corporate governance practices, risk management, and financial oversight , and demonstrates high standards of integrity, independence of judgment , and active Board participation.
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Except Mr. Kartik Kapur, being an appointee, 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 proposed resolution.

The Board recommends the passing of the **Special Resolution** as set out at Item No. 9 of the accompanying Notice.

Item No.10

Pursuant to the amended provisions of Regulation 24A of the SEBI Listing Regulations vide SEBI Notification dated December 12, 2024 and provisions of Section 204 of the Companies Act, 2013 ('Act') and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee and the Board of Directors at their respective meetings held on **16th August 2025** have recommended the appointment of **M/s Rishi Mittal & Associates**, Practicing Company Secretaries, Amritsar, **Peer Reviewed Certificate No. 2486/2022** as Secretarial Auditors of the Company on the following terms and conditions:

Details required under Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:-

- a) **Term of appointment:** 5 (Five) consecutive years for Audit period of 5 years commencing from F.Y 2025-26 till F.Y 2029-30.
- b) **Proposed Fees:** Rs. 40,000/- plus applicable taxes and other out-of-pocket expenses in connection with the Secretarial Audit for Financial Year ending March 31, 2026, and for subsequent year(s) of their term, at such fees as may be mutually agreed between the Board of Directors and Secretarial Auditors.

The fees for services in the nature of certifications and other professional work will be in addition to the Secretarial Audit fee as above and will be determined by the Board in consultation with the Secretarial Auditors and as per the recommendations of the Audit Committee.

- c) **Basis of Recommendations:** The recommendations are based on evaluation and consideration of various factors such as industry experience, competency, efficiency and quality in conduct of audit and Independent assessment, etc.



- d) Credentials:** The Secretarial Audit Firm, established in the year 1998, is founded by Mr. Rishi Mittal, Company Secretary having experience of more than 25 years in the field of corporate secretarial and other compliance management services.

The firm is primarily engaged in providing Secretarial Audit, Corporate Governance, Compliance Management, Diligence Reports and Assurance services. The firm has good exposure of handling secretarial audits of several listed and unlisted companies. Renowned for its commitment to quality and precision, the firm has been Peer Reviewed by the Institute of Company Secretaries of India (ICSI), ensuring the highest standards in professional practices.

- e) Consent and Eligibility:** M/s Rishi Mittal & Associates, have consented to their appointment and have confirmed that their appointment, if made, would be pursuant to Regulation 24A of SEBI (LODR) Regulations, 2015 and that they are not disqualified to be appointed as Secretarial Auditors in terms of the provisions of SEBI Listing Regulations. The Secretarial Auditors holds a valid Peer Review Certificate issued by ICSI.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.10 of the Notice for approval by the members.

Item No.11

The Board on the recommendation of the Audit Committee has approved the appointment and remuneration of Cost Auditors **M/s Verma Khushwinder & Co.,** Cost Accountants, Jalandhar to conduct the audit of the cost records of the Company for the financial year ending March 31, 2026.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.11 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2026.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No.11 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.11 of the Notice for approval by the members.

By Order Of the Board

Sd/-

(GURPREET KAUR)

Company Secretary & Compliance Officer

Place:- Amritsar

Date:- 16th August 2025



Information Pursuant to the Listing Regulations and Secretarial Standards in Respect of Directors Retiring by Rotation

Name of Director	Date of Birth	Brief Resume and Nature of Expertise in Functional Area	List of Directorship / Committee Memberships in other Public Companies as on 31 st March, 2025
AJAY KUMAR ARORA (DIN: 00462664)	29/01/1968	Mr. Ajay Kumar Arora aged 57 years has done Bachelor of Pharmacy. Mr. Ajay Kumar Arora assumes a crucial role in overseeing the company's manufacturing planning and operations. With a B. Pharma. degree and more than 30 years of experience, his contribution to organizational development is of paramount importance. Primarily, he takes charge of procurement of raw material including API, ensuring the acquisition of machinery and other essential requirements. Additionally, he actively manages day-to-day manufacturing activities and provides oversight to various departments, including conducting initial audits of documentation, production, and inspections.	Other Directorship: 1 (in Private Limited Company) Name of listed entities in which person also holds directorship or membership of committee :- Nil Listed entities from which he has resigned as Director in past 3 years:- Nil Committee positions held in Kwaliti Pharmaceuticals Limited:- Nil Committee Positions held in other Public Companies: Nil Relationship with other Directors:- Relative of Directors Mrs. Geeta Arora, Mr. Aditya Arora, Mr. Ramesh Arora and Mrs. Anju Arora. No. of Shares held in the Company:- 1410638 No. of Board Meetings Attended during the year: - 11/11 in FY 2024-25.

**Annual Report 2024-25**

GEETA ARORA (DIN: 03155615)	29/11/1970	Mrs. Geeta Arora aged 54 years She has completed her Master of Arts from Amritsar. She is on the Board of the Company since 2010. She has an experience of more than 17 years in Administration. She oversees Human Resource and Management Operations of the Company	Other Directorship :- Nil Name of listed entities in which person also holds directorship or membership of committee :- Nil Listed entities from which she has resigned as Director in past 3 years:- Nil Committee positions held in Kwality Pharmaceuticals Limited:- Chairperson in Corporate Social Responsibility Committee and Member in Stakeholders Relationship Committee. Committee Positions held in other Public Companies: Nil Relationship with other Directors:- Relative of Directors Mr. Ajay Kumar Arora, Mr. Aditya Arora, Mr. Ramesh Arora and Mrs. Anju Arora. No. of Shares held in the Company:- 111500 No. of Board Meetings Attended during the year: - 11/11 in FY 2024-25.
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Place: Amritsar
Date: 16th August 2025

By Order of the Board
Sd/-

(GURPREET KAUR)
Company Secretary & Compliance Officer

**DIRECTORS' REPORT**

To

The Members

KWALITI PHARMACEUTICALS LIMITED.

Your Directors have pleasure in presenting the **42nd Annual Report** of **KWALITI PHARMACEUTICALS LIMITED** along with the Audited Financial Statements for the year ended **31st March 2025**.

1) FINANCIAL HIGHLIGHTS

The Company's financial performance for the year under review has been encouraging and is summarized below

			(Rupees in Lacs)	
	STANDALONE		CONSOLIDATED	
Particulars	2024-25	2023-24	2024-25	2023-24
Revenue from operations	37019.70	30717.18	37019.70	30717.18
Other Income	192.01	183.03	192.01	183.03
Total Income	37211.71	30900.21	37211.71	30900.21
Less:- Depreciation and amortisation expenses	1825.84	1951.07	1828.96	1955.88
Less:- Finance cost	987.79	1038.67	987.79	1038.67
Less:- Other Expenses	28975.38	24053.85	28980.97	24085.84
Profit before exceptional items and tax	5422.70	3856.62	5413.99	3819.82
Exceptional items	0.00	709.93	0.00	709.93
Profit before tax	5422.70	3146.69	5413.99	3109.89
Less: Provision for Taxation				
Current Tax	1469.47	791.96	1469.47	791.96
Deferred Tax	-158.94	-43.66	-158.94	-43.66
Tax for earlier Years	123.19	0.00	123.19	0.00
Profit/(Loss) After Tax For The Year	3988.97	2398.39	3980.27	2361.59
Other Comprehensive Income/(expense) for the year (net of tax)	-0.97	-6.40	-1.78	-10.13
Total Comprehensive Income for the year	3988.01	2391.99	3978.49	2351.46
Earnings per equity share [Nominal value of share Rs.10.00 each]				
Basic	38.44	23.11	38.36	22.76
Diluted	38.44	23.11	38.36	22.76



2) PERFORMANCE REVIEW

Your Company has prepared the Financial Statements for the financial year ended March 31, 2025, in terms of Sections 129, 133 and other applicable provisions, if any, of the Companies Act, 2013 (as amended) (the "Act") and Schedule III thereto read with the Rules framed thereunder.

During the year under review, on standalone basis, revenue of the company was Rs. 37211.71 Lakhs as compared to Rs. 30900.21 Lakhs in the corresponding previous year. The Company earned a profit after tax of Rs. 3988.97 Lakhs as compared to Rs. 2398.39 Lakhs in the previous year.

On consolidated basis, revenue of the company was Rs. 37211.71 Lakhs as compared to Rs. 30900.21 Lakhs in the corresponding previous year. The Company earned a profit after tax of Rs. 3980.27 Lakhs as compared to Rs. 2361.59 Lakhs in the previous year.

3) CHANGES IN NATURE OF BUSINESS

The Company is engaged in the business of manufacturing & trading in Pharmaceuticals & allied products and there was no change in the nature of the business of the Company during the year under review.

4) DIVIDEND

In order to conserve the resources, the Board of Directors does not recommend any dividend for the financial year 2024-25.

5) RESERVES

During the financial year under review, there are no transfers to any specific reserves.

6) ANNUAL RETURN

The Annual Return of the Company as on March 31, 2025 is available on the Company's website and can be accessed at https://www.kwalitypharma.com/annual_returns.php

7) ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 8, sub-rule (3) of Companies (Accounts) Rules, 2014 relating to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo is given in **Annexure 'A.'**

8) PARTICULARS OF EMPLOYEES REMUNERATION

The information pertaining to Section 197(12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **'Annexure B'**. There is no employee drawing a salary exceeding the limit prescribed under Section 197(12) read with Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

9) ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS)



The Audited Financial Statements for the financial year ended March 31, 2025 have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

10) DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board received a declaration from all the directors under section 164 and other applicable provisions, if any, of the Companies Act, 2013 that none of the directors of the company is disqualified under the provisions of the Companies Act, 2013 ('Act') or under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

i) Changes in Directors

(a) Based on the recommendation of the Nomination and Remuneration Committee, **Mr. Vinod Kumar Sharma (DIN: 08502519)** was appointed as an Additional Director (under Independent Director category) of the Company by the Board at its meeting held on July 26, 2025, under the provisions of section 161(1) and other applicable provisions, if any, of the Companies Act, 2013 and is entitled to hold office upto the date of 42nd Annual General Meeting of the Company.

Mr. Vinod Kumar Sharma has passed online proficiency test pursuant to the provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. The Company has also received requisite disclosures/ declarations from **Mr. Vinod Kumar Sharma** under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and its amendments thereunder. **Mr. Vinod Kumar Sharma** is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. In opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 & Listing Regulations and is independent of the management. The Board recommends the Special Resolution for his appointment as Independent director of the company for approval by the Members at the ensuing AGM.

The aforesaid appointment with brief profile and other related information of Mr. Vinod Kumar Sharma forms part of the Notice convening the ensuing AGM.

(b) Mr. Kiran Kumar Verma (DIN: 07415375) ceased to be Director of the Company and also from Chairperson of Nomination & Remuneration Committee and Member of Audit Committee of the Company with effect from 26th July, 2025 due to other professional commitments .

The Board of Directors places on record its sincere appreciation for the valuable guidance and contributions made by **Mr. Kiran Kumar Verma** during his association with the Company.

(c) The first term of **Mr. Kartik Kapur (DIN: 08966816), Non-Executive Independent Director** of the Company is due to **expire on 15th January, 2026**. Accordingly, on the recommendation of the Nomination & Remuneration Committee, the Board of Directors made the re-appointment of Mr. Kartik Kapur for a second term of five consecutive years commencing from 16th January, 2026 upto 15th January, 2031 in the board meeting held on 16th August, 2025 subject to the approval of shareholders in forthcoming Annual General Meeting of the Company. The Board of Directors recommends his re-appointment as



Independent Director of the Company for a further period of five consecutive years with effect from 16th January, 2026.

(d) The current term of Executive Directors i.e. **Mr. Ramesh Arora (DIN: 00462656) Managing Director, Mr. Ajay Kumar Arora (DIN: 00462664) Whole Time Director, Mrs. Geeta Arora (DIN: 03155615) Whole Time Director and Mrs. Anju Arora (DIN: 03155641) Whole Time Director** is due to expire on **15th January, 2026**. Accordingly, on the recommendation of the Nomination & Remuneration Committee, the Board at its meeting held on 16th August, 2025 has, subject to the approval of the shareholders in the ensuing Annual General Meeting, approved their re-appointment for further period of 5 years. i.e. with effect from 16th January, 2026 to 15th January, 2031.

The Board recommends the above re-appointments for the consideration of Members of the Company at the ensuing Annual General Meeting.

(e) During the f.y. 2024-25, the continuation of appointment of **Mr. Ramesh Arora (DIN: 00462656)**, as Managing Director of the company beyond the age of 70 years was approved by the shareholders through a Special Resolution passed at the Annual General Meeting held on September 24, 2024. Accordingly, Mr. Ramesh Arora continues to serve as the Managing Director of the Company.

ii.) RETIREMENT BY ROTATION

In accordance with the provisions of section 152 of the Companies Act, 2013 and the Articles of Association of the Company, **Mr. Ajay Kumar Arora and Mrs. Geeta Arora**, directors retire by rotation at the ensuing Annual General Meeting and offer themselves for reappointment.

iii.) Key Managerial Personnel: The following are the Key Managerial Personnel of the Company for the year:

Sr. No.	Name of Person	Designation
1.	Sh. Ramesh Arora	Managing Director
2.	Sh. Ajay Kumar Arora	Whole Time Director
3.	Sh. Aditya Arora	Whole Time Director
4.	Smt. Anju Arora	Whole Time Director
5.	Smt. Geeta Arora	Whole Time Director
6.	Ms. Gurpreet Kaur	Company Secretary

11) NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2024-25, **11** meetings of the Board of Directors of the company were held and the details of which are given in the Corporate Governance Report which is enclosed with director's report as "**Annexure E**". The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12) COMMITTEES OF THE BOARD



The Board has constituted various committees to support the Board in discharging its responsibilities. The following four committees are constituted by the Board:

AUDIT COMMITTEE

The Audit Committee comprises of Sh. Pankaj Takkar as Chairman and Sh. Vinod Kumar Sharma and Sh. Aditya Arora as members. Sh. Kiran Kumar Verma ceased to be member of the Audit Committee w.e.f. 26-07-2025 due to his resignation from the board and Sh. Vinod Kumar Sharma (newly appointed additional independent director w.e.f. 26-07-2025) was appointed as a member of committee w.e.f. 26-07-2025. The details of term of reference of the Audit Committee members, dates of meetings held and attendance of the Directors are given separately in the Corporate Governance Report.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of Sh. Vinod Kumar Sharma (newly appointed additional independent director w.e.f. 26-07-2025) as Chairman and Sh. Pankaj Takkar and Sh. Ravi Shanker Singh as members. Sh. Kiran Kumar Verma ceased to be Chairman of the Nomination and Remuneration Committee w.e.f. 26-07-2025 due to his resignation from the board and Sh. Vinod Kumar Sharma was appointed as a Chairman w.e.f. 26-07-2025. The details of term of reference of the Committee members, dates of meetings held and attendance of the Directors are given in the Corporate Governance Report.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprises of Sh. Ravi Shanker Singh as Chairman and Smt. Geeta Arora and Smt. Anju Arora as members. The details of term of reference of the Committee members, dates of meetings held and attendance of the Directors are given separately in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee is duly constituted in terms of the requirement of Companies Act, 2013. During the financial year 2024-25, two meetings of CSR committee were held on 23-05-2024 and 31-03-2025. The composition of Committee and attendance of members is as follows:

Name	Category	Meetings held during 2024-25	No. of Meetings Attended
Geeta Arora	Chairperson	2	2
Aditya Arora	Member	2	2
Pankaj Takkar	Member	2	2

13) MEETINGS OF INDEPENDENT DIRECTORS



The Independent Directors met on 31st March 2025 inter alia, to

- a) review the performance of the Non-Independent Directors and the Board of Directors as a whole;
- b) review the performance of the Managing Director of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- c) assess the quality, content and timeliness of the flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

14) DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Company has one subsidiary company 'Kwality Pharmaceuticals Africa, Limitada' at Maputo Province, Mozambique which is mainly engaged in the Pharmaceuticals business. The Board reviewed the affairs of the Company's subsidiary during the year at regular intervals. In accordance with section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statements of the Company and its subsidiary, which forms part of this Annual Report. Further a statement containing Salient features of the Financial Statements of its subsidiary in Form AOC-1 as given in the annual report forms part of the Financial Statements. During the year, no company became or ceased to be Subsidiary, Joint Venture or Associate Company.

15) MECHANISM FOR EVALUATING BOARD MEMBERS:

Pursuant to the section 134 (p) of Companies Act, 2013 read with Rule 8 (4) of Companies Accounts Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the Board Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

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

The evaluation of the Directors were based on their attendance and participation, acting in good faith and in the interests of the company as a whole, exercising duties with due diligence and reasonable care, complying with legislations and regulations in letter and spirit and such other factors.

In addition, the managing director was also evaluated on the key aspects of his role. In a separate meeting of independent Directors, performance of non independent directors, performance of the board as a whole and performance of the managing director was evaluated, taking into account the views of executive directors and non-executive directors.

16) FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

The Familiarization Program seeks to update the Independent Directors on various matters covering Company's strategy, business model, operations, organization structure, finance, risk management etc. It also seeks to update the Independent Directors with their roles, rights, responsibilities, duties under the



Companies Act, 2013 and other statutes. The policy and details of familiarization program imparted to the Independent Directors of the Company is available at <https://www.kwalitypharma.com/assets/Disclosure%20under%20Regulation%2046/Familiarization%20Programmes%20imparted%20to%20Independent%20Directors.pdf>

17) STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

The Company had received declarations 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 under Regulation 16 (1)(b) of Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company and in the opinion of the Board, the Independent Directors fulfil the conditions specified under the Act and the Listing Regulations and are Independent of the management.

18) POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of the Directors, the senior management and their remuneration. The remuneration policy is stated in the Corporate Governance Report.

19) WHISTLE BLOWER POLICY

Pursuant to the Section 177(9) and (10) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and Employees to report the management about the unethical behavior, fraud, improper practice or violation of the Company's Code of Conduct or complaints regarding accounting, auditing, internal controls or disclosure practices of the Company. It gives a platform to the whistle blower to report any unethical or improper practice (not necessarily violation of law) and to define processes for receiving and investigating complaints. The mechanism provides adequate safeguards against victimization of employees and directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower Policy is available on the website of the Company at <https://www.kwalitypharma.com/assets/CORPORATE%20POLICIES /Whistle-Blower-Policy.pdf>

20) VIGIL MECHANISM

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established and Chairman of the Audit Committee is responsible for issue pertaining to same.

21) RISK MANAGEMENT

The Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Efficient risk management is the key to achieving short term goals and sustained value creation over the long term. A well-defined risk management mechanism covering



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the risk mapping and trend analysis, risk exposures, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks.

22) STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, the Company in its 41st Annual General Meeting held on 24th day of September, 2024 had appointed **M/s VIJAY MEHRA & CO., Chartered Accountants, Amritsar (FRN: 001051N)** as the Statutory Auditors of the Company for a period of Five consecutive years from the conclusion of the 41st Annual General Meeting, till the conclusion of the 46th Annual General Meeting of the Company. The Companies Amendment Act, 2017 has dispensed the ratification of auditors appointment at every Annual General Meeting. Accordingly the Ordinary Business Agenda item relating to the ratification of the statutory Auditors appointment is not placed in the AGM notice.

23) AUDITORS' REPORT

M/s VIJAY MEHRA & CO., Chartered Accountants, have submitted their Report on the Financial Statements of the Company for the F.Y 2024-25, which forms part of the Annual Report. The Statutory Auditors' Report on the Financial Statements of the Company for FY 2024-25 does not contain any qualifications, reservations, adverse remarks or disclaimer.

The Statutory Auditors of the Company have not reported any fraud as specified under section 143(12) of the Act, in the year under review.

24) COST AUDITOR

Pursuant to Section 148(3) of the Companies Act, 2013, **M/s Verma Khushwinder & Co., Cost Accountants, Jalandhar**, were appointed as the Cost Auditors of the Company for the financial year 2024-25 by the Board of Directors and their remuneration was ratified by members at the 41st Annual General Meeting of the Company.

Further, the Board of Directors has appointed **M/s Verma Khushwinder & Co.** as the Cost Auditors of the Company for the financial year 2025-26 and has also fixed their remuneration. The Board has recommended the remuneration approved in its meeting, for ratification by the shareholders in the ensuing AGM of the Company.

The Company has maintained the Cost Records as specified by the Central Government under Section 148(1) of the Act.

25) SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed **M/s Rishi Mittal & Associates, , Practicing Company Secretaries, Amritsar** to undertake the Secretarial Audit of the Company for the Financial Year 2024-25.



The Secretarial Audit Report for Financial Year 2024-25 forms part of the Annual report as “Annexure C” to the Board's report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except the following :-

i.) As per Regulation 24A(2) of SEBI (LODR) Regulations, 2015, every listed entity shall submit a secretarial compliance report in such form as specified, to stock exchanges, within sixty days from end of each financial year but the company had made delay of 1 day in submission of XBRL format of report for year ended 31-03-2024 with BSE for which penalty of Rs.2360 was imposed by BSE on company;

Explanation: The Company had filed the PDF report within the due date on 30th May, 2024 but due to some technical problem in login, XBRL could not be uploaded on same day at BSE portal So, there was delay of 1 day in submission of XBRL with BSE for which penalty of Rs. 2360 was imposed on company which was duly paid by the company to BSE.

ii) Pursuant to the provisions of Regulation 30 read with sub-para 20, Para A, Part A of Schedule III of the SEBI (LODR) Regulations, 2015, the company has not intimated to stock exchange (BSE) regarding various demand orders passed under the Central Goods and Services Tax Act, 2017, imposing penalties on company;

Explanation: The management acknowledges the observation and is in the process of submitting the required disclosures to BSE.

iii) The company has not intimated to stock exchange (BSE) the details regarding ‘Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity’ i.e. updates on ongoing tax litigations or disputes pursuant to the provisions of Regulation 30 read with sub-para 8, Para B, Part A of Schedule III of the SEBI (LODR) Regulations, 2015.

Explanation: The management acknowledges the observation and is in the process of submitting the required disclosures to BSE.

Further, pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing Regulations and based on the recommendation of Audit Committee, the Board of Directors have recommended appointment of M/s Rishi Mittal & Associates, Peer-reviewed Practicing Company Secretaries firm (Peer Review Number 2486/2022), to undertake the Secretarial Audit of the Company for a period of five years from the conclusion of this 42nd AGM till the 47th AGM of the company. The proposed Secretarial Auditors have confirmed that they are not disqualified from being appointed as Secretarial Auditors of the Company. Necessary Resolution for approval of Shareholders has been set out at Item No. 10 in the Notice convening 42nd AGM and the Board recommends the said Resolution.

26) DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

In view of the profits and turnover of the Company, your Company was required to undertake CSR projects during the year 2024-25 under the provisions of section 135 of the Companies Act, 2013 and the rules



Annual Report 2024-25

made thereunder. As part of its initiatives under Corporate Social Responsibility (CSR)", the Company has undertaken various activities, which are in accordance with CSR Policy of the Company and Schedule VII of the Companies Act, 2013. The Board has approved a CSR policy on the recommendations of the CSR Committee. The Annual Report on CSR activities as required under Companies (Corporate Social Responsibility) Rules, 2014 is set out at **Annexure-D** forming part of this Board Report.

27) REPORT ON CORPORATE GOVERNANCE:

The Company is committed to maintain the highest standards of the Corporate Governance aligned with the best practices. In compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on corporate governance along with a certificate from practicing company secretary on its compliance forms an integral part of this Board's Report.

A report on Corporate Governance as stipulated in Part C of Schedule V of the Listing Regulations is provided in a separate section and is annexed to this Report and marked as "**Annexure E**".

28) MANAGEMENT DISCUSSION AND ANALYSIS:

A detailed review of the operations and performance of the Company is set out in the Management Discussion and Analysis Report pursuant to Regulation 34 Part-B of Schedule V of the (Listing Obligations and Disclosure Requirements) Regulations, 2015 which forms part of the Annual Report for the year under review as "**Annexure F**".

29) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

30) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no related party transactions made by the Company with the Promoters, Directors and Key Managerial Personnel which may have a potential conflict with the interest of the Company at large.

The Board of Directors of the Company has approved the criteria for giving the omnibus approval by the Audit Committee within the overall framework of the Policy on Related Party Transactions. Omnibus approval was obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at arm's length basis.

The transactions with the related parties have been disclosed in the financial statements. During the year the company has not entered into any contracts / arrangements / transactions with related parties which could be considered material in accordance with policy of the Company on material related party transactions or under section 188 (1) of the Act. Thus disclosure in Form AOC-2 is not required.



31) COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

Your Directors state that they have devised proper systems to ensure compliance with the Secretarial Standards and that such system are adequate and operating effectively. During the year under review, the Company has complied with the provisions of all the Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under section 118 of the Companies Act, 2013.

32) MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of this Report.

33) DEPOSITS

Your Company has not accepted any deposits from the public during the year under review, within the meaning of Section 73 of the Companies Act, 2013 ('the Act) read with the Companies (Acceptance of Deposits) Rules, 2014, and no amount of principle or interest on deposits from the public is outstanding as on the date of Balance Sheet.

34) SHARE CAPITAL

During the year under review, there was no change in the paid-up equity share capital of the Company which is as on 31st March, 2025 was Rs. 1037.62 Lakhs.

35) PROVISION OF MONEY BY COMPANY FOR PURCHASE OF ITS OWN SHARES BY EMPLOYEES OR BY TRUSTEES FOR THE BENEFIT OF EMPLOYEES

The company has not made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees as per Rule 16(4) of Companies (share capital and debentures) Rules, 2014.

36) ISSUE OF SWEAT EQUITY SHARES

The Company has not issued any sweat equity share during the financial year in accordance with the provisions of Section 54 of Companies Act, 2013 read with Rule 8 of the Companies (Share Capital and Debentures) Rules, 2014.

37) ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS

The Company has not issued any equity shares with differential voting rights during the financial year as per Rule 4(4) of Companies (Share capital and debentures) Rules, 2014.



38) ISSUE OF EMPLOYEE STOCK OPTION

The company has not issued any employee stock option during the financial year as per Rule 12 of Companies (share capital and debentures) Rules, 2014.

39) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has comprehensive and adequate internal financial controls system for all major processes including financial statements to ensure reliability of reporting. The system also helps management to have timely data/feedback on various operational parameters for effective review. It also ensures proper safeguarding of assets across the Company and its economical use. The internal financial controls system of the Company is commensurate with the size, scale and complexity of its operations. The systems and controls are periodically reviewed and modified based on the requirement.

The Company has an internal audit function which is empowered to examine the adequacy and compliance with policies, plans and statutory requirements. It is also responsible for assessing and improving the effectiveness of risk management, control and governance process. The scope of Internal Audit is well defined and documented and the audit committee reviews the observations of the Internal Audit critically. The composition and working of the audit committee forms part of the Corporate Governance Report.

Internal audits are undertaken on a quarterly basis by Internal Auditors covering all units and business operations to independently validate the existing controls. Reports of the Internal Auditors are regularly reviewed by the management and corrective action is initiated to strengthen the controls and enhance the effectiveness of the existing systems. There were no observations or remarks reported by the said auditors of the Company during the year under review.

40) COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Gurpreet Kaur (M.No. 52091) is Company Secretary, KMP and Compliance Officer of the Company.

41) DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants, whilst dealing with issues related to sexual harassment at the work place. All women employees (permanent, temporary, contractual and trainees) are covered under this policy. An Internal Complaints Committee has been set up to redress the complaints received regarding sexual harassment. Your Company did not receive any complaints during the period under review.

42) PROHIBITION OF INSIDER TRADING

The Board of Directors has adopted the Insider Trading Policy in accordance with requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed and disclosures to be made while dealing with shares of the



Company, as well as the consequences of violation. The Policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company Securities. The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading is available on the Company's website at <https://www.kwalita.pharma.com/assets/CORPORATE%20POLICIES/Code%20of%20Practice%20and%20Procedure%20for%20fair%20disclosure%20of%20UPSI.pdf>

43) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

44) TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

45) DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013 Your Directors' confirm that:

- i. in the preparation of the annual accounts for the financial year ended March 31, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2025 and of the profit of the Company for that period;
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the annual accounts on a 'going concern' basis;
- v. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

46) POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Based on the recommendation of Nomination & Remuneration Committee, the Board of Directors approved and adopted a Policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and other employees of the Company as required under Section 178(3) of the Act. The Remuneration Policy on the appointment and remuneration of Directors and Key Managerial Personnel provides a framework based on which our human resources management aligns their recruitment plans for the strategic growth of the Company. The policy may be accessed under the 'Investor Relations' section on the website of the Company at the web link



47) POSTAL BALLOT

During the year under review, no postal ballot resolutions were passed.

48) CASH FLOW STATEMENT

In due compliance of the listing agreement and in accordance with the requirements prescribed by SEBI, the cash flow statement is prepared and is appended to this Annual Report.

49) HUMAN RESOURCES

The Company continues to recognize its employees as one of its most valuable assets. During the year under review, the Company maintained cordial and harmonious relations with all employees across all levels and locations. Various initiatives were undertaken to enhance employee engagement, skill development, and performance management, aligning individual goals with the Company's strategic objectives. The focus remained on building a culture of accountability, innovation, and continuous learning.

50) OTHER DISCLOSURES

The Company does not have any Employees Stock Option Scheme in force and hence particulars are not furnished, as the same are not applicable. No proceedings against the Company is initiated or pending under the Insolvency and Bankruptcy Code, 2016. The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof – Not Applicable. During the year under review, the Statutory Auditor, Cost Auditor and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee and / or Board under section 143(12) of the Act.

51) EXPLANATION REGARDING PENDING TAX LITIGATIONS

During the financial year 2024–25, the Company received certain orders and show cause notices from the Goods and Services Tax (GST) Department pertaining to earlier financial years. These matters relate to alleged erroneous refunds, wrongful availment of Input Tax Credit (ITC), and related penalties.

Based on legal advice and our internal assessment, we believe these demands are not legally sustainable. The Company has taken appropriate legal action in each case and is actively contesting the matters before the respective appellate authorities and courts. A summary of the ongoing proceedings is given below:

(a) Show Cause Notice Alleging Wrongful Availment of ITC (FY 2017–18 to 2022–23)

A Show Cause Notice bearing No. AE/51/2024-25 was received under Sections 74 and 122 of the CGST Act, 2017, alleging wrongful ITC availment of ₹15,13,03,420/-, with an equivalent proposed penalty, totaling ₹30,26,06,840/-.

The Company has filed a Civil Writ Petition before the Hon'ble Punjab and Haryana High Court (CWP-34165-2024). The Court has stayed the adjudication proceedings, and the matter is currently under litigation.



(b) Erroneous Refund of IGST (FY 2017–18 to 2022–23)

An order bearing No. 14/GST/ADC/JAL/2024-2025 was received under Section 74(9) of the CGST Act, 2017 read with Section 20 of the IGST Act, 2017, raising a demand of ₹3,15,02,758/- and an equivalent penalty of ₹3,15,02,758/-. Interest has also been levied, though not quantified.

The Company has filed an appeal against the order before the appropriate appellate authority. The total disputed amount of ₹6,30,05,516/- is currently under litigation.

(c) Orders in Form DRC-07 for ITC Disputes

The Company received orders dated 30/12/2024 from the GST Department under Section 74 of the CGST Act, 2017, for the following:

- o FY 2017–18: Penalty of ₹2,80,695/- (no tax).
- o FY 2019–20: Tax and penalty of ₹6,74,856/- each.
- o FY 2020–21: Tax of ₹12,62,160/- and penalty of ₹12,70,485/-.

The Company has filed appeals before the concerned GST appellate authority, and the matters are currently pending.

We reaffirm that, based on legal advice and a thorough internal review, the Company believes these matters are defensible. The management is pursuing them diligently and is confident of receiving favourable outcomes. The Company remains committed to full legal compliance and protection of stakeholder interests.

52) INDUSTRIAL RELATIONS

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

53) ENVIRONMENT, HEALTH AND SAFETY

The Company remains committed to conducting its operations in an environmentally sustainable and socially responsible manner. During the year under review, all applicable environmental and safety regulations were complied with. Regular safety audits, training sessions, and medical check-ups were conducted to ensure workplace safety and employee well-being. Waste disposal, emissions, and effluent treatment were managed as per statutory norms, and energy conservation measures were implemented across operations.

54) APPRECIATION

Your Company has been able to perform better with the continuous improvement in all functions and areas which coupled with an efficient utilization of the Company's resources led to sustainable and profitable growth of the Organization. Your Directors express their deep sense of appreciation and extend their sincere thanks to every employee and associates for their dedicated and sustained contribution and they look forward the continuance of the same in future.



55) ACKNOWLEDGMENTS:

Your Directors would like to express their gratitude for the valuable assistance and cooperation received from shareholders, lenders, government authorities, customers and vendors. Your Directors also wish to place on record their appreciation for the committed services of all the employees of the Company.

For and on Behalf of the Board

Place: Amritsar
Date: 16th August 2025

Sd/-
(RAMESH ARORA)
Managing Director
DIN: 00462656

Sd/-
(AJAY KUMAR ARORA)
Whole Time Director
DIN: 00462664

**ANNEXURE 'A'****Disclosure under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014****A) Conservation of energy:**

Steps taken for conservation of energy	The Company remains committed to sustainable manufacturing practices and continues to implement energy conservation measures across its facilities. Our focus has been on optimizing resource utilization, reducing energy costs, and minimizing environmental impact while maintaining compliance with stringent pharmaceutical quality standards. The Company is making all its efforts to conserve energy by monitoring energy costs and periodically reviewing the consumption of energy. It also takes appropriate steps to reduce the consumption through efficiency in usage and timely maintenance/installation/upgradation of energy saving devices. To achieve above objectives the following steps are taken by the company:- • Use of heat pumps for hot water generation to reduce reliance on steam and associated energy costs. • Installation of an energy-efficient Blower for HVAC systems. • Upgradation of inefficient electric motors to IE2 energy-efficient. • Implementation of demand side compressed air management to minimize energy use in an air compressor. • Enhancement of condensate recovery systems, resulting in fuel and water saving . • Replacement of inefficient pumps with energy efficient alternatives. • Installation of variable frequency drives (VFDS) for part-load motor operations to optimize power consumption. • Installation of an automatic tube cleaning system in chillers to enhance performance and reduce energy consumption.
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Steps taken for utilizing alternate sources of energy	Boiler fuel is shifted from conventional fuel like waste wood and pet coke for Steam generation.
Capital investment on energy conservation equipment	No additional investment was made for the above purpose. However proposal for Solar Energy is in consideration and may be implemented in 2025-26.

(B) Technology Absorption:

The Company is engaged in the process research for new products and continuous improvement of existing products.

RESEARCH & DEVELOPMENT (R&D)

During the last fiscal year, our research and development initiatives have led to significant accomplishments. We have applied for DSIR approval. We successfully completed the characterization of protein chain of Erythropoietin and pre-clinical study is submitted to **RCGM** (Review Committee on Genetic Manipulation) under DBT (Department of Biotechnology) after DSIR approval there are many more researches on Biosimilar and peptides based items for cure of many diseases. Additionally, we are registering our products in highly regulated countries like Mexico, Brazil, Colombia and also making collaboration with the distributors for their registrations. Some of the bioequivalence have been ordered to different CRO's (Clinical Research Organization) for human study as per the requirements of countries. Effectively registration of approximately 15-20 products more within the oncology segment across highly regulated and semi-regulated market is already done.

(C) Foreign exchange earnings and Outgo:(in Rupees Lacs)

Particulars	Year ended 31st March 2025 (Rs. In Lakhs)	Year Ended 31st March 2024 (Rs. In Lakhs)
Earnings		
Export Sales	19543.82	13833.99
Outgo		
Capital Goods	224.05	112.82
Raw Materials	2151.96	2005.77

For and on Behalf of the Board

Place: Amritsar
Date: 16th August 2025

Sd/-
(RAMESH ARORA)
Managing Director
DIN: 00462656

Sd/-
(AJAY KUMAR ARORA)
Whole Time Director
DIN: 00462664

**ANNEXURE 'B'**

Information under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2025

A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial Year:

Executive Director	Ratio to Median Remuneration
RAMESH ARORA	50.14
AJAY KUMAR ARORA	50.14
ANJU ARORA	20.89
GEETA ARORA	20.89
ADITYA ARORA	33.43

B. The percentage increase in remuneration of each director, chief financial officer, chief executive officer, company secretary or manager, if any, in the financial year

Name	Designation	% increase in remuneration in the financial year
RAMESH ARORA	Managing Director	20.00
AJAY KUMAR ARORA	Whole Time Director	20.00
ANJU ARORA	Whole Time Director	25.00
GEETA ARORA	Whole Time Director	25.00
ADITYA ARORA	Whole Time Director & CFO	14.29
GURPREET KAUR	Company Secretary	15.01

C. The percentage increase in the median remuneration of employees in the financial year: 2.69 %

D. The number of permanent employees on rolls of the company as on 31st March 2025:- 997

E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

	F. Y. 2023-24	F. Y. 2024-25	% increase
Employees' Salary (in Rupees Lakhs)	2794.26	3797.12	35.89
Managerial Remuneration (in Rupees Lakhs)	210.00	252.00	20.00

The company follows performance appraisal methodology where in performances of employees are linked to the key deliverables and key control areas of the company.



F. Affirmation that the remuneration is as per the remuneration policy of the company.

The company affirms that the remuneration is as per the remuneration policy of the Company.

For and on Behalf of the Board

Place: Amritsar
Date: 16th August 2025

Sd/-
(RAMESH ARORA)
Managing Director
DIN: 00462656

Sd/-
(AJAY KUMAR ARORA)
Whole Time Director
DIN: 00462664



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 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,
KQUALITY PHARMACEUTICALS LIMITED,
(CIN: L24232PB1983PLC005426)
VILLAGE NAGKALAN, MAJITHA ROAD,
AMRITSAR.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KQUALITY PHARMACEUTICALS LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2025** generally 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on March 31, 2025 and made available to us, according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during Audit Period);**



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- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the Company during Audit Period)**;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during Audit Period)**;
 - (g) 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;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during Audit Period)**;
 - (i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018 **(Not applicable to the Company during Audit Period)**; and
 - (vi) The Drugs (Prices Control) Order 2013;
 - (vii) The Water (Prevention and Control of Pollution) Act, 1974;
 - (viii) Environment Protection Act, 1986;
 - (ix) Drugs and Cosmetics Act, 1940;
 - (x) The Factories Act, 1948 ;
 - (xi) Other laws as applicable to the company as per the representations made by the management.
2. We have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2);
 - ii. The provisions envisaged in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
 - iii. Listing Agreement(s) entered into by the Company with BSE Limited.
3. During the period under review and as per the explanations and clarifications given to us and the representations made by the management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the followings;
- i.) As per Regulation 24A(2) of SEBI (LODR) Regulations, 2015, every listed entity shall submit a secretarial compliance report in such form as specified, to stock exchanges, within sixty days from end of each financial year but the company had made delay of 1 day in submission of XBRL format of report for year ended 31-03-2024 with BSE for which penalty of Rs.2360 was imposed by BSE on company;
 - ii) Pursuant to the provisions of Regulation 30 read with sub-para 20, Para A, Part A of Schedule III of the SEBI (LODR) Regulations, 2015, the company has not intimated to stock exchange (BSE) regarding various demand orders passed under the Central Goods and Services Tax Act, 2017, imposing penalties on company;
 - iii) The company has not intimated to stock exchange (BSE) the details regarding 'Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity' i.e. updates on ongoing tax litigations or disputes pursuant to the provisions of Regulation 30 read with sub-para 8, Para B, Part A of Schedule III of the SEBI (LODR) Regulations, 2015.



4. We have relied on the information & representations made by the company & its officers for systems and mechanisms formed by the company for compliances under other applicable acts, laws and regulations to the company.
5. We further report that we have not reviewed the Compliance of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts by the Company since the same has been subject to review by the Statutory Auditors and other designated professionals.
6. We further report on the basis of information received and records maintained by the company that:
 - (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - (b) Adequate notice was given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance except in cases where meetings convened at shorter notice, 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.
 - (c) As per the minutes of the meetings duly recorded and signed by the chairman, majority decision is carried through and there were no dissenting views on any matter.
7. We further report that as per the explanations and clarifications given to us and the representations made by the management, 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.
8. We further report that during the Audit Period under review, there was no specific event or action in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the Company's affairs.

Place : AMRITSAR

Signature: Sd/- (RISHI MITTAL)

Date : **16th August 2025**

Name of Company Secretary in practice / Firm: **RISHI MITTAL & ASSOCIATES**

ACS No. 12613 & C P No.: 3004

UDIN: A012613G001018255

Peer Review Certificate No.: 2486/2022

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



Annexure 'A'

To,

The Members

KWALITI PHARMACEUTICALS LIMITED.

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

Place : AMRITSAR

Signature: Sd/- (RISHI MITTAL)

Date : **16th August 2025**

Name of Company Secretary in practice / Firm: **RISHI MITTAL & ASSOCIATES**

ACS No. 12613 & C P No.: 3004

UDIN: A012613G001018255

Peer Review Certificate No.: 2486/2022



ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company

The Company has framed Corporate Social Responsibility (CSR) Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society. CSR Policy is stated at the Website of Company: www.kwalitypharma.com

2. Composition of the CSR Committee

Sl. 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.	Mrs. Geeta Arora	Chairperson	2	2
2.	Mr. Aditya Arora	Member	2	2
3.	Mr. Pankaj Takkar	Member	2	2

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.kwalitypharma.com/assets/CORPORATE%20POLICIES /CSR%20POLICY.pdf>

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, if applicable. **N.A.**

5. (a) Average net profit of the company as per section 135(5):- Rs. 72,96,77,167

(b) Two percent of average net profit of the company as per section 135(5) :- Rs. 1,45,93,543

(c) Surplus arising out of the CSR projects or programmes 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 [(b)+(c)-(d)]:- Rs. 1,45,93,543

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):-
Rs. 1,45,96,234

(b) Amount spent in Administrative Overheads:- Nil

(c) Amount spent on Impact Assessment, if applicable :- Nil

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]:- Rs. 1,45,96,234

(e) CSR amount spent or unspent for the financial year:



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
1,45,96,234	N.A.	Nil	N.A.	Nil	N.A.

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

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	1,45,93,543
(ii)	Total amount spent for the Financial Year	1,45,96,234
(iii)	Excess amount spent for the financial year[(ii)-(i)]	2,691
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2,691

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Balance Amount in unspent CSR Account under subsection (6) of Section 135 (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Name of the Fund	Amount (in Rs.)	Date of transfer.		
1.	2023-24	4592717	4592717	1500000	-	-	-	3092717	-
2.	2022-23	4636838	606838	606838	-	-	-	-	-
3.	2021-22	-----	-----	-----	-	-	-	-	-
	Total	9229555	5199555	2106838	-	-	-	3092717	-

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 percent of the average net profit as per section 135(5).: Not Applicable.

For and on Behalf of the Board

Place: Amritsar
Date: 16th August 2025

Sd/-
(RAMESH ARORA)
Managing Director
DIN: 00462656

Sd/-
(GEETA ARORA)
(Chairman CSR Committee)
DIN: 03155615

**REPORT ON CORPORATE GOVERNANCE****COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Your Company believes that Corporate Governance is a pre-requisite for attaining sustainable growth in the competitive world.

KWALITY's philosophy on Corporate Governance is based on practices, such as fair and transparent business practices, effective management controls at all levels, adequate representation of promoters, executive and independent directors on the board, accountability of performance at all levels, monitoring of executive performance by the Board and transparent and timely disclosure of financial and management information.

A report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of Listing Regulations is given below:

BOARD OF DIRECTORS

There were ten members in the Board of the Directors of the company on 31st March 2025 including Executive Directors, Non Executive Directors, Independent directors and Woman directors. There is no institutional nominee on the Board.

A) Composition of board of directors

Presently, the composition of Board is as follows:

Directors	Category
Sh. Ramesh Arora	Managing Director
Sh. Ajay Kumar Arora	Whole Time Director
Sh. Aditya Arora	Whole Time Director & Chief Financial Officer
Smt. Geeta Arora	Whole Time Director
Smt. Anju Arora	Whole Time Director
Sh. Pankaj Takkar	Non Executive Independent Director
Sh. Ravi Shanker Singh	Non Executive Independent Director
Sh. Kartik Kapur	Non Executive Independent Director
Sh. Prashanth Vellanki	Non-Executive Independent Director
*Sh. Kiran Kumar Verma (resigned w.e.f. 26-07-2025)	Non -Executive Independent Director
**Sh. Vinod Kumar Sharma (appointed w.e.f. 26-07-2025)	Additional Non-Executive Independent Director

-In accordance with Section 196(3) of the Companies Act, 2013, the continuation of appointment of **Mr. Ramesh Arora (DIN: 00462656)**, as Managing Director of the company beyond the age of 70 years was approved by the shareholders through a Special Resolution passed at the Annual General Meeting held on September 24, 2024.



-***Mr. Kiran Kumar Verma**, Independent Director, ceased to be Director of the Company due to resignation with effect from 26-07-2025.

-**The board appointed **Mr. Vinod Kumar Sharma** as Additional Director (Non-Executive, Independent) with effect from 26-07-2025, subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.

B) Evaluation of Board, Committees and Directors:

In compliance with the provisions of the Companies Act, 2013 ('the Act') and any other provisions, the Board has adopted a formal mechanism for evaluation of its performances as well as that of its committees and individual Directors, including the Chairman of the Board. A structured mechanism is prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

C) Number of Board Meetings in the year

During the year 11 meetings of the Board of Directors were held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

Sr. No.	Dates on which Board Meetings were held
1.	23-05-2024
2.	28-06-2024
3.	29-07-2024
4.	10-08-2024
5.	31-08-2024
6.	30-09-2024
7.	30-10-2024
8.	23-12-2024
9.	31-01-2025
10.	28-02-2025
11.	31-03-2025

D) Details of Memberships and Attendance of each Director at the Board of Directors' Meetings held during the financial year under review and the last Annual General Meeting and the number of other Directorships and Chairmanship/Membership of Board Committees as on 31st March, 2025 are as follows:



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Sr No.	Name of Director	Category of Director	No. of Board Meetings Attended	Attendance at the last AGM	No. of other Directorship in others companies as on 31-03-2025	No. of Committee/ membership in which he/she is a Member or Chairperson
1.	Mr. Ramesh Arora (DIN: 00462656)	Managing Director	11	Yes	3	None
2.	Mr. Ajay Kumar Arora (DIN: 00462664)	Whole Time Director	11	Yes	1	None
3.	Mr. Aditya Arora (DIN: 07320410)	Whole Time Director & CFO	11	Yes	Nil	Member in two Committees
4.	Mrs. Geeta Arora (DIN: 03155615)	Whole Time Director	11	Yes	Nil	Member in one Committee and Chairperson in one Committee
5.	Mrs. Anju Arora (DIN: 03155641)	Whole Time Director	11	Yes	Nil	Member in one Committee
6.	Mr. Kiran Kumar Verma (DIN: 07415375)	Non Executive Independent Director	6	Yes	Nil	Member in one Committee and Chairman in one Committee
7.	Mr. Pankaj Takkar (DIN: 07414345)	Non Executive Independent Director	5	Yes	Nil	Member in two Committees and Chairman in one Committee
8.	Mr. Ravi Shanker Singh (DIN: 02303588)	Non Executive Independent Director	4	Yes	2	Member in one Committee and Chairman in one Committee
9.	Mr. Kartik Kapur (DIN: 08966816)	Non Executive Independent Director	3	No	NIL	None
10.	Mr. Prashanth Vellanki (DIN: 05182633)	Non Executive Independent Director	2	No	9	None

-Mr. Ramesh Arora and Mr. Ajay Kumar Arora are brothers. Mrs. Anju Arora is wife of Sh. Ramesh Arora and Mrs. Geeta Arora is wife of Sh. Ajay Kumar Arora. Mr. Aditya Arora is son of Mr. Ajay Kumar Arora. So all these directors are related to each other.

-No Directors hold directorships in other listed entities, hence the names of the listed entities alongwith category of directorship are not provided.

Matrix of expertise and skill of Directors

The Board of Directors has identified the following skills/expertise/competencies with reference to its business and industry that are fundamental for the effective functioning of the Company:

1. Strategic thinking and Planning
2. Entrepreneurial and Leadership skills
3. Business Development
4. Accounting, Legal and Financial Management
5. Global Exposure



6. Pharma Industry Experience
7. Board Services and Governance
8. Regulatory Compliance

The directors so appointed are from diverse backgrounds and possess special skills with regard to the industries / fields from where they come :-

Name of the Director	Strategic thinking and Planning	Entrepreneurial and Leadership skills	Business Development	Accounting, Legal and Financial Management	Global Exposure	Pharma Industry Experience	Board Services and Governance	Regulatory Compliance
Ramesh Arora	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ajay Kumar Arora	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Aditya Arora	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Geeta Arora	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Anju Arora	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Kiran Kumar Verma	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Pankaj Takkar	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ravi Shanker Singh	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Kartik Kapur	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Prashanth Vellanki	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Vinod Kumar Sharma	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

E) Confirmation of Independence

In the opinion of the Board, all Independent Directors fulfill the conditions of independence specified in the Listing Regulations and they are independent of the Management of the Company. The Declaration of Independence has been received from all Independent Directors and taken on record by the Board.

F) Shares held by Non-Executive Directors as at 31st March 2025:

Name of the Director	Shares held
Mr. Kiran Kumar Verma	Nil
Mr. Pankaj Takkar	3000
Mr. Ravi Shanker Singh	Nil
Mr. Kartik Kapur	Nil
Mr. Prashanth Vellanki	Nil

G) Induction & Familiarization Programs for Independent Directors:

On appointment, the concerned Director is issued a letter of Appointment setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a familiarization program. The program aims to familiarize the Directors with the Company, their role and responsibilities, business model of the Company etc. Further the Company has put into place a system to familiarise the Independent Director about the Company, its business and the on-going events relating to the Company. The details of such program are available on the web link <https://www.kwalita Pharma.com/assets/Disclosure%20under%20Regulation%2046/Familiarization%20Programmes%20imparted%20to%20Independent%20Directors.pdf>

**H) Independent Directors Meeting:**

In Compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015; the Independent Directors Meeting of the Company was held on 31-03-2025 without the presence of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, performance of managing director of the Company and assessed the quality, quantity and timelines of flow of information between the Company Management and the Board. All the Independent Directors of the Company were present in the meeting.

I.) Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards (IND AS) specified under Section 133 of the Companies Act, 2013 read with relevant rules made there under. The Significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

J.) Detailed reasons for the resignation of Independent Director:

During the financial year 2024-25, no Independent Director resigned from the Board of Directors of the Company. However, subsequent to financial year 2024-25, **Mr. Kiran Kumar Verma** resigned from the office of Independent Director with effect from 26-07-2025, due to his other professional commitments. He also confirmed that there are no other material reasons for his resignation other than stated above.

K.) Senior Management

The details of senior management of the Company during the financial year, are as follows:-

S.No.	Name of Senior Management	Designation
1.	Mr. Sunil Singh	Plant Head, HP Unit
2.	Mr. Narinder Jassal	QC, Head, HP Unit
3.	Mr. Sudhansu Sekhar Rautaray	Plant Head
4.	Mr. Harshvardhan Gupta	Manager, QA
5.	Mr. Akhilesh Kumar Bind	QC Head
6.	Mr. Mukesh Ojha	R&D Head
7.	Ms. Gurpreet Kaur	Company Secretary & Compliance Officer

There is no change in Senior Management during the financial year 2024-25.

COMMITTEES OF THE BOARD

There are four Committees constituted as per Companies Act, 2013. They are:

- 1) **Audit Committee**
- 2) **Nomination & Remuneration Committee**
- 3) **Stakeholders Relationship Committee**
- 4) **Corporate Social Responsibility Committee**

The Board of directors of the company has constituted various committees of the members of the board. The terms of reference of these committees have determined by the board from time to time.

**1. AUDIT COMMITTEE**

The composition, procedure, role/ function of the committee complies with the requirements of the Companies Act, 2013 as well as SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

*** Committee Constitution and Reconstitution**

Audit Committee was constituted on 14th March 2016.

*** Number of Meetings held**

During the year, 5 Audit Committee meetings were held on the following dates :- 23-05-2024, 10-08-2024, 30-08-2024, 30-10-2024 and 31-01-2025.

*** Composition & Attendance of Audit Committee**

Sr. No.	Name	Designation	Position in committee	No. of Meetings Attended
1	Pankaj Takkar	Non-Executive Independent Director	Chairman	5
2	*Kiran Kumar Verma	Non-Executive Independent Director	Member	5
3	Aditya Arora	Executive Non Independent Director	Member	5

The Company Secretary acts as the Secretary of the Committee.

*** Mr. Kiran Kumar Verma resigned from the membership of the Audit Committee on 26th July, 2025 and Mr. Vinod Kumar Sharma, newly appointed independent director, was appointed as member of the Audit Committee w.e.f. 26th July, 2025.**

*** The terms of reference of the Audit Committee are given below:**

1. Oversight of the company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Providing recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the company and the fixation of audit fee;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the 'Director's Responsibility Statement' to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, as amended
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;



- iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions; and
 - vii. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly and half-yearly financial statements before submission to the Board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the statutory auditor's independence and performance and effectiveness of audit process;
 8. Approval or any subsequent modification of transaction of the Company with related parties;
 9. Scrutiny of inter corporate loans and investments;
 10. Valuation of undertakings or assets of the Company wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 17. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 18. Review the functioning of the whistle blower mechanism;
 19. Approval of appointment of the chief financial officer (i.e., the whole time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
 20. Carrying out any other function as is mentioned in the terms of reference;

All the recommendations of the Audit Committee during the year were accepted by the Board of Directors.

2. NOMINATION AND REMUNERATION COMMITTEE

Our Company has constituted a Nomination & Remuneration committee ("**Nomination & Remuneration Committee**") pursuant to the provisions of section 178 of the Companies Act, 2013. The Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 14th March, 2016.

*** Number of Meetings held**

During the year, 1 Nomination & Remuneration Committee Meeting was held on 30-08-2024.

*** Composition & Attendance of Nomination and Remuneration Committee**

Sr. No.	Name	Designation	Position in committee	No. of Meetings Attended
1	*KIRAN KUMAR VERMA	Non-Executive Independent Director	Chairman	1
2	PANKAJ TAKKAR	Non-Executive Independent Director	Member	1
3	RAVI SHANKER SINGH	Non-Executive Independent Director	Member	1

The Company Secretary acts as the Secretary to Nomination & Remuneration Committee

*** Mr. Kiran Kumar Verma resigned from the membership including chairmanship of the Nomination & Remuneration Committee on 26th July, 2025 and Mr. Vinod Kumar Sharma, newly appointed independent director, was appointed as member and chairman of the Nomination & Remuneration Committee w.e.f. 26th July, 2025.**

The terms of reference of Nomination & Remuneration committee shall comply with the requirements of Regulation 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Role & Responsibilities of Nomination & Remuneration committee are:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (b) Formulation of criteria for evaluation of independent directors and the Board;
- (c) Devising a policy on Board diversity;
- (d) Identifying 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. Our Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;
- (e) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

The Committee shall have powers to act in accordance with the provisions of the Articles of Association of the Company read with section 178 to the Companies Act, 2013.

Decision & Voting powers:

All the decisions of the committee shall be taken by vote of majority. Members of the committee shall be entitled to vote. In case of equality, the Chairman shall have one additional casting vote.



Tenure of the committee:

The Committee shall continue to be in function as a Committee of the Board until otherwise resolved by the Board.

Meetings:

The Committee shall meet on the reference made by the Board to the Committee.

The Committee on any matter relating to the reference made to it shall submit a report along with the resolution passed by it to the Board from time to time.

The Chairman of the Committee shall attend the annual general meeting of the Company to provide any clarification on matter relating to the remuneration payable to the directors of the Company.

Performance evaluation criteria for Independent Directors:

Each Independent Director's performance was evaluated by Schedule IV of the Companies Act, 2013 having regard to the following criteria of evaluation viz. (i) preparedness (ii) participation (iii) value addition (iv) focus on governance and (v) communication.

The Non-Executive Directors of the Company comprises of Independent Directors and are paid sitting fees for the time devoted to the Company. Apart from the sitting fees, there is no other material pecuniary relationship or transactions by the Company with the Directors. The performance criteria for payment of remuneration are stated in the Remuneration Policy.

Remuneration Policy and Remuneration of Directors

The remuneration policy of the Directors is aligned towards rewarding participation in meetings and is in consonance with industry benchmarks and provisions of the law. The objective of the policy is to attract and retain excellent talent while delivering optimal value to the business. The Nomination and Remuneration Policy provides for appropriate composition of Executive and Non-Executive Independent Directors on the Board of Directors of your Company along with criteria for appointment, remuneration including determination of qualifications, positive attributes, independence of Directors and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013. The remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of your Company. The Non-Executive Directors of the Company are being paid sitting fees for attending Board Meetings and Committee Meetings. Executives Directors are not being paid sitting fees for attending meetings of the Board of Directors/Committees. Other than sitting fees, there were no material pecuniary relationships or transactions by the Company with the Non-Executive and Independent Directors of the Company.

The Company pays remuneration to its Executive Directors by way of salary, in accordance with provision of the Schedule V read with other provisions of the Companies Act, 2013, as approved by the Members. The Board on the recommendation of the Nomination and Remuneration Committee approves the annual increments. The detailed policy is available at website of company i.e. <https://www.kwalitapharma.com/assets/CORPORATE%20POLICIES /Nomination%20 %20Remuneration%20Policy.pdf>



Remunerations paid during the Financial Year 2024-25 to Executive Directors are:

Name of Director	Designation	Yearly Remuneration (Rs.)
RAMESH ARORA	Managing Director	72,00,000
AJAY KUMAR ARORA	Whole Time Director	72,00,000
GEETA ARORA	Whole Time Director	30,00,000
ANJU ARORA	Whole Time Director	30,00,000
ADITYA ARORA	Whole Time Director & Chief Financial Officer	48,00,000

Remunerations paid during the Financial Year 2024-25 to Non-Executive Directors are:

Name of Director	Designation	Sitting Fees for Board & Committees Meeting (Rs.)
KIRAN KUMAR VERMA	Non-Executive Independent Director	1,80,000
PANKAJ TAKKAR	Non-Executive Independent Director	1,87,000
RAVI SHANKER SINGH	Non-Executive Independent Director	45,000
KARTIK KAPUR	Non-Executive Independent Director	15,000
PRASHANTH VELLANKI	Non-Executive Independent Director	10,000

Apart from the above remuneration, there is no other material pecuniary relationship or transactions by the Company with the Directors.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition, procedure, role/ function of the committee complies with the requirements of the Companies Act, 2013 as well as SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. This committee was constituted to resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non receipt of dividend, bonus, etc.

*** Committee Constitution**

Stakeholders Relationship Committee was constituted on 14th March 2016.

*** Number of Meetings held**

During the year 4 Stakeholder's Relationship Committee meetings were held on 16-04-2024, 19-07-2024, 18-10-2024 and 21-01-2025.

*** Composition & Attendance of Stakeholders Relationship Committee**

Sr. No.	Name	Designation	Position in committee	No. of Meetings Attended
1	Ravi Shanker Singh	Non-Executive Independent Director	Chairman	4
2	Geeta Arora	Executive Non Independent Director	Member	4
3	Anju Arora	Executive Non Independent Director	Member	4

The Company Secretary acts as the Secretary of the Committee. Ms. Gurpreet Kaur is company secretary & compliance officer of the company.

*** The Role of Stakeholder Relationship Committee is as under**

1. Considering and resolving the grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of Annual Reports, non-receipt of declared dividends or any other documents or information to be sent by the Company to its shareholders etc.
2. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized.
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc. and
4. Review the process and mechanism of redressal of shareholders/Investors grievance and suggest measures of improving the system of redressal of shareholders/Investors grievances.
5. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with company or any officer of the company arising out in discharge of his duties.
6. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
7. Oversee the implementation and compliance of the code of conduct adopted by the company for prevention of Insider Trading for Listed Companies as specified in the SEBI (Prohibition of Insider Trading Regulations), 2015 as amended from time to time.
8. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted meeting.
9. Carrying out any other function contained in the Listing Regulations as and when amended from time to time.

The Stakeholder Relationship Committee shall act in accordance with the Regulation 20(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

*** Complaints**

In the year 2024-25, no investor complaints have been received by the Company.

**4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Pursuant to the provisions of Section 135 of the Act, the Board of Directors has duly constituted the Corporate Social Responsibility ("CSR") Committee.

***Brief description of terms of reference:**

- To frame the CSR Policy and CSR Annual Action Plan and its review from time-to-time;
- To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget; and
- To ensure compliance with the laws, rules and regulations governing the CSR and to periodically report to the Board of Directors;

*** Committee Constitution**

The Corporate Social Responsibility Committee was constituted in terms of the requirement of Companies Act, 2013 vide resolution passed at the meeting of board of directors held on 03-04-2017.

*** Number of Meetings held**

During the financial year 2024-25, 2 meeting of the committee were held on 23-05-2024 and 31-03-2025.

The composition of Committee and attendance of members is as follows:

Sr. No.	Name	Designation	Position in committee	No. of Meeting Attended
1	Geeta Arora	Executive Non Independent Director	Chairperson	2
2	Aditya Arora	Executive Non Independent Director	Member	2
3	Pankaj Takkar	Non-Executive Independent Director	Member	2

MEANS OF COMMUNICATION

The unaudited quarterly/half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the date of the closure of the financial year as per the requirement of the Listing Regulations with the Stock Exchanges.

The Company generally publishes the extracts of results in Financial Express (English) and Punjabi Jagran (Punjabi) newspapers.

Financials, Shareholding Pattern, Notices and other information is regularly been updated on the website of the Company i.e. www.kwalitiypharma.com and also on the BSE website.

In compliance with Regulation 46 of Listing Regulations, a separate dedicated section under the caption "Investors Relations" on the Company's website www.kwalitiypharma.com provides information on



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various announcements made by the Company, status of unclaimed dividend, Annual Report, Quarterly/Half yearly/Nine-months and Annual financial results along with the applicable policies of the Company. The Company's official news releases are also available on the said website.

The quarterly results, shareholding pattern, quarterly compliances and all other corporate communications to the Stock Exchange viz. BSE Limited are filed electronically. The Company had complied with filing submissions through BSE's BSE Listing Centre.

Any presentation made to the institutional investors and analysts are also posted on the Company's website.

NO DISQUALIFICATION CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Certificate from M/s Rishi Mittal & Associates, Company Secretaries, Amritsar confirming that none of the Directors on the Board of the Company 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, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

MD AND CFO CERTIFICATION

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations, copy of which is attached to this Report.

i) GENERAL BODY MEETINGS:

Location, date and time of Annual General Meetings held in the last three financial years:-

Financial Year	Date & Time	Venue	Special Resolution (s)
2021-22	September 30, 2022 at 11:30 A.M.	VILLAGE NAGKALAN, MAJITHA ROAD, AMRITSAR.	1. Revision in Remuneration of Mr. Ramesh Arora (DIN: 00462656), Managing Director of the Company 2. Revision in Remuneration of Mr. Ajay Kumar Arora (DIN: 00462664), Whole Time Director of the Company 3. Revision in Remuneration of Mrs. Anju Arora (DIN: 03155641), Whole Time Director of the Company 4. Revision in Remuneration of Mrs. Geeta Arora (DIN: 03155615), Whole Time Director of the Company 5. Revision in Remuneration of Mr. Aditya Arora (DIN: 07320410), Whole Time Director of the Company
2022-23	September 30, 2023 at 12:00 Noon	Held through Video-Conferencing	Nil
2023-24	September 24, 2024	Held through Video-Conferencing	1. Continuation of Mr. Ramesh Arora as Managing Director of the company on attaining the age of Seventy Years.



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	at 12:00 Noon		2. Revision in Remuneration of Mr. Ramesh Arora (DIN: 00462656), Managing Director of the Company. 3. Revision in Remuneration of Mr. Ajay Kumar Arora (DIN: 00462664), Whole Time Director of the Company. 4. Revision in Remuneration of Mrs. Anju Arora (DIN: 03155641), Whole Time Director of the Company. 5. Revision in Remuneration of Mrs. Geeta Arora (DIN: 03155615), Whole Time Director of the Company. 6. Revision in Remuneration of Mr. Aditya Arora (DIN: 07320410), Whole Time Director of the Company.
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(ii) Resolutions passed through Postal Ballot:

During the financial year 2024-25, no special resolution was passed through Postal Ballot.

(iii) No special resolution is proposed to be conducted through Postal Ballot as on the date of this report.

DISCLOSURES

1. None of the transactions with any of related parties were in conflict with the Company's interest. All related party transactions are negotiated on arm's length basis and are intended to further the Company's interests. Transactions with related parties are disclosed in Notes to the accounts in the Financial Statements for the financial year. The Company has formulated a policy on dealing with related party transactions and the same is available on the website of the Company https://www.kwalitapharma.com/assets/CORPORATE%20POLICIES/Policy-on-Related-Party-Transactions_kpl.pdf
2. Details of non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

There have been instances of receiving notice(s) with regard to non-compliances by the Company and imposing of penalties/strictures on the company by stock exchange during the last three years, the details of which are mentioned herein below:



Sr. No.	Details of Non Compliances	Details of action taken	Financial Year
1.	As per Regulation 34 of SEBI (LODR) Regulations, 2015, the company had to submit to the stock exchange and publish on its website the copy of the annual report sent to the shareholders along with the notice of the annual general meeting not later than the day of commencement of dispatch to its shareholders. But there was delay of 2 days in submission of annual report with BSE.	Penalty of Rs.4720 was imposed on company by stock exchange which was duly paid by the company to BSE.	2023-24
2.	As per Regulation 24A(2) of SEBI (LODR) Regulations, 2015, every listed entity shall submit a secretarial compliance report in such form as specified, to stock exchanges, within sixty days from end of each financial year but the company had made delay of 1 day in submission of XBRL format of report for year ended 31-03-2024 with BSE.	Penalty of Rs.2360 was imposed by stock exchange on company which was duly paid by the company to BSE.	2024-25

Except above, no other instances of non-compliances by the Company and no penalties and / or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

- The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and in conformity, in all material respects, with the generally accepted accounting principles and standards in India (Indian Accounting Standards referred to as "IndAS") as specified under the section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standard) Rules, 2015 and relevant amendment rules issued thereafter. The estimates/judgments made in preparation of these financial statement are consistent, reasonable and on prudent basis so as to reflect true and fair view of the state of affairs and results/operations of the Company.
- Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulation, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The policy is displayed on the website of the company viz. https://www.kwalitapharma.com/assets/CORPORATE%20POLICIES/_Whistle-Blower-Policy.pdf



5. The Company has a Code of Conduct for Prevention of Insider Trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 to regulate, monitor and report trading by the Designated Person(s) / and other connected person(s). The structured digital database of unpublished price sensitive information is maintained with adequate internal controls. All the directors, designated persons and third parties such as auditors, consultants, etc. who could have access to the unpublished price sensitive information of the Company are governed by this Code. The trading window was closed during the time of declaration of results and occurrence of any material events as per the applicable regulations.
6. The Company has complied with the mandatory requirements of the Corporate Governance of the Listing Regulations and also followed non mandatory requirements relating to financial statements with unmodified audit opinion/without qualification.
7. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: Not Applicable
8. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:
The details of total fees for all services paid by the Company and its wholly owned subsidiary, on a consolidated basis, to the Statutory Auditor for the FY 2024-25 are given below: Neither Company nor its wholly owned subsidiary company has paid fees to network firm / network entity of the statutory auditor:-

Type of Services	Fees (in Rs.)
Fees for Audit	8,00,000
Other professional fees	4,50,000

9. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- i. Number of complaints filed during the financial year 2024-25: Nil
 - ii. Number of complaints disposed of during the financial year 2024-25: N.A.
 - iii. Number of complaints pending as at end of the financial year 2024-25: N.A.
10. The Company is subject to commodity price risks due to fluctuation in prices of raw material and packing material. Also, Company's payables and receivables are partly in foreign currencies and due to fluctuations in foreign exchange rates, it is subject to Currency risks. The risks are tracked and monitored on a regular basis and mitigation strategies are adopted in line with the risk management framework.
11. The Company and its subsidiary have not given Loans and advances in the nature of loans to the firms/ companies in which directors are interested.
12. The Board of Directors has laid down a Code of Conduct for the Board of Directors (including independent directors) and senior management ("the Code") of the Company. The Code covers Company's commitment to honest and ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health and safety, transparency and compliance of laws and regulations etc. All the Board members and senior management personnel have confirmed compliance



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with the Code. A declaration by Mr. Ramesh Arora, Managing Director of the Company affirming the compliance of the same during the financial year 2024-25 by the members of the Board and Senior Management Personnel, as applicable to them, forms part of this Report.

13. During the year under review, the Company has not entered into any agreement as specified in clause 5A of para A of part A of schedule III of SEBI LODR Regulations, 2015.

14. Details of utilization of funds raised through preferential allotment or qualified institutions placements as specified under Regulation 32 (7A) :- During the year under review, the Company did not raise any funds through preferential allotment or qualified institutions placements.

Material Subsidiary Company

During the year under review, the Company does not have any material subsidiary company however the Company has in place a Policy for determining Material Subsidiaries.

Subsidiary Companies

The Company monitors performance of its subsidiary company, inter-alia, by the following means:

- i. The Audit Committee reviews financial statements of the subsidiary company, along with investments made.
- ii. The Board of Directors reviews all the significant transactions and arrangements, if any, of subsidiary company.

The Company has formulated a policy regarding determination of 'Material' Subsidiaries and the same is available on the website of the Company www.kwalitiypharma.com. The weblink for the same is: <https://www.kwalitiypharma.com/assets/CORPORATE%20POLICIES/MATERIAL%20SUBSIDIARY%20POLICIES.pdf>

GENERAL SHAREHOLDER INFORMATION:

ANNUAL GENERAL MEETING

Date and Time: Tuesday, 09th September, 2025 at 12:00 noon

Venue: The Company is conducting the AGM through Video Conferencing (VC)/ other Audio Visual Means (OAVM) in compliance with the applicable provisions of the Companies Act, 2013 read with Circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India ('SEBI').

FINANCIAL CALENDAR

The Financial year of the company is for period of 12 months from 1st April to 31st March. Tentative Financial calendar for the year F.Y. 2025-26 is:-

Un-audited results for the quarter ended June 30, 2025	On or before 14 th August, 2025
Un-audited results for the Quarter / half year ending September 30, 2025	On or before 14 th November, 2025



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Un-audited results for the quarter/nine months ending December 31, 2025	On or before 14 th February, 2026
Audited results for the year ending March 31, 2026	On or before 30 th May, 2026

DIVIDEND PAYMENT

Your directors have decided to deployed back the profits earned during the year and therefore not recommended any dividend for the current financial year.

BOOK CLOSURE

02.09.2025 to 09.09.2025 (both days inclusive)

LISTING ON STOCK EXCHANGE

The Equity Shares of the Company are listed at **BSE Limited ("BSE")**, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001. The Company has paid Annual Listing Fees for the above Stock Exchange for the financial year 2025-26.

Scrip Code and Name: 539997 – KPL

DEMAT NUMBER FOR ISIN: INE552U01010

Corporate Identity Number (CIN):

Corporate Identity Number (CIN) of the company, allotted by the Ministry of Corporate Affairs, Government of India is L24232PB1983PLC005426.

RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by SEBI, a qualified practicing Company Secretary carries out the Reconciliation of Share Capital to reconcile the total capital held with the National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Audit is carried out every quarter and the report thereon is submitted to the Stock Exchange. The report, inter alia, confirms that the total listed and paid-up share capital of the Company is in agreement with the aggregate of the total dematerialized shares and those in physical mode.

OUTSTANDING GDRS/ADRS/WARRANTS/CONVERTIBLE INSTRUMENTS

The Company has no GDRs/ADRs/Warrants/Convertible Instruments outstanding as on March 31, 2025.

DEMATERIALIZATION OF SHARES AND LIQUIDITY

As on March 31, 2025, 10334802 (i.e. 99.60 %) Equity Shares of the Company were held in dematerialised form & 41396 (i.e. 0.40 %) were held in physical form. The shares of the Company are frequently traded on the BSE and hence the shares of the Company are liquid.

The breakup of the equity shares as on March 31, 2025 is as follows:

**SHARE HOLDING PATTERN AS ON 31ST MARCH 2025**

Category	No. of Shares held	% of Shareholding
1. Promoters and Promoter Group	5688972	54.83
2. Bodies Corporate	198361	1.91
3. Clearing Members	316	0.00
4. Non-Resident Indians	771971	7.44
5. Indian Public	3583334	34.53
6. IEPF	100540	0.97
7. Alternate Investment Fund	32704	0.32
TOTAL	10376198	100

Distribution Schedule as on 31/03/2025
(on the basis of value of shares held)

Nominal Shares Value (Rs.)	No. of Share holders	%age of total Share holders	No. of Shares held	%age of total shares held
1-5000	8967	93.5036	561153	5.4081
5001-10000	285	2.9718	209712	2.0211
10001-20000	164	1.7101	247767	2.3878
20001-30000	51	0.5318	131795	1.2702
30001-40000	25	0.2607	85913	0.828
40001-50000	17	0.1773	80542	0.7762
50001-100000	30	0.3128	203086	1.9572
100001-999999999	51	0.5318	8856230	85.3514
TOTAL	9590	100.00	10376198	100.00

Share Transfer System:

As per SEBI notification effective from April 01, 2019 requests for Transfer of Securities held in physical form would be carried out in dematerialized form only except in case of transmission or transposition of securities. Therefore, Registrar and Share Transfer Agent and Company will not accept any request for transfer of shares in physical form. The Company obtains from a Company Secretary in practice, yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the stock exchanges. On March 31, 2025, there were no unprocessed transfers pending.

DETAILS OF DEMAT/ UNCLAIMED SUSPENSE ACCOUNT:

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS:



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The Company is in compliance with the requirements under Regulation 17 to 27 read with Schedule V and clause (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, as amended from time to time.

REGISTERED OFFICE:

Village Nagkalan, Majitha Road, Amritsar-143601, Punjab, India.

CORPORATE OFFICE:

Village Nagkalan, Majitha Road, Amritsar-143601, Punjab, India.

PLANT LOCATION:

1. Village Nagkalan, Majitha Road, Amritsar-143601, Punjab, India.
2. 1-A, Industrial Area, Raja Ka Bagh, Jassur, Teh. Nurpur, Dist. Kangra (HP) - 176201 INDIA.

CREDIT RATING

The Company does not have any debt instruments or any fixed deposits scheme or programme and as of now, there is no proposal of any scheme or programme in respect of mobilisation of funds, whether in India or abroad, hence credit rating in relation to aforesaid purpose is not applicable to the Company.

IN CASE THE SECURITIES ARE SUSPENDED FROM TRADING, THE DIRECTOR'S REPORT SHALL EXPLAIN THE REASON THEREOF : Not Applicable

REGISTRAR AND TRANSFER AGENTS:

Bigshare Services Private Limited, Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, Tel No.: +91 22 62638200 Web: www.bigshareonline.com

INVESTORS / SHAREHOLDERS CORRESPONDENCE:

Investors / Shareholders may Correspond with the company at the Corporate/Registered Office of the company at Village Nagkalan, Majitha Road, Amritsar-143601, Punjab, India.

Contact info.: 8558820862, E-mail Id- cs@kwalitaipharma.com Web: www.kwalitaipharma.com

For and on Behalf of the Board

Place: Amritsar
Date: 16th August 2025

Sd/-
(RAMESH ARORA)
Managing Director
DIN: 00462656

Sd/-
(AJAY KUMAR ARORA)
Whole Time Director
DIN: 00462664



DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I, RAMESH ARORA (DIN: 00462656), Managing Director of **KQUALITY PHARMACEUTICALS LIMITED**, hereby declare that all the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2025.

Sd/-

Place:-Amritsar

Date:- 16th August 2025

RAMESH ARORA
Managing Director
(DIN: 00462656)



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,
KWALITY PHARMACEUTICALS LIMITED
Village Nagkalan, Majitha Road,
Amritsar-143601.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **KWALITY PHARMACEUTICALS LIMITED ('the Company')** having CIN **L24232PB1983PLC005426** and having registered office at Village Nagkalan, Majitha Road, Amritsar-143601 (hereinafter referred to as 'the Company'), produced before us 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 our opinion and to the best of our information and according to the verifications as considered necessary and explanations furnished to us by the Company & its officers, We 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.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Ramesh Arora	00462656	04/05/1983
2.	Ajay Kumar Arora	00462664	01/08/1995
3.	Aditya Arora	07320410	22/10/2015
4.	Geeta Arora	03155615	01/10/2010
5.	Anju Arora	03155641	01/10/2010
6.	Kiran Kumar Verma	07415375	01/02/2016
7.	Pankaj Takkar	07414345	01/02/2016
8.	Ravi Shanker Singh	02303588	01/02/2016
9.	Kartik Kapur	08966816	16/01/2021
10.	Prashanth Vellanki	05182633	16/03/2023

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our 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 RISHI MITTAL & ASSOCIATES
(Company Secretaries)

Sd/-

(RISHI MITTAL)

PROP.

ACS No. 12613 & C P No.: 3004

UDIN:- A012613G001018266

Place : Amritsar
Date : 16th August 2025



MD/CFO CERTIFICATION

To,

**The Board of Directors
KWALITY PHARMACEUTICALS LIMITED.**

I, RAMESH ARORA, the Managing Director (DIN:00462656) of the Company and I, ADITYA ARORA, the Chief Financial Officer (CFO) of the Company do hereby certify to the Board that:

1. We have reviewed the financial statements and the cash flow statement of the company for the year ending 31st March, 2025 and that 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 and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee that
 - i. There are no significant changes in internal control over financial reporting during the year;
 - ii. There are no significant changes in accounting policies during the year;
 - iii. There are no instances of significant fraud of which we are aware and which involve management or any employees, having significant role in the Company's internal control system over financial reporting.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Place:-Amritsar
Date:- **19-05-2025**

Sd/-
ADITYA ARORA
(Chief Financial Officer)
DIN:- 07320410

Sd/-
RAMESH ARORA
(Managing Director)
DIN:- 00462656



AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
KWALITY PHARMACEUTICALS LIMITED.

We have examined the compliance of conditions of Corporate Governance by **KWALITY PHARMACEUTICALS LIMITED** ('the Company'), for the Financial Year ended **31st March 2025**, as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of the Schedule V of the Listing Regulations during the year ended 31st March 2025.

We further state that such compliance 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 RISHI MITTAL & ASSOCIATES

(Company Secretaries)

Sd/-

(RISHI MITTAL)

PROP.

ACS No. 12613 & C P No.: 3004

Place : Amritsar

Date : 16th August 2025

UDIN:- A012613G001018288

**MANAGEMENT'S DISCUSSION AND ANALYSIS****INDUSTRY STRUCTURE & DEVELOPMENT****Global Economy Overview**

As per the International Monetary Fund report published in April 2025, the swift escalation of trade tensions and extremely high levels of policy uncertainty are expected to have a significant impact on global economic activity. The global trade tariff tensions and extremely high levels of policy uncertainty are expected to have a significant impact on economic activity. Based on information as of April 4, global growth is projected to drop to 2.8% in 2025 and 3% in 2026—down from 3.3% for both years in the January 2025 update. This is also much below the historical (2000–19) average of 3.7%.

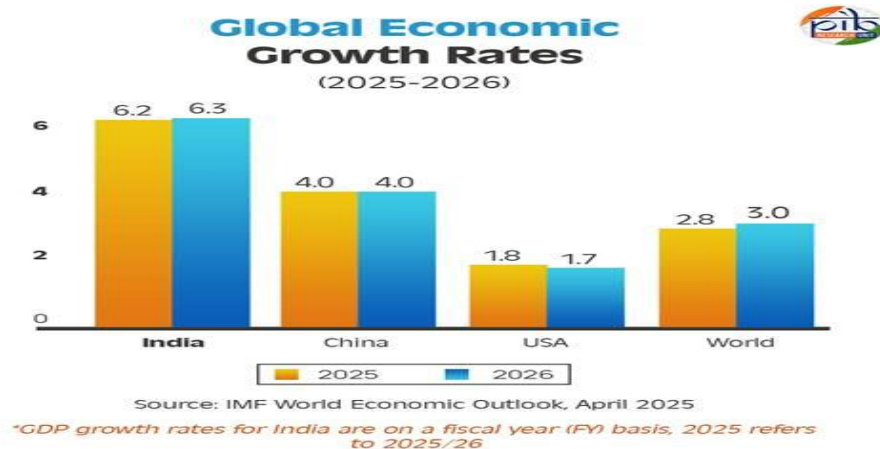
Growth in advanced economies is projected to be 1.4% in 2025. Growth in the United States is expected to slow to 1.8%. Growth in the Euro area is expected to slow by 0.2% point to 0.8%. In emerging markets and developing economies, growth is expected to slow down to 3.7% in 2025 and 3.9% in 2026, with significant downgrades for countries affected most by recent trade measures, such as China.

Intensifying downside risks dominate the outlook. Ratcheting up a trade war, along with even more elevated trade policy uncertainty, could further reduce near and long-term growth.

Indian Economy Overview

India is poised to lead the global economy once again, with the International Monetary Fund (IMF) projecting it to remain the fastest growing major economy over the next two years. As per IMF report April 2025, India's economy is expected to grow by 6.2 per cent in 2025 and 6.3 per cent in 2026, maintaining a solid lead over global and regional peers.

Reflecting the impact of heightened global trade tensions and growing uncertainty despite this slight moderation, the overall outlook remains strong. This consistency signals not only the strength of India's macroeconomic fundamentals but also its capacity to sustain momentum in a complex international environment. India's economic resilience, the country's role as a key driver of global growth continues to gain prominence.





China's GDP growth forecast for 2025 has been downgraded to 4.0 per cent, down from 4.6 per cent in the January 2025. Similarly, the United States is expected to see a slowdown, with its growth revised downward by 90 basis points to 1.8 per cent. Despite these revisions, India's robust growth trajectory continues to set it apart on the global stage.

India's economic outlook for 2025 and 2026 remains one of the brightest among major global economies, as highlighted by the IMF. Despite global uncertainties and downward revisions in growth forecasts for other large economies, India is set to maintain its leadership in global economic growth. Supported by strong fundamentals and strategic government initiatives, the country is well-positioned to navigate the challenges ahead. With reforms in infrastructure, innovation, and financial inclusion, India continues to enhance its role as a key driver of global economic activity. The IMF's projections reaffirm India's resilience, further solidifying its importance in shaping the global economic future.

Global Pharmaceutical Industry Overview

The global pharmaceuticals market is projected to generate US\$1.21 trillion in revenue by 2025, with Oncology Drugs leading at US\$208.86 billion. It is expected to grow at a CAGR of 4.77%, reaching US\$1.45 trillion by 2029. Pharmaceutical demand is anticipated to grow significantly as companies innovate and launch new therapies.

With rapid advancements in technology, drug discovery, and global health initiatives, the pharmaceutical market is evolving faster than ever before.

Key Growth Drivers

- **Chronic diseases & aging populations** — Rising rates of diabetes, cardiovascular diseases, and global population over 60 doubling by 2050 drive demand.
- **Biologics & biotech** — Biopharma now accounts for about **30% of total pharma spend (\$431 billion)**, with biotech growing 14% annually, forecast at 7.5–10.5% CAGR through 2027.
- **Biosimilars** — Estimated cumulative savings of **\$150 billion in 2025**, boosting adoption and access.
- **Geographic shifts** — Asia-Pacific (especially China & India) is the fastest-growing region, propelled by expanding healthcare access and manufacturing infrastructure.

Innovation & Tech Trends

- **AI/ML in R&D**: Rapid acceleration in drug discovery, clinical trial design, and patient matching. AI in healthcare is expected to reach **\$31 billion by 2025**
- **Precision therapeutics**: Personalized medicine with oligonucleotides, CAR-T, mRNA cancer vaccines, nanomedicine, and digital pills are reshaping pipelines .
- **Advanced manufacturing**: Emerging use of **3D printing** for tailored drug delivery and dose control
- **Supply-chain digitization**: Blockchain-based track-and-trace systems are being adopted globally to reduce counterfeiting.



Regional & Strategic Shifts

- North America: Continues to dominate (40–45% market share), driven by R&D infrastructure and chronic disease burden
- China: Leading in clinical trials (7,100+ vs. 6,000 in U.S. in 2024). Expected that 37% of molecules licensed in 2025 originate from China
- India: Globally third-largest by volume, a key generics and vaccine provider. 60% of global vaccine supply and 40% of U.S. generics by volume.

Competitive & Regulatory Forces

- **China's biotech emergence:** Chinese firms are challenging incumbents, licensing novel assets (e.g., GLP-1 orals, immuno-oncology) often at lower costs .
- **Pricing pressures:** U.S. policies (e.g., Inflation Reduction Act) aim to reduce drug prices by 30-80%, but could shift cost burdens to lower-income markets like India.
- **Trade & tariffs:** Potential U.S. tariffs on pharmaceuticals may drive reshoring by Big Pharma, but generics players face risk .
- **Ethical marketing controls:** India implemented the UCPMP 2024 to ensure transparency and ethical promotion

Strategic Responses

- **Portfolio realignment:** Companies pivot toward modalities like multispecific antibodies, oligos, and radioligand therapies.
- **M&A & licensing:** Big Pharma continues to buy or license promising biotech.
- **Digital transformation:** Vast digital integration—AI, telemedicine, digital health solutions, data analytics—is becoming integral to pipelines and go-to-market .
- **Manufacturing shifts:** Investment in regions like India and the U.S. to diversify supply chains and boost resilience.

Indian Pharmaceutical Industry

Overview

The Indian pharmaceutical industry is globally regarded as the **'Pharmacy of the World'** for its ability to meet the global demand for vaccines and essential medicines. India's pharmaceutical sector is a global leader in the production of generic drugs and vaccines 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.



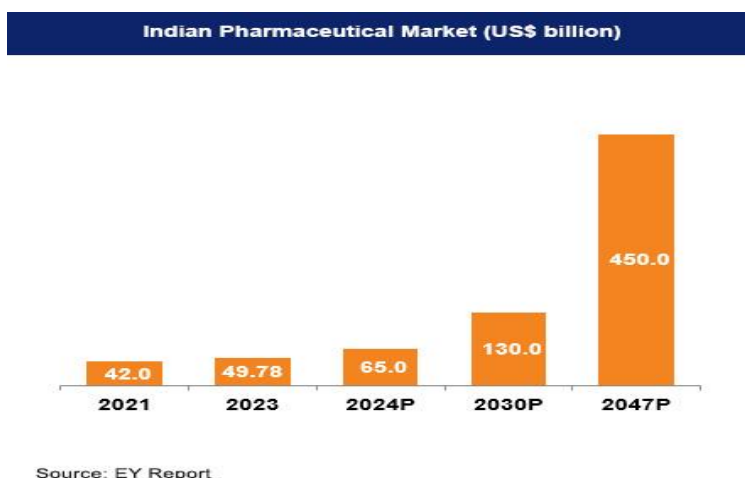
Annual Report 2024-25

India has highest number of pharmaceutical manufacturing facilities that comply with the US Food and Drug Administration (USFDA) and has 500 API producers that make for around 8% of the worldwide API market.

Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK. The domestic pharmaceutical industry includes a network of 3,000 drug companies and 10,500 manufacturing units. India enjoys an important position in the global pharmaceuticals sector.

Indian pharmaceutical industry is known for its generic medicines and low-cost vaccines globally. Transformed over the years as a vibrant sector, presently Indian Pharma ranks third in pharmaceutical production by volume. The Pharmaceutical industry in India is the third largest in the world in terms of volume and 14th largest in terms of value. The Pharma sector currently contributes to around 1.72% of the country's GDP.

According to a recent EY FICCI report, Indian pharmaceutical market is estimated to touch US\$ 130 billion in value by the end of 2030.



The forecasted growth of the industry is expected to be driven by strong support from the Indian government, coupled with expanded collaborations with public and private research institutions. Further to this, the volume of clinical trials is projected to increase, with the clinical trials market forecast to attain a value of USD 3.37 billion, representing a compound annual growth rate (CAGR) of 8.6% from 2025 to 2030. Additionally, the sector is expected to witness a rise in investments in APIs, which is likely to further bolster exports in the coming years.

In addition, the domestic pharmaceutical industry has emerged as one of the preferred sectors for global investors. Recognising this potential, the Indian government has permitted 100% foreign direct investment (FDI) through the automatic route, further facilitating investment and fostering growth within the sector.



COMPANY OVERVIEW

Kwality Pharma : A legacy of quality and growth

For over 40 years, Kwality Pharma has been a trusted name in the healthcare sector, synonymous with unparalleled growth and reliability. We are driven by a customer centric vision, committed to delivering high quality products.

Started with a modest venture into basic finished formulations. Now we specialise in a wide range of products including :

- Sterile Powder for Injection
- Small Volume Parentals (Liquid and Lyophilised)
- Pre filled Syringes
- Liquid Orals and Powder for Oral Suspension
- Tablets and Capsules
- Creams and Ointments
- Ophthalmic Preparations
- Suppositories

Each product category is manufactured in a dedicated unit at our facilities of Generic, Beta Lactam, Cephalosporins, Oncology and Biologics located in Amritsar, Punjab and Jassur, Himachal Pradesh

The Company is highly focused on increasing and expanding its business by securing new clients and orders to increase its operational efficiency and performance.

OUTLOOK

Kwality Pharmaceuticals Limited has performed well in the past year, showing steady growth in its business. The company's revenue increased to around ₹370 crore, and profit rose to nearly ₹40 crore. These results are a testament to our unwavering focus on quality, operational excellence, and expanding global reach. The improvement in our margins and profitability further underscores the strength of our flexible business model and the relentless commitment of our team.

Throughout the year, we strengthened our presence across both domestic and international markets. With approvals from leading global regulatory bodies such as EU-GMP, SFDA, INVIMA, ANVISA, among others, we have deepened our footprint in over 80 countries. Our diverse portfolio—comprising more than 3,000 formulations across General, Beta-Lactam, Cephalosporins, Oncology, and Biological segments—remains a cornerstone of our competitive advantage.

As the pharmaceutical industry moves rapidly toward greater innovation, regulatory compliance, and global integration, Kwality is evolving as well. We are aligning our strategy with quality enhancement,



R&D-led product development, and expansion into highly regulated markets. Our focus remains strong on high-value therapeutic areas such as oncology, biosimilars, and complex generics, where we see substantial long-term potential and lower competition.

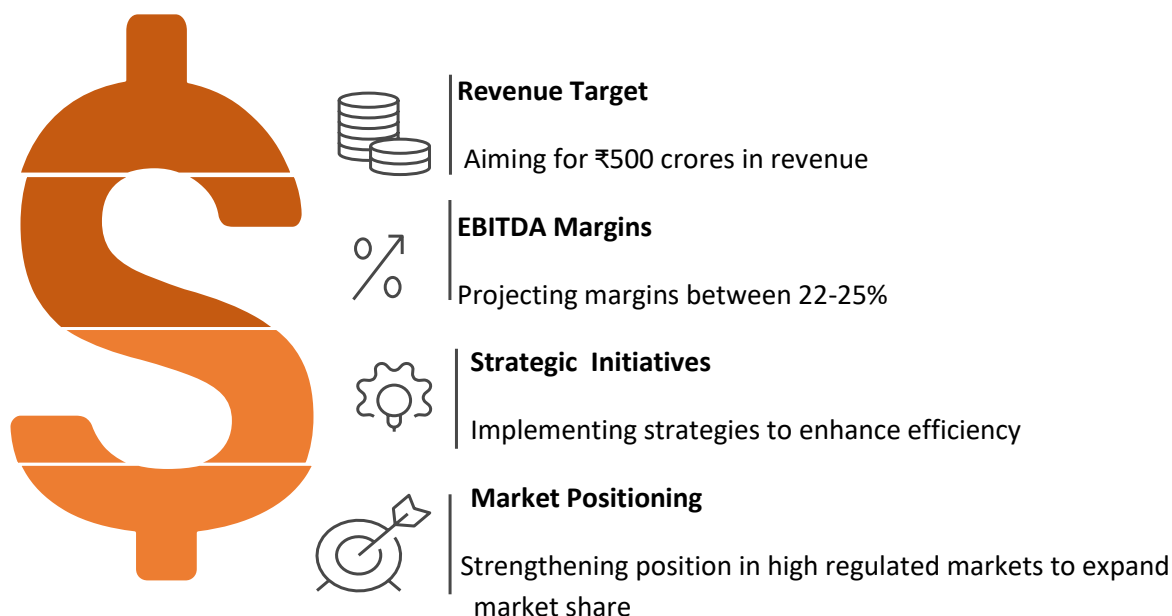
On the R&D and marketing front, we are moving decisively. We are in the process of obtaining DSIR approval to further enhance our research capabilities. Our pipeline includes a carefully selected mix of peptide-based oncology products and complex generics, aimed at global filing of the same. These programmes are currently at various stages of BE and PE studies.

Our biosimilar programme also continues to advance meaningfully. Notably, our biological erythropoietin has successfully completed preclinical studies and is currently undergoing clinical trials. We expect to commercialize this product within the ongoing financial year, which would mark a major milestone in our foray into biologics.

While global uncertainties and regulatory challenges persist, our diversified product base, disciplined execution, and expanding international footprint position us well to deliver sustained value. At the same time, we continue to advance our environmental, social, and governance (ESG) commitments, ensuring that our growth is responsible and inclusive.

Overall, Kwality Pharmaceuticals is in a strong position to grow further in both domestic and international markets. However, the innovation work with DSIR approval and technology transfer of finished products of secondary packing in other parts of the world is in the path way of future development of the Company. With a focus on quality, innovation, technology transfer and compliances, and new bioavailability of its items, the company is optimistic about delivering consistent performance and creating long-term value for shareholders.

KWALITY'S FY26 GROWTH STRATEGY





These collective efforts are designed to position the Company for **sustainable growth, regulatory alignment, and long-term value creation** for all stakeholders.

PRIORITIES FOR FY26

Our Company prioritises strategic growth and innovation to strengthen our market position in the coming years. We aim to achieve

- **Approval / launch of KPL's first Biologics in India**
- **Targeting consolidated revenue of INR 500 Cr**
- **Establishing KPL as global peptide based product supplier**
- **Achieving 50+ product approvals from markets**
- **EU GMP Audit of General and Beta Lactam unit**

As a part of its strategic initiatives, the Company is focused to ensure seamless raw material availability, enhance operational efficiency, and support sustained growth in the competitive pharmaceutical market. Prioritizing the portfolio and developmental cost optimization are expected to accelerate innovation in important and high-value products while maintaining financial discipline.

OPPORTUNITIES, RISKS, CONCERNS & THREATS

Pharmaceutical companies in 2025 face a mix of growth potential and serious challenges.

Opportunities: include using AI for faster drug development, entering emerging markets, creating advanced treatments like gene and mRNA therapies, and adopting eco-friendly practices.

Risks come from strict regulations, losing patents on top-selling drugs, high R&D costs, cyberattacks, and fragile global supply chains.

Concerns focus on rising pressure to lower drug prices, protecting patient data, finding skilled workers, and reducing environmental impact.

Threats include global conflicts, new disease outbreaks, lawsuits, and growing competition from tech companies entering healthcare.

The Company operates in a relatively stable business environment and does not currently perceive any significant risks that could materially impact its operational or financial performance. However, the pharmaceutical industry is highly regulated, and the Company remains vigilant to potential risks arising primarily from changes in **government policies, regulatory frameworks, and compliance requirements**. These include, but are not limited to, changes in drug pricing policies, product approval processes, taxation, import/export regulations, and environmental norms. The Company continuously monitors policy developments and engages proactively with stakeholders to ensure timely compliance and mitigate any potential impact on business operations.



Annual Report 2024-25

The Company is confident that it will be able to position itself strongly in the coming years by pursuing **strategic expansion, increasing manufacturing capacities, and enhancing capabilities across the organization**. These initiatives are aimed at strengthening operational efficiency, meeting growing market demand, and supporting long-term sustainable growth.

SEGMENT WISE PERFORMANCE

Your Company operates in Single segment of manufacturing of broad range of finished pharmaceutical formulations in a dosage form viz. Tablets, Capsules, Syrup, Dry Syrup, Injections etc.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has a robust system of internal controls comprising authority levels and powers, supervision, checks and balances, policies and procedures. The system is reviewed and updated on an on-going basis. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information. Internal audits are conducted in the Company on regular basis. Reports of the internal auditor are reviewed by the senior management and are also placed before the Audit Committee of the Directors. The statutory auditors also review their findings with the senior management and the Audit Committee.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

(In Rupees Lacs)

Particulars	Current Year	Previous Year
Total Income	37211.71	30900.21
Profit before Tax (PBT)	5422.70	3146.70
Profit After Tax (PAT)	3988.97	2398.39

During the year under review, on standalone basis, revenue of the company was Rs. 37211.71 Lakhs as compared to Rs. 30900.21 Lakhs in the corresponding previous year. The Company earned a profit after tax of Rs. 3988.97 Lakhs as compared to Rs. 2398.39 Lakhs in the previous year. For the coming year, although the overall economy and business scenario is grim across all sectors, but we foresee the outlook of your company as quite positive and stable.

The details of changes in key financial ratios are explained in the table below:

Ratios	Financial year 2024-25	Financial year 2023-24
Debtors Turnover	2.72	3.25
Inventory Turnover	2.04	1.87
Current Ratio	1.68	1.60
Interest Coverage Ratio*	6.48	4.71
Debt Equity Ratio	0.42	0.43
Operating Profit Margin	14.65%	12.56%
Net Profit Margin	10.78%	7.81%
Return on Net Worth	15.00%	10.61%

*The Interest Coverage Ratio has improved by more than 25% during the financial year ended 31st March, 2025, due to rise in EBITA and reduction in finance cost.



The Net Worth Ratio has increased during the year ended 31st March, 2025 as compared to the previous year, primarily due to increase in Net Profit.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company's human resources are a critical asset in ensuring the successful execution of the Company's operations. **Kwaliti Pharmaceuticals Limited** continued to prioritize its people as a key pillar of sustainable growth. The Company undertook several strategic HR initiatives focused on **talent acquisition, retention, capability building, and employee well-being**. The Company implemented structured training programs across departments to build technical and leadership capabilities. Initiatives to improve employee engagement, workplace safety, and productivity are also prioritize. In order to motivate employees and recognize their outstanding work, employees are being awarded for excellent work . As of the end of FY 2024-25, the total number of the employees of Company are **997 (on roll)**. The high retention rate reflects the Company's commitment to fostering a conducive work environment and its ability to attract, retain and nurture a highly skilled talent pool.

Industrial relations remained **harmonious and collaborative**, with regular engagement between management and employee representatives. The Company maintained **100% statutory compliance** with labor and safety regulations across all facilities.

Kwaliti Pharmaceuticals remains committed to building a **skilled, engaged, and future-ready workforce** aligned with its growth ambitions and values.

CAUTIONARY STATEMENT

Statement in this report describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include economic conditions affecting demand / supply and price condition in the domestic markets in which the company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

For and on Behalf of the Board

**Place: Amritsar
Date: 16th August 2025**

**Sd/-
(RAMESH ARORA)
Managing Director
DIN: 00462656**

**Sd/-
(AJAY KUMAR ARORA)
Whole Time Director
DIN: 00462664**



INDEPENDENT AUDITORS' REPORT FOR THE STANDALONE FINANCIAL STATEMENTS OF KWALITY PHARMACEUTICALS LIMITED

**To the Members of
Kwality Pharmaceuticals Limited.**

Opinion

We have audited the accompanying standalone financial statements of **Kwality Pharmaceuticals Limited** (the "Company"), which comprise the Balance Sheet as at **31st March 2025**, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and total comprehensive income (comprising of profit/loss and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis/Corporate Governance Report and Shareholder's Information but does not include the consolidated financial statements, the standalone financial statements and our auditor's report thereon. The above-referred information is expected to be made available to us after the date of this audit report.



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 during the course of our 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 communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 and Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 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 the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in:
 - (i) planning the scope of our audit work and in evaluating the results of our work; and
 - (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.



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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of sub section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) 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 balance sheet, the standalone statement of profit and loss (including Other Comprehensive Income), the standalone statement of cash flows and standalone statement of changes in equity 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 as on 31 March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to standalone financial statements 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 Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

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



(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- (a) The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its standalone financial statements – Refer Note 33 of Notes to Standalone Financial Statements.
- (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (d) The clause (d) of Rule 11 has been omitted w.e.f 01.04.2021
- (e)
 - i) The management has represented that, to the best of its knowledge and belief, no funds (which are materially either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.



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- iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (e) (i) and (e) (ii) contain any material mis-statement.
- (f) The Company has neither declared nor paid any dividend during the year.
- (g) Based on our examination which includes test checks, the company used accounting software for maintaining its books of accounts which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software. Further, during the course of our audit, we have not come across any instance of audit trail feature being tampered with in respect of accounting software where audit trail has been enabled.

**For VIJAY MEHRA & CO.
Chartered Accountants
(Firm's Registration No. 001051N)**

**Sd/-
CA AMIT HANDA
Partner
M. No: 502400
UDIN:- 25502400BMLEFT6298**

**Place: Amritsar
Date: 19.05.2025**



ANNEXURE A– Report under the Companies (Auditor’s Report) Order, 2020 of the Standalone Financial Statements of Kwaliti Pharmaceuticals Limited

Referred to in of our report of even date

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

- (i)
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
 - (b) It has been communicated to us that the management did not conduct a physical verification of all Property, Plant, and Equipment during the year. However, there exists a systematic verification program that we consider to be reasonable, taking into account the company's size and the characteristics of its assets. No significant discrepancies were observed during this verification process.
 - (c) Based on the information and explanations provided to us, as well as our review of the Company's records, the title deeds for the immovable properties are registered in the name of the Company. However, the title deeds for the Company's Registered Office and Manufacturing unit, located at Village Nagkalan, Majitha Road, Amritsar, Punjab, pertain to leased premises. These premises are owned by Mr. Ramesh Arora and Mr. Ajay Arora, who are the Promoters of the Company, and the lease agreement is established for an initial duration of 49 years. Additionally, the Company possesses another industrial property located at Wakia 6 Mile Stone, Village Nag Kalan, Majitha Road, Amritsar - 143001, which is owned outright by the Company. Furthermore, another manufacturing unit is situated at Plot No. 1-A, Industrial Area Raja Ka Bagh, Tehsil Nurpur, District Kangra, Jassur, Himachal Pradesh, which is also on leased premises. These premises are owned by the Government of Himachal Pradesh, and the lease is for an extended term.
 - (d) According to the information and explanations given to us, and on the basis of our examination of the record of the company, the company has not revalued any Property, Plant & Equipment (including Right of Use assets) 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 record of the company, no proceedings have been initiated or are pending against the company for holding any Benami property under the “Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.



(ii)

- (a) As explained to us, the inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of verification is reasonable.

In our opinion and on the basis of our examination of the records, the company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

- (b) The Company has working capital limit being sanctioned in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets; the monthly statements filed by the Company with such bank, though have insignificant difference, are largely in agreement with the unaudited books of account of the Company of respective months and no material discrepancies have been observed.

- (iii) As per explanations and information given to us, during the year the company has not made any 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.

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

- (v) The Company has not accepted any deposits from the public as per the provisions of section 73 to 76 of the Companies Act 2013. Therefore, rules and provisions stated thereunder are not applicable to the Company.

- (vi) The maintenance of cost records has been specified by the central government under sub section (1) of section 148 of the Companies Act, 2013 and such accounts and records have been so made and maintained by the company.

- (vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company:

- (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, sales tax, custom duty, excise duty,



Goods & Service Tax, Cess and other material statutory dues applicable to it. However, the company has deposited TDS and GST after due dates and paid interest and late fees on late payments and on late filing of TDS and GST returns.

(b) According to the information and explanations given to us, details of Income tax, Goods and Service tax, Customs Duty, Excise Duty and Value Added Tax, the amounts that may be required to be deposited on account of show cause notice or demands raised by the following departments during the financial year 2024-2025. The Details are as under:

1. As informed to us and based on the records examined, an order bearing No. 14/GST/ADC/JAL/2024-2025 has been received by the Company under Section 74(9) of the Central Goods and Services Tax Act, 2017, read with Section 20 of the Integrated Goods and Services Tax Act, 2017, raising a demand of ₹3,15,02,758/- towards alleged erroneous refund of IGST for the financial years 2017-18 to 2022-23. Further, a penalty of an equivalent amount of ₹3,15,02,758/- has also been levied under the same provisions. Interest under Section 74(9) read with Section 50 of the CGST Act, 2017 and Section 20 of the IGST Act, 2017 has also been levied, though not quantified in the said order.

As represented to us, the Company has filed an appeal before the appropriate appellate authority under CGST Act, 2017 challenging the said order. Accordingly, the total disputed amount of ₹6,30,05,516/- (comprising tax and penalty) is under litigation and remains pending as on the reporting date.

2. The Company has received a Show Cause Notice bearing no. AE/51/2024-25 for the financial years 2017-18 to 2022-23 under Section 74 & 122 of the Central Goods and Services Tax Act, 2017. The notice alleges wrongful availment and utilization of Input Tax Credit (ITC) amounting to ₹15,13,03,420/- (Rupees Fifteen Crores Thirteen Lakhs Three Thousand Four Hundred Twenty only). Further, a penalty of ₹15,13,03,420/- has been proposed under Section 74(1) read with Section 122(2)(b). Accordingly, the total disputed amount proposed in the Show Cause Notice is Rs. 30,26,06,840/- (Demand & Penalty)

The company has filed a civil writ petition in the Punjab and Haryana high court bearing no CWP-34165-2024 against the said show cause notice. Hon'ble Punjab and Haryana high court has stayed the passing of adjudication order in pursuance to the show cause notice and the show cause notice is thus under litigation and remains pending as on the reporting date.

3. As per the information and explanations given to us and based on the records examined, the Company has received orders dated **30/12/2024** in Form DRC-07 from the Goods and Services Tax (GST) Department under Section 74 of the Central Goods and Services Tax Act, 2017, in respect of wrongly availed and passed on Input Tax Credit (ITC). The summary of the demands raised is as follows:



- For the financial year 2017–18, no tax was levied; however, a penalty of ₹2,80,695 /-was imposed.
- For the financial year 2019–20, a demand of ₹6,74,856/-each towards tax and penalty was raised.
- For the financial year 2020–21, a demand of ₹12,62,160 /-towards tax and ₹12,70,485/- towards penalty was raised.

The Company has filed appeals before the appropriate appellate authority under the GST Commissionerate in all the above cases, and the proceedings are pending as on the date of this report. The matter is currently under dispute and remains pending as on the reporting date..

(viii) According to the information and explanations given to us, the company has not surrendered or disclosed any transaction, that has not been previously recorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income, hence, clause(viii) of Order is not applicable.

(ix)

(a) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion, the company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders.

(b) According to the information and explanations given to us, the company is not declared, willful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us, no funds raised on short term basis have been utilized for long term purposes.

(e) 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; hence clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies; hence clause (ix) (f) of the Order is not applicable.

(x)



- (a) The company has not raised money by way of Initial Public Offer/Further Public Offer during the year.
 - (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year, so clause (x)(b) of the Order is not applicable.
- (xi)
- (a) According to the information and explanations given to us, no fraud by the company or any fraud on the Company has been noticed or reported during the year.
 - (b) None of the reports 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, the company has not received any whistleblower complaints during the year.
- (xii) The company is not a Nidhi Company; hence this clause is not applicable.
- (xiii) Based upon the audit procedures performed and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the financial statements etc. 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 the 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) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him and hence, requirements related to this clause are not applicable.
- (xvi)



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- (a) According to the information and explanations given to us, and in our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) (a), (b) and (c) of the Order are not applicable.
- (d) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India, hence paragraph 3(xvi) (d) of the Order are not applicable.
- (xvii) The Company has not incurred any cash loss in the current financial year and similarly no cash loss in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year.
- (xix) 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 IND AS financial statements, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is 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.
- (xx)
- (a) According to the information and explanations given to us and based on our examination of the records of the company, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII to the companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act . As per the information and explanation given to us by the Management, the company has no unspent portion of CSR expenditure in respect of ongoing projects as on 31st March 2025.
- (xxi) This report, being issued on standalone financial statements, clause (xxi) of the order is not applicable.

For VIJAY MEHRA & CO.
Chartered Accountants
(Firm's Registration No. 001051N)

Sd/-
CA AMIT HANDA
Partner
M. No: 502400
UDIN:- 25502400BMLEFT6298

Place: Amritsar
Date: 19.05.2025



ANNEXURE B: To the Independent Auditor's Report of even date on the Standalone Financial Statements of Kwality Pharmaceuticals Limited

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' of our report to the Members of **Kwality Pharmaceuticals Limited** on the Standalone Financial Statement of even date)

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 **M/s Kwality Pharmaceuticals Limited ("the company")** as of **March 31, 2025**, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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.

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 with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone Ind AS financial statements includes 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 with reference to Standalone Ind AS Financial Statements

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 with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to standalone Ind



AS financial statements 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 with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 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 issued by the Institute of Chartered Accountants of India.

For VIJAY MEHRA & CO.
Chartered Accountants
(Firm's Registration No. 001051N)

Sd/-
CA AMIT HANDA
Partner
M. No: 502400
UDIN:- 25502400BMLEFT6298

Place: Amritsar
Date: 19.05.2025



KWALITY PHARMACEUTICALS LIMITED Regd. Office:- VILLAGE NAGKALAN, MAJITHA ROAD, AMRITSAR , PUNJAB -143601 CIN No. :- L24232PB1983PLC005426; Phone no. :- 8558820862 Email Id:- ramesh@kwalitaipharma.com; Website :- www.kwalitaipharma.com			
Standalone Balance Sheet as at 31st March, 2025			
(₹ in lakhs)			
Particulars	Note No.	As at 31ST March, 2025	As at 31ST March, 2024
I ASSETS			
A Non-current assets			
(a) Property Plant and Equipments	3	14275.84	13818.02
(b) Intangible assets	4	170.72	.00
(c) Capital work-in-progress	5	.00	.00
(d) Deferred tax Assets	6	161.48	2.54
		14608.04	13820.56
(e) Financial Assets:			
(i) Investments	7	354.78	354.78
(f) Other non-current assets	8	1618.76	1244.03
Total Non-Current Assets (A)		16581.58	15419.36
B Current assets			
(a) Inventories	9	8346.57	7838.73
(b) Financial Assets:			
(i) Trade receivables	10	15590.00	11597.99
(ii) Cash and Bank Balances	11	1155.29	135.19
(iii) Bank Balances other than (ii) above	12	273.51	368.58



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	(iv) Other Current Financial Assets	13	1279.37	1639.23
	(c) Other current assets	14	1845.70	2758.03
	Total Current Assets (B)		28490.44	24337.76
	TOTAL ASSETS (A+B)		45072.01	39757.12
I	EQUITY AND LIABILITIES			
A	Equity			
	(a) Share capital	15	1037.62	1037.62
	(b) Other Equity	16	25546.82	21556.88
	Total Equity (A)		26584.44	22594.50
B	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	17	1511.89	1956.02
	(b) Provisions-Non current	18	25.17	21.59
	(c) Deferred tax liabilities (net)		-	-
	Total Non- current liabilities (B)		1537.07	1977.61
C	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	19	9732.63	7855.88
	(ii) Trade payables			
	-Total outstanding dues of micro enterprises and small enterprises	20	2117.99	2121.55
	-Total outstanding dues of other than micro enterprises and small enterprises	20	3461.35	2310.17
	(iii) Other Current Financial liabilities	21	500.58	323.06
	(b) Other Current Liabilities	22	528.38	1913.88
	(c) Provisions-Current	23	16.49	8.35
	(d) Current Tax Liabilities (net)	24	593.08	652.13

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	Total Current Liabilities (C)	16950.50	15185.01
	TOTAL EQUITY AND LIABILITIES (A+B+C)	45072.01	39757.12

The accompanying notes forming part of Financial statement

As per our report of even date attached

For VIJAY MEHRA & CO.
Chartered Accountants
(Firm's Registration No. 001051N)

For and on behalf of the Board of directors

Sd/-
CA AMIT HANDA
Partner
M. No: 502400
UDIN:- 25502400BMLEFT6298

Sd/-
Ramesh Arora
Managing director
DIN:00462656

Sd/-
Ajay Kumar Arora
Whole time director
DIN:00462664

Place: Amritsar
Date:19.05.2025

Sd/-
Gurpreet kaur
Company Secretary

Sd/-
Aditya Arora
Whole time Director
&CFO
DIN:07320410



KWALITY PHARMACEUTICALS LIMITED Regd.Office:- VILLAGE NAGKALAN, MAJITHA ROAD, AMRITSAR – PUNJAB 143601 CIN No. :- L24232PB1983PLC005426; Phone no. :- 8558820862 Email Id:- ramesh@kwalitiypharma.com; Website :- www.kwalitiypharma.com				
Standalone Statement of Profit and Loss for the year ended 31st March 2025				
(₹ in lakhs) except EPS				
Sr. No.	Particulars	Note No:	Year Ended 31.03.2025	Year Ended 31.03.2024
I.	Revenue from operations (Net)	25	37019.70	30717.18
II.	Other income	26	192.01	183.03
III.	Total Revenue (I+II)		37211.71	30900.21
IV.	Expenses			
	(a) Cost of materials consumed	27	16541.24	15381.06
	(b) Purchases of stock-in-trade	28	1590.16	85.34
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	117.24	-148.14
	(d) Employee benefits expense	30	4375.98	3252.59
	(e) Finance Cost	31	987.79	1038.67
	(f) Depreciation and amortisation expense		1825.84	1951.07
	(g) Other expenses	32	6350.74	5483.00
	Total expenses (IV)		31789.01	27043.58
V.	Profit/(Loss) from operations before Exceptional items and Tax (III-IV)		5422.70	3856.62



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VI.	Exceptional items		.00	709.93
VII.	Profit / (Loss) before Tax (V-VI)		5422.70	3146.70
VIII.	Tax expense:			
	(1) Current tax		1469.47	791.96
	(2) Deferred tax		-158.94	-43.66
	(3) Income tax relating to earlier years		123.19	.00
IX.	Profit/(Loss) after Tax (VII-VIII)		3988.97	2398.39
X.	Other Comprehensive Income (net of tax)			
	(i) Items that will not be reclassified to profit or loss		-.97	-6.40
	(ii) Items that will be reclassified to profit or loss		.00	.00
	Total Other Comprehensive Income (net of tax)		-.97	-6.40
XI.	Total Comprehensive Income for the period (IX+X)		3988.01	2391.99
XII.	Paid up Equity Share Capital (Face value Rs.10 each)		1037.62	1037.62
XIII.	Other Equity(excluding revaluation reserve)		25466.82	21476.88
XIV.	Earnings per equity share (Non annualised) (In Rs.)			
	(1) Basic		38.44	23.11
	(2) Diluted		38.44	23.11



The accompanying notes forming part of Financial statement

As per our report of even date attached

**For VIJAY MEHRA & CO.
Chartered Accountants
(Firm's Registration No. 001051N)**

For and on behalf of the Board of directors

**Sd/-
CA AMIT HANDA
Partner
M. No: 502400
UDIN:- 25502400BMLEFT6298**

**Sd/-
Ramesh Arora
Managing director
DIN:00462656**

**Sd/-
Ajay Kumar Arora
Whole time director
DIN:00462664**

**Place: Amritsar
Date:19.05.2025**

**Sd/-
Gurpreet kaur
Company Secretary**

**Sd/-
Aditya Arora
Whole time Director
&CFO
DIN:07320410**


KWALITY PHARMACEUTICALS LIMITED
Standalone Cash Flow Statement for the Year ended 31st March 2025

(₹ in lakhs)

		Year ended 31st March 2025		Year ended 31st March 2024	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit Before Tax		5422.70		3146.69
	Adjustments for non-cash items:				
	Depreciation & Amortisation	1825.84		1951.07	
	Other non-cash items	2.25		703.51	
	Adjustments for Finance cost:				
	Interest & Finance Charges	987.79		1019.53	
	Adjustments for Investing activities:				
	Profit/loss on sale of Assets	-2.84		-.24	
	Interest on investments	-15.88		-12.95	
			2797.17		3660.93
	Operating Profit before Working Capital Changes		8219.87		6807.62
	Adjustments for:				
	Decrease/(Increase) in Trade receivables	-3992.01		-4269.14	
	Decrease/(Increase) in Inventories	-507.83		273.49	
	Adjustment for Bank Balances (Except Cash & Cash Equivalent)	95.07		60.80	
	Decrease/(Increase) in Other Current Assets	912.33		735.06	
	Decrease/(Increase) in Other Financial Assets, Current	359.86		-949.61	
	Increase/(Decrease) in Trade Payables	1147.63		912.47	
	Increase/(Decrease) in Financial Current Liabilities	2054.27		1551.50	
	Increase/(Decrease) in Other Current Liabilities	-1385.50		61.07	



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	Increase/(Decrease) in Other Liabilities & Provisions	-50.91		-649.85	
	Increase/(Decrease) in Provisions (non-current)	3.58		-68.70	
			-1363.51		-2342.89
	Cash generated from operations		6856.36		4464.73
	Less: Income Tax Paid(Net of Refunds)		1578.99		130.00
	Net Cash flow from Operating activities (A)		5277.37		4334.73
B	<u>CASH FLOW FROM INVESTING ACTIVITIES</u>				
	Purchase for Property, Plant and Equipment	-2291.00		-2984.11	
	Proceeds from disposal of Property, Plant and Equipment	7.61		411.17	
	Purchase of Intangible asset	-171.00			
	Interest on investments	15.88		12.95	
	(Increase)/Decrease in Other Long term Assets	-374.74		-79.68	
	Net Cash used in Investing activities (B)		-2813.24		-2639.66
C	<u>CASH FLOW FROM FINANCING ACTIVITIES</u>				
	Proceeds of Borrowings	879.41		405.64	
	Repayment of Borrowings	-1335.65		-1125.89	
	Interest paid	-987.79		-1019.53	
	Net Cash from financing activities (C)		-1444.04		-1739.78
	Net increase in cash & Cash Equivalents (A+B+C)		1020.09		-44.72
	Opening Cash and Cash equivalents		135.19		179.90
	Closing Cash and Cash equivalents		1155.29		135.19
	Cash & Cash Equivalents		As on		As on
			31.03.2025		31.03.2024
	Cash in Hand		13.84		6.14
	Cash at Bank		1141.45		129.06
	Cash & Cash equivalents as stated in Financial Statements		1155.29		135.19



Notes:

1.The above cash flow statement has been prepared under “Indirect Method” as set out in Ind AS-7 on Statement of Cash flow

2.Previous year’s figures have been re-grouped and re-arranged wherever necessary.

As per our report of even date attached

**For VIJAY MEHRA & CO.
Chartered Accountants
(Firm’s Registration No. 001051N)**

For and on behalf of the Board of directors

**Sd/-
CA AMIT HANDA
Partner
M. No: 502400
UDIN:- 25502400BMLEFT6298**

**Sd/-
Ramesh Arora
Managing director
DIN:00462656**

**Sd/-
Ajay Kumar Arora
Whole time director
DIN:00462664**

**Place: Amritsar
Date:19.05.2025**

**Sd/-
Gurpreet kaur
Company Secretary**

**Sd/-
Aditya Arora
Whole time Director
&CFO
DIN:07320410**



Annual Report 2024-25

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

(₹ in lakhs)

Particulars	Share Capital	Other Equity				Total Equity
		Reserve and Surplus				
	Equity Share Capital	Securities Premium Reserve	Building Revaluation Reserve	Investment Allowance Reserve	Retained Earnings	
Balance as at 31 st March, 2023	1037.62	846.77	80.00	-	18238.13	20202.52
Profit for the year	-	-	-	-	2398.39	2398.39
Other comprehensive income for the year, net of tax	-	-	-	-	-6.40	-6.40
Total comprehensive income for the year	-	-	-	-	2391.99	2391.99
	-	-	-	-		
Balance as at 31 st March, 2024	1037.62	846.77	80.00	-	20630.11	22594.50
Profit for the year	-	-	-	-	3988.97	3988.97
Other comprehensive income for the year, net of tax	-	-	-	-	-.97	-.97
Reclassification Adjustment during the Year	-	-	-	-	1.94	1.94
Total comprehensive income for the year	-	-	-	-	3989.94	3989.94
Balance as at 31 st March, 2025	1037.62	846.77	80.00	-	24620.05	26584.44



Notes to the Standalone Financial Statements **for the year ended March 31, 2025**

1. General Information

The Standalone Financial Statements of “**Kquality Pharmaceuticals Limited**” (“the Company”) are for the year ended 31st March, 2025.

The Company is a domestic public limited company incorporated and domiciled in India and has its registered office at Village Nagkalan, Majitha Road, Amritsar, Punjab – 143601, India.

The company was incorporated as private limited company on 04/05/1983 under the Companies Act, 1956. The company was then converted into public limited company on 28/12/2015, subsequently name changed to Kquality Pharmaceuticals Limited. After that, the company obtained listing status of SME platform of Bombay Stock Exchange by making the Initial Public Offer and the shares of the company were listed on the SME platform of BSE on 18th of July, 2016.

The Company made an application for Migration of the Company’s Equity Shares from SME Platform of BSE Limited to the Main Board of the BSE on 09th April 2022 and received the final approval from BSE Limited on 10th June, 2022. Accordingly, Equity Shares of the Company were listed on the Main Board of BSE Limited with effect from 13th June, 2022. The company is engaged in the business of manufacturers, buyers and sellers of and dealers in all kind of drugs intermediates, chemicals, extracts, alkaloids and other pharmaceutical goods, toilet requisites, medicines, beverages and other medical preparations.

2. Material Significant Policies

2.1 Statement of Compliance

These financial statements are Standalone Financial Statement of the Company that have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2025 and the relevant provisions of Divisions II of Schedule III to the Companies Act, 2013 (“the Act”) and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

2.2 Basis of Preparation and Presentation

The standalone financial statements have been prepared on the historical cost convention and on an accrual basis, except for:

- (i) certain financial instruments that are measured at fair values at the end of each reporting period;



(ii) Defined benefit plans – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services

The standalone financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest Lakhs (₹ 00,000) upto Two decimal, except when otherwise indicated.

All the Assets & Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in Ind AS and Schedule III to the said Act.

a. Classification of Current and Non-current

An asset is treated as current when it is:

- i) Expected to be realized or intended to be sold or consumed in normal operating cycle and company has identified twelve months as its normal operating cycle based on the time between the acquisition of assets for processing and their realization in cash and cash equivalents.
- ii) Held primarily for the purpose of trading,
- iii) Expected to be realized within twelve months after the reporting period, or
- iv) Cash or Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle,
- ii) It is held primarily for the purpose of trading,
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to determine the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non – current.

b. Foreign Currency Transactions

On initial recognition, transactions in currencies other than the Company's functional currency(INR) are translated at exchange rates on the date of the transactions. Monetary assets



and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate on that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the year or in previous period are recognized in profit or loss in the period in which they arise.

c. Segment reporting

The Company operates in a Single segment of manufacturing of broad range of finished pharmaceutical formulations in a dosage form viz. Tablets, Capsules, Syrup, Dry Syrup, Injections etc. The product has the same risks and returns, which are predominantly governed by market conditions, namely demand and supply position. Thus, in the context of Ind AS 108 “Operating Segment”, issued by the Institute of Chartered Accountants of India, there is only one identified reportable segment.

d. Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation/amortization and impairment losses, if any. The cost comprises of the purchase price (net of GST credit wherever applicable) and any attributable cost of bringing the property, plant and equipment to its working condition for its intended use.

Subsequent expenditures related to an item of property, plant, and equipment are added to its gross book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

The Company identifies and determines separate useful life for each major component of property, plant and equipment, if they have useful life that is materially different from that of the remaining asset.

Items such as Laboratory items is recognized in accordance with Ind AS 16 “Property, Plant and Equipment” when they meet the definition of property, plant and equipment. Otherwise, such items are classified as Consumable expense or Inventories as per the nature of item.

Property, plant and equipment not ready for the intended use on the date of Balance Sheet are disclosed as “Capital work-in-progress”. Advances given towards acquisition of property, plant and equipment’s outstanding at each Balance Sheet date are disclosed as Capital Advances under “Other Non-Current Assets”.

Losses arising from the retirement of, and gains and losses arising from disposal of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the property, plant and equipment and are recognized in the statement of profit and loss when the property, plant and equipment is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e. Intangible asset:



Intangible assets are identifiable non-monetary assets without physical substance, such as software, licenses, trademarks, and similar rights. An intangible asset is recognised only when it is identifiable, the Company has control over the asset, it is probable that future economic benefits will flow to the Company, and the cost of the asset can be measured reliably.

Intangible assets are initially measured at cost, which includes the purchase price and any directly attributable costs necessary to make the asset ready for its intended use. After initial recognition, intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful life. The Company generally assumes a nil residual value unless otherwise assessed. The amortisation method and the useful life are reviewed annually, and any changes are accounted for prospectively.

f. Depreciation & Amortization on Fixed asset:

Depreciation on fixed assets is calculated on written down value basis using the rates arrived at based on the useful life of the assets prescribed under Schedule II of the Companies Act, 2013 for the year ended on March 31, 2025.

The useful life of Property, Plant and Equipment as estimated by the Management on the basis of expert advice and past experience are as under:

Class of Assets	Useful life (in years)
Plant & Machinery	20 years
Building	20-30 years
Furniture	10 years
Vehicles	8 years
Computer Equipment	3 years
Laboratory Equipment	10- 20 years
Office Equipment	5-10 years
Lift	8 years
Electric Fittings	10 years

*Freehold Land held by the company is not depreciated.

During the year ended March 31, 2025, the Company acquired an Intangible asset Technical know how. The asset is being amortised over an estimated useful life of **10 years** on a **straight-line basis**, starting from the date it was available for use

g. Investment in nature of equity in subsidiaries

The Company has elected to recognize its investments in equity instruments in subsidiaries at a cost in the standalone financial statements.



The Company records the Investment in equity instrument of Subsidiary at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investment in the subsidiary, the difference between net disposal proceeds and the carrying amounts are recognized in the standalone statement of profit and loss.

h. Inventories

Inventories are stated at cost or net realizable value whichever is lower. Cost include purchase price, non-refundable taxes and delivery and handling cost and all costs incurred in bringing the inventory to its present location and condition. Cost of raw materials, process chemicals, stores and spares, packing material, and another inventory is determined on weighted average basis.

Finished goods stock is valued at cost or net realizable value whichever is lower. Cost of finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

The factors that the Company considers in determining the allowance for slow-moving, obsolete, and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory, and introduction of competitive new products, to the extent each of these factors impacts the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience periodically.

i. Statement of Cash Flows

Standalone Statement of Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

j. Provisions, contingent liabilities, and contingent assets

Provisions are recognized when:

- (i) The Company has a present obligation (legal or constructive) as a result of a past event,
- (ii) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the



reimbursement is certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities and contingent assets

Contingent liability is disclosed for,

- (i) Possible obligations that will be confirmed only by future events not wholly within the control of the Company, or
- (ii) Present obligations arise from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually and, if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

k. Employee Benefits

(a) Defined Contribution Plans

The company's contribution to the defined contribution plan paid/payable for the year is charged to the Standalone Statement of Profit and loss.

(b) Defined Benefit Plans

- The Company has gratuity as a defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation using the projected unit credit method. The gratuity fund is administered through the Life Insurance Corporation of India.
- The liability in respect of defined benefit plans is calculated using the projected unit credit method (PUCM) with actuarial valuations being carried out at the end of each annual reporting period.
- The current service cost of the defined benefit plan, recognised in the statement of profit and loss as employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements.



- The Net Interest Cost on Defined Benefit Obligations is also included in the Statement of Profit and Loss under the Head “Employees Benefit Expenses”.
- Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise and are reflected immediately in retained earnings and is not reclassified to profit or loss.

l. Taxes on Income

(a) Tax expense

- Tax expense consists of current and deferred tax. Income tax expense is recognized in the profit or loss except to the extent that it relates to items recognized in OCI or directly in equity as in that case it is recognized in OCI or directly in equity respectively. Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.
- Deferred tax resulting from “timing differences” between taxable and accounting income that originate in one period and are capable of being reversed in one or more subsequent period is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets can be realized in future. However, where there is unabsorbed capital expenditure or carry forward losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date.

m. Exceptional Items

Exceptional items refer to items of income or expense, including tax items, within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

n. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.



The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

o. Revenue Recognition

The Company recognizes revenue when the same 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. Revenue is measured at the value of the consideration received or receivable, considering defined terms of payment and excluding taxes or duties collected on behalf of the government. Amounts disclosed as revenue are exclusive of GST and net of returns, trade allowances, rebates, discounts, and amounts collected on behalf of third parties.

i) Sale of goods

Sales are recognized when substantial risk and rewards of ownership are transferred to customer, in case of domestic customers, sales generally take place when goods are dispatched or delivery is handed over to the transporter. In case of export customers, sales generally take place when goods are shipped on-board based on bill of lading.

ii) Interest & Other Indirect Income

a) Interest income is recognized on time proportion basis considering the amount invested and rate of interest.

b) Revenue in respect of other claims is recognized on an accrual basis to the extent the ultimate realization is reasonably certain.

p. Impairment

(i) Financial Assets

The company's financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired, if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

(ii) Non-Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.



An impairment loss is recognized in the Statement of Profit or Loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount.

q. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement:

Financial assets are classified into the following categories upon initial recognition:

- (a) those measured at amortised cost
- (b) those to be measured subsequently at fair value through Statement of Profit & Loss.

The classification depends on the entity's business model for managing the financial assets and the terms of cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income as the case may be.

All financial assets are initially recognized at fair value. Transaction costs of acquisition of financial assets carried at fair value through profit and loss are expensed in the Statement of Profit and Loss.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured subsequently at amortized cost. Interest income from these financial assets is included in Other income as per interest received/receivable from Financial Institutions.

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

Financial liabilities

Initial recognition and measurement:

All financial liabilities are recognized initially at fair value. The Company's financial liabilities majorly comprises trade and other payables.

Financial liabilities are classified as 'FVTPL' if they are held for trading or if they are designated as financial liabilities upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.



The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit and loss.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same creditor on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Fair Value Measurement

The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

r. Investment in Subsidiary

The Company records the Investment in equity instrument of Subsidiary at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investment in subsidiary, the difference between net disposal proceeds and the carrying amounts are recognised in the standalone statement of profit and loss.

s. Use of Judgment's, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a



material adjustment to the carrying amount of assets or liabilities affected in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialise. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements which have a significant effect on the amounts recognised in the financial statements:

➤ Defined benefit plans (Gratuity and Leave encashment benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation and Leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

➤ Useful life of Property, plant and equipment

The Company reviews the useful life of Property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expenses in the future years.

NOTE : 3 PROPERTY, PLANT & EQUIPMENT



Description of Assets	Gross Block						Accumulated Depreciation					Net Block	
	Opening Balance	Additions	Disposal	Impairment during the year	Reclassification	Cost as on 31 st March 2025	As on 31 st March 2024	Depreciation on assets impaired	Depreciation on Disposal of Assets	For the year ended 31 st March 2025	As on 31 st March 2025	As on 31 st March 2025	As on 31 st March 2024
Plant & Machinery	9272.39	1064.48	-	-	-	10336.87	3114.55	-	-	1057.70	4172.25	6164.62	6157.84
Building	5143.52	573.39	-	-	-	5716.91	1330.07	-	-	277.35	1607.42	4109.48	3813.45
Furniture	675.08	53.34	-	-	-	728.42	315.76	-	-	106.21	421.97	306.45	359.32
Vehicles	924.43	170.37	-	-	-	1094.79	642.40	-	-	100.92	743.31	351.48	282.03
Computer Equipments	423.50	40.78	-	-	-	464.29	359.86	-	-	45.77	405.62	58.66	63.65
Laboratory Equipment	2011.39	212.46	-	-	-	2223.86	749.75	-	-	199.78	949.53	1274.33	1261.64
Office Equipment	54.84	6.71	-	-	-	61.55	39.30	-	-	6.20	45.49	16.06	15.54
Lift	66.73		-	-	-	66.73	32.67	-	-	6.10	38.77	27.96	34.06
Electric Fittings	201.12	34.89	-	-	-	236.01	118.68	-	-	25.54	144.22	91.79	82.44
Property	1748.05	134.57	7.61	-	-	1875.00	.00	-	-	-	.00	1875.00	1748.05
Total	20521.05	2291.00	7.61	.00	.00	22804.43	6703.03	.00	.00	1825.56	8528.59	14275.84	13818.02
Previous Year	16872.29	2984.11	8.20	756.34	1429.19	20521.05	4914.87	162.58	.34	1951.07	6703.03	13818.02	11957.42



Note: 3a
Property, Plant & Equipment

(₹ in lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
A. Closing Gross Block (other than Capital WIP) (Ai+Aii-Aiii-Aiv+Av)	22804.43	20521.05
Ai) Opening Gross Block	20521.05	16872.29
Aii) Additions during the year	2291.00	2984.11
Aiii) Disposal of Assets during the year	7.61	8.20
Aiv) Impairment of Assets	-	756.34
Av) Reclassification	-	1429.19
B. Closing Accumulated Depreciation (Bi+Bii-Biii-Biv)	8528.59	6703.03
Bi) Opening Accumulated Depreciation	6703.03	4914.87
Bii) Add: Depreciation charged during the Current year	1825.56	1951.07
Biii) Less: Depreciation on assets disposed		.34
Biv) Less: Depreciation on assets impaired		162.58
Net Block (A-B)	14275.84	13818.02

**NOTE 4 :INTANGIBLE ASSETS**

Description Of Asset	Gross Block				Accumulated Amortisation				Net Block	
	Opening Balance	Additions	Disposal	Cost as on 31 st March 2025	As on 31 st March 2024	Amortisat ion on asset sold	For the year ended 31 st March 2025	As on 31 st March 2025	As on 31 st March 2025	As on 31 st March 2024
TECHNICAL KNOW-HOW	.00	171.00	.00	171.00	.00	0.00	.28	.28	170.72	.00
TOTAL	.00	171.00	.00	171.00	.00	.00	.28	.28	170.72	.00
PREVIOUS YEAR	.00	.00	.00	.00	.00	0.00	.00	.00	.00	.00



Note : 4 (a) Intangible assets

(₹ in lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
A. Closing Gross Block (other than Capital WIP) (Ai+Aii-Aiii-Aiv+Av)	171.00	.00
Ai) Opening Gross Block		
Aii) Additions during the year	171.00	
Aiii) Disposal of Assets during the year		
Aiv) Impairment of Assets		
Av) Reclassification		
B. Closing Accumulated Depreciation (Bi+Bii-Biii-Biv)	.28	.00
Bi) Opening Accumulated Amortisation	.00	
Bii) Add: Amortisation charged during the Current year	.28	
Biii) Less: Amortisation on assets disposed		
Biv) Less: Amortisation on assets impaired		
Net Block (A-B)	170.72	.00

Note: 5

Capital Work-in-Progress:

(₹ in lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Closing Gross Block (Capital Work-in-Progress) (Ai+Aii+Aiii)	-	-
Ai) Opening Gross Block	-	1429.19
Aii) Additions during the year		-
Aiii) Reclassification	-	- 1429.19



Note: 6
Deferred Tax Assets

(₹ in lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Deferred tax (Liability)/Assets		
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets, as restated with respect to previous years	2.54	-41.12
Current Year Adjustment of deferred Tax Asset	158.94	43.66
Net Deferred Tax (Liability) / Assets	161.48	2.54

- ❖ Effective from the financial year 2024–25, the Company has changed its method of calculating deferred tax from the **Profit and Loss (P&L) approach** to the **Balance Sheet approach** in accordance with the requirements of [specify applicable accounting standard, e.g., Ind AS 12 – Income Taxes or IAS 12 / local GAAP].

Note: 7
Financial Non-current Investment

(₹ in lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
(a) Investment in Equity Instruments		
-Kwaliti Pharmaceuticals Africa Limitada	354.78	354.78
Total	354.78	354.78

Details of Subsidiary	
Name of Subsidiary	Kwaliti Pharmaceuticals Africa Limitada
Principal Activity	Import Export and marketing of pharmaceutical products of the company
Place of Incorporation	Mozambique, Maputo Cidade, Distrito Urbano 1, Bairro de Central, Africa
Principal Place of Business	Mozambique, Maputo Cidade, Distrito Urbano 1, Bairro de Central, Africa



Proportion of Ownership Interest/Voting rights held by the Company	51%
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Note: 8
Other Non-Current Assets

(₹ in lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
(a) Capital Advances		
- Secured, Considered Good		-
- Unsecured, Considered Good	1152.96	1137.50
- Doubtful		-
(b) Security Deposits		
- Secured, Considered Good	465.80	106.53
- Unsecured, Considered Good		-
- Doubtful		-
(c) Loans & Advances to Related Parties	-	-
(d) Other Loans & Advances	-	-
(e) Other Non-Current Investments	-	-
Total	1618.76	1244.03

Note: 9
Inventories

(₹ in lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Inventory (incl. packing material) (a+b+c+d+e-f)		
(a) Raw Material	5239.29	4863.82
(b) Finished Goods	968.88	1102.59



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(c) Packing Material	1894.64	1645.63
(d) Work-in-Progress	217.97	201.50
(e) Consumable Stores or Spares	25.79	25.19
Total	8346.57	7838.73

Note: 10 Trade receivables

(₹ in lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Trade Receivables		
- Secured, considered good	-	-
- Unsecured, considered good	15590.00	11597.99
- which have significant increase in credit risk		-
- Credit Impaired		-
	15590.00	11597.99
Less: Provision for doubtful trade receivables		-
	15590.00	11597.99
Total	15590.00	11597.99



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Note 10 (a) Trade Receivables Ageing Schedule for the year ending 31st March, 2025 (₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months to 1 year	1-2 years	2-3 years	More than 3 years	
Trade Receivables - Considered Good Secured	-	-	-	-	-	-
Trade Receivable - Considered Good Unsecured	12547.50	1152.47	566.17	533.26	790.60	15590.00
Trade receivables which have significant increase in credit risk	-	-	-	-	-	-
Trade Receivables - Credit impaired	-	-	-	-	-	-
Total	12547.50	1152.47	566.17	533.26	790.60	15590.00

Note :10 (b) Trade Receivables Ageing Schedule for the year ending 31st March, 2024 (₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months to 1 year	1-2 years	2-3 years	More than 3 years	
Trade Receivables - Considered Good Secured	-	-	-	-	-	-
Trade Receivable - Considered Good Unsecured	8232.97	539.35	1911.81	664.22	249.65	11597.99
Trade receivables which have significant increase in credit risk	-	-	-	-	-	-
Trade Receivables - Credit impaired	-	-	-	-	-	-
Total	8232.97	539.35	1911.81	664.22	249.65	11597.99

❖ The Trade receivables have been regrouped/reclassified as per prescribed IND AS format wherever necessary.



Note: 11
Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(a) Balances with Banks		
- In Current Accounts	91.45	129.06
(b) Cash in Hand	13.84	6.14
(c) Cheque in hand*	1050.00	0.00
Total	1155.29	135.19

*As on 31st March 2025, the Company is in possession of cheques amounting to Rs1050.00 Lakhs (Rupees Ten Crores Fifty Lakhs only), received towards settlement of trade receivables. The management confirms that the cheques represent valid receivables, and there is no known risk of non-realisation as on the date of signing the financial statements. Accordingly, the said amount has been classified as Cheque in Hand under Cash and Bank Balances, in line with the Company's accounting policy and relevant guidance under Schedule III of the Companies Act, 2013. The Company has taken adequate internal controls to ensure realization of the said cheques in the normal course of business.

Note: 12
Bank Balances other than Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Fixed Deposits with Banks	273.51	368.58
Total	273.51	368.58



Note: 13
Other Financial Current Assets

(₹ in lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
IGST refundable against export	1279.37	935.30
Claim Receivable A/C	-	702.93
FDR Bank Guarantee ICICI Bank	-	1.00
Total	1279.37	1639.23

Note: 14
Other Current Assets

(₹ in lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Balances with Revenue Authorities	995.03	1198.31
Security Deposits	.36	263.58
Other Advances	52.97	48.78
Advances to Suppliers	791.13	1220.03
Advances to Staff	6.22	27.33
Total	1845.70	2758.03

❖ *The Other Current Assets have been regrouped/reclassified as per prescribed IND AS format wherever necessary*



Note: 15
Share Capital

(₹ in lakhs)

* All figures in lacs except number of shares

Particulars	As at 31 st March,2025		As at 31 st March,2024	
	Number of shares	Value (Rs.)	Number of shares	Value (Rs.)
(a) Authorised				
Equity shares of Rs. 10 each with voting rights	16000000	1600.00	16000000	1600.00
	16000000	1600.00	16000000	1600.00
(b) Issued				
Equity shares of Rs. 10 each with voting rights	10376198	1037.62	10376198	1037.62
	10376198	1037.62	10376198	1037.62
(c) Subscribed and fully paid up				
Equity shares of Rs. 10 each with voting rights	10376198	1037.62	10376198	1037.62
	10376198	1037.62	10376198	1037.62
Total	10376198	1037.62	10376198	1037.62

15(a)Reconciliation of the number of the shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Year ended 31st March 2025			
-Number of shares	10376198	-	10376198
-Amount (Rs. in Lacs)	1037.62	-	1037.62
Year ended 31st March 2024			
-Number of shares	10376198	-	10376198
-Amount (Rs. in Lacs)	1037.62	-	1037.62



15(b) Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of the equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

15(c) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2025		As at 31 March, 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
1. Ramesh Arora	2698684	26.01%	2698684	26.01%
2. Ajay Arora	1410638	13.59%	1410638	13.59%
3. Aditya Arora	1240091	11.95%	1240091	11.95%
4. Deepak Bansal	1103174	10.63%	1103174	10.63%
Total	6452587	62.19%	6452587	62.19%

15(d) Detail of Shareholding by Promoters:

Promoter's Name	Shares held by Promoter at the end of the year				% of change during the year
	As at 31 st March,2025		As at 31 st March,2024		
	Number of shares held	% of holding in shares	Number of shares held	% of holding in shares	
1. Ramesh Arora	2698684	26.01%	2698684	26.01%	0.00%
2. Ajay Arora	1410638	13.59%	1410638	13.59%	0.00%



Note: 16
Other Equity

(₹ in lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
(a) Securities premium account		
Opening balance	846.77	846.77
Add: Premium on shares issued during the year		-
Less: Utilized during the year		-
Closing balance	846.77	846.77
(b) Retained Earnings		
Opening balance	20630.12	18238.14
Add: Profit / (Loss) for the year	3988.97	2398.39
Add: Other Comprehensive income for the period*	-.97	- 6.40
Add : Reclassification Adjustment during the Year	1.94	
Closing balance	24620.06	20630.12
(c) Building Revaluation Reserve	80.00	80.00
Total	25546.82	21556.88

**Represents Remeasurement of Defined Benefit Obligations*

Note: 17
Long-term borrowings

(₹ in lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
(a) Term loans		
From Banks	1511.89	1956.02
From other parties	-	-
	1511.89	1956.02
(b) Loans and advances from related parties		
Total	1511.89	1956.02



Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings: (₹ in lakhs)

Particulars	As at 31 st March,2025		As at 31 st March,2024	
	Secured	Unsecured	Secured	Unsecured
Term loans from banks:				
Term loans	2911.28	-	3210.38	-
Less: Current maturities	-1399.39	-	-	-
			1254.36	-
Total - Term loans from banks	1511.89	-	1956.02	-
Term loans from other parties:	-	-	-	-
Total - Term loans from other parties	-	-	-	-
Loans and advances from related parties:	-	-	-	-
Total - Loans and advances from related parties	-	-	-	-

Terms of Borrowings:--

The nature of securities along with terms of repayment are as per details given below:

Sr. No.	Particulars	Terms of Repayment
1.	BBG- WC Term Loan (HDFC Bank)	The loan is to be repaid in 32 installments of Rs. 79.17 lacs each; commenced in February 2024. The total amount financed is Rs. 2245.00 lacs. The outstanding loan amount on 31 st March 2025 is Rs.1393.11 lacs.
2.	BBG- WC Term Loan (HDFC Bank)	The loan is to be repaid in 20 installments of Rs. 16.43 lacs each; commenced in February 2024. The total amount financed is Rs. 304.00 lacs. The outstanding loan amount on 31 st March 2025 is Rs. 111.18lacs.
3.	BBG-WC Term Loans (HDFC Bank)	The Term Loan has an outstanding balance of Rs. 945.29 lacs as on 31 st March 2025.
4.	BMW Car Loan (HDFC Bank)	The loan is to be repaid in 60 installments of Rs. 2.37 lacs each; commenced in July 2022. The total amount financed is Rs. 117.90 lacs. The outstanding loan amount on 31 st March 2025 is Rs. 60.41 lacs.



5.	Mercedes Car Loan (HDFC Bank)	The loan is to be repaid in 39 installments of Rs. 1.97 lacs each; commenced in March 2023. The total amount financed is Rs. 66.86 lacs. The outstanding loan amount on 31 st March 2025 is Rs. 27.91 lacs.
6.	Honda Amaze Car Loan (HDFC Bank)	The loan is to be repaid in 60 installments of Rs. 0.19 lacs each; commenced in January 2023. The total amount financed is Rs. 9.40 lacs. The outstanding loan amount on 31 st March 2025 is Rs. 5.83 lacs.
7.	Hyundai Creta Car Loan	The loan is to be repaid in 39 installments of Rs. 0.30 lacs each; commenced in December 2022. The total amount financed is Rs. 10.11 lacs. The outstanding loan amount on 31 st March 2025 is Rs. 3.69 lacs.
8.	BBG-WCTL-GECL EXTN	The loan is to be repaid in 61 installments of Rs. 8.68 lacs each; sanctioned in May 2022. The total amount financed is Rs. 276.00 lacs. The outstanding loan amount on 31 st March 2025 is Rs. 208.15 lacs.
9.	Truck Loan (HDFC Bank)	The loan is to be repaid in 47 installments of Rs. 0.37 lacs each; commenced in August 2021. The total amount financed is Rs. 15.00 lacs. The outstanding loan amount on 31 st March 2025 is Rs. 1.45 lacs.
10.	Truck Loan (HDFC Bank)	The loan is to be repaid in 47 installments of Rs. 0.37 lacs each; commenced in October 2021. The total amount financed is Rs. 15.00 lacs. The outstanding loan amount on 31 st March 2025 is Rs. 1.45 lacs.
11.	Truck Loan (HDFC Bank)	The loan is to be repaid in 47 installments of Rs. 0.34 lacs each; commenced in October 2021. The total amount financed is Rs. 14.00 lacs. The outstanding loan amount on 31 st March 2025 is Rs. 2.00 lacs.
12.	Truck Loan (HDFC Bank)	The loan is to be repaid in 47 installments of Rs. 0.34 lacs each; commenced in August 2021. The total amount financed is Rs. 14.00 lacs. The outstanding loan amount as on 31 st March 2025 is Rs. 2.00 lacs.
13.	Ertiga Car Loan (HDFC Bank)	The loan is to be repaid in 39 installments of Rs. 0.28 lacs each; commenced in December 2022. The total amount financed is Rs. 9.61 lacs. The outstanding loan amount on 31 st March 2025 is Rs. 3.26 lacs.
14.	Auto Loan (HDFC Bank)	The loan is to be repaid in 39 installments of Rs. 0.79 lacs each; commenced in August 2024. The total amount financed is Rs. 26.93 lacs. The outstanding loan amount on 31 st March 2025 is Rs. 22.49 lacs.
15.	Mercedes Car Loan (HDFC Bank)	The loan is to be repaid in 48 installments of Rs. 3.19 lacs each; commenced in December 2024. The total amount financed is Rs. 130 lacs. The outstanding loan amount on 31 st March 2025 is Rs. 123.07 lacs.



16.	EPC Limit (ICICI Bank)	The Amount of Limit sanctioned is Rs. 1500.00 lacs. The outstanding amount as on 31 st March 2025 is Rs. 1065.09lacs.
17.	Cash Credit Limit (HDFC Bank)	The amount of Limit sanctioned is Rs6180.00 lacs. The outstanding amount as on 31 st March 2025 is Rs. 5819.09 lacs.
18.	Cash Credit Limit (Axis Bank)	The amount of Limit sanctioned is Rs. 1500.00 lacs. The outstanding amount as on 31 st March 2025 is Rs. 1449.06 lacs.

a. Vehicle Loans are secured by hypothecation of vehicles in favor of the Bank. Similarly, machinery term loans are secured by hypothecation of machinery in favor of the Bank.

b. Cash Credit, Term Loan, Pre-shipment, Post Shipment, FLC, PSL, PCFC and BG are secured by hypothecation of all types of stocks and other material at factory/godown or at other places as approved by the bank from time to time including goods in transit and receivables, i.e. stock and book debts; hypothecation of plant and machinery and FDR margin.

c. All the Loans and Advances from the bank, including Working Capital limits and other credit facilities from the Bank are collaterally secured by Equitable mortgage of the following properties:

i. Industrial Property bearing killa no. 152/5 (6-17), 152 (8-0), Khewat Khatoni No. 368/435, 581/761, Rakba 14K, 17M situated at Nag Kalan Amritsar, owned by Mr. Ramesh Arora and Mr. Ajay Arora, directors of the Company

ii. Industrial Property at Wakia 6 Mile Stone Village Nag Kalan, Majitha Road, Amritsar - 143001 owned by the Company.

iii. Industrial Property at Plot No. 1A, Raja Ka Bagh, Kangra, Himachal Pradesh on long term lease from government of Himachal Pradesh.

iv. Industrial property at Hadbast No. 334, Situated at Rakba Village Nag-2, Tehsil Majitha, Near Kwaliti Pharmaceuticals, Amritsar, Punjab, 143601.

v. Residential Property situated at House No. 32, Opposite Police line, R.B. Parkash Chand Road, Amritsar, Panjab owned by Mr. Ramesh Arora and Mr. Ajay Arora.

vi. Immovable property at Bal kalan, Majitha Road, Amritsar, Panjab-143001.



Note: 18
Provisions Non-current

(₹ in lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Provision for Defined Benefits Obligation (net)	25.17	21.59
Total	25.17	21.59

Note: 19
Short-term borrowings

(₹ in lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
(a) Loans repayable on demand		
From banks		
- Secured	9732.63	7855.88
- Unsecured	-	-
From Other Parties		
- Secured	-	-
- Unsecured	-	-
(b) Loans and Advances from Related Parties	-	-
Total	9732.63	7855.88

(i) Details of security for the secured short-term borrowings:

Cash Credit, Pre-shipment, Post Shipment, FLC, PSL, PCFC and BG are secured by hypothecation of all types of stocks and other material at factory/godown or at other places as approved by the bank from time to time including goods in transit and receivables, i.e., stock and book debts; hypothecation of plant and machinery and FDR margin and collaterally secured by equitable mortgage of the properties.



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(₹ in lakhs)

(ii) Details of the short-term borrowings:

Particulars	As at 31 st March,2025	As at 31 st March,2024
Working Capital Limits	8333.24	6601.52
Term Loans (with current maturities)	1399.39	1254.36
Total	9732.63	7855.88

Note: 20
Trade payables

(₹ in lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Trade Payables		
- Payable to MSME	2117.99	2121.55
- Payable to Others	3461.35	2310.17
Total	5579.34	4431.72



Note:20(a)

Trade Payables Ageing Schedule for the year end 31st March,2025

Particulars	Outstanding for following periods from due date of payment				Total (₹ in lakhs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	2050.71	59.07	8.22	-	2117.99
Others	3399.42	61.39	.33	.21	3461.35
Disputed dues- MSME	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-
Total	5450.13	120.45	8.55	.21	5579.34

Note :20(b)

Trade Payables Ageing Schedule for the year ending 31st March,2024

Particulars	Outstanding for following periods from due date of payment				Total (₹ in lakhs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	2099.67	21.88	-	-	2121.55
Others	2204.63	60.06	21.68	23.81	2310.17
Disputed dues- MSME	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-
Total	4304.30	81.94	21.68	23.81	4431.72

**Note: 21****Other Financial current liabilities****(₹ in lakhs)**

Particulars	As at 31 st March,2025	As at 31 st March,2024
(a) Security Deposits	-	4.50
(b) Interest accrued but not due on Borrowings	16.12	19.14
(c) Statutory Dues	94.24	234.86
(d) Others	390.21	64.56
Total	500.58	323.06

Note: 22**Other Current Liabilities****(₹ in lakhs)**

Particulars	As at 31 st March,2025	As at 31 st March,2024
Advances from Customers	497.03	1847.50
Other Advances	-	20.45
Unspent Portion of CSR	30.93	45.93
Provision For Interest Paid To Msme	.42	.00
Total	528.38	1913.88

Note: 23**Provisions-Current****(₹ in lakhs)**

Particulars	As at 31 st March,2025	As at 31 st March,2024
Provision for Defined Benefits Obligation (net)	16.49	8.35
Total	16.49	8.35

**Note: 24****Current Tax Liability (net)****(₹ in lakhs)**

Particulars	As at 31 st March,2025	As at 31 st March,2024
Provision for Income Tax (net)*	593.08	652.13
Total	593.08	652.13

* Current year figure is net of the Provision against Taxes paid in form of Advance Tax(es)

Note: 25**Revenue from operations****(₹ in lakhs)**

Particulars	As at 31 st March,2025	As at 31 st March,2024
Export Turnover	19543.82	13833.99
Domestic Turnover	17475.88	16873.70
Other Operating Revenue	.00	9.49
Total	37019.70	30717.18

Note: 26**Other Income****(₹ in lakhs)**

Particulars	As at 31 st March,2025	As at 31 st March,2024
Interest on FDR	16.17	12.95
Duty Drawback	144.55	148.24
Other Income	20.72	20.98
Profit/Loss on Sale of Asset	2.84	.24
Rate Diff on Purchase		.63
Foreign Exchange Fluctuation	7.73	.00
Total	192.01	183.03



Note: 27

Cost of materials consumed

(₹ in lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Opening Stock		
-Raw Material	4863.82	4989.88
-Packing Material of Pharma products	1645.63	2485.64
Add: Purchase		
-Raw Material	10287.79	8899.28
-Packing Material of Pharma products	6877.92	5515.72
Less: Closing Stock		
-Raw Material	5239.29	4863.82
-Packing Material of Pharma products	1894.64	1645.63
Total	16541.24	15381.06

Note: 28

Purchase of Stock-In-Trade

(₹ in lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Finished goods	1590.16	85.34
Total	1590.16	85.34

**Note: 29****Changes in Inventory of Finished Goods, Work In Progress And Stock-in-Trade****(₹ in lakhs)**

Particulars	As at 31 st March,2025	As at 31 st March,2024
Opening Stock		
-Finished goods	1102.59	1155.95
-Work-in-Progress	201.50	-
Less: Closing Stock		
-Finished goods	968.88	1102.59
-Work-in-Progress	217.97	201.50
Total	117.24	-148.14

Note: 30**Employees benefits expenses****(₹ in lakhs)**

Particulars	As at 31 st March,2025	As at 31 st March,2024
Salaries and wages	3797.12	2794.26
Directors Remuneration	252.00	210.00
Contributions to provident and other funds	121.96	113.19
Staff welfare expenses(Food-lodging & medical)	171.92	111.59
Current Service Cost	30.85	23.54
Net Interest cost on Defined Benefit Obligation	2.12	-
Total	4375.98	3252.59

Note: 31**Finance Cost****(₹ in lakhs)**

Particulars	As at 31 st March,2025	As at 31 st March,2024
Bank interest and other expenses	971.25	1019.53
Interest Accrued but not due on borrowings	16.12	19.14
Interest Paid To MSME	.42	
Total	987.79	1038.67



Note: 32
Other expenses

(₹ in lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Administrative Expense	240.29	94.11
Auditor's Remuneration:		
- As Auditors	8.00	8.00
- For other services	4.50	-
Communication Expense	14.02	12.44
Advertisement & Publicity Expense	168.10	6.58
Other Expense	51.15	38.22
Fees And Taxes	141.02	395.50
Distribution Expenses	1496.78	769.86
Power, Fuel & Electricity	2337.31	1722.02
Legal And Professional Charges	193.85	274.95
Repair And Maintenance	572.54	482.82
Carriage Inward Expense	-	147.86
Testing And Laboratory Charges	273.91	586.36
Corporate Social Responsibility	152.03	179.79
Factory Expense	213.65	442.63
Hotel And Accomodation Expense	46.85	25.86
House Keeping Expense	71.18	58.92
Insurance	146.66	89.68
Travelling Expense	57.27	54.48
Commission Expense	157.25	85.96
Director's Sitting Fees	4.37	3.35
Foreign Currency Fluctuation	-	3.62
Total	6350.74	5483.00

- ❖ During the financial year 2024–25, the Company undertook a review of its expense classification and reporting structure. As a result, the Company has **reset the schedule of expenses** to improve clarity, enhance transparency, and align the presentation with current business operations and industry practices.

**33. Contingent Liabilities and Pending Litigations-****➤ Contingent Liabilities****(₹ in lakhs)**

Pending Litigations	As at 31 st March,2025	As at 31 st March,2024
Details pertaining to ongoing litigation are provided below:	3697.75	34.93

➤ Pending Litigations

According to the information and explanations given to us, details of Income tax, Goods and Service tax, Customs Duty, Excise Duty and Value Added Tax, the amounts that may be required to be deposited on account of show cause notice or demands raised by the following departments during the financial year 2024-2025. The Details are as under:

1. As informed to us and based on the records examined, an order bearing No. 14/GST/ADC/JAL/2024-2025 has been received by the Company under Section 74(9) of the Central Goods and Services Tax Act, 2017, read with Section 20 of the Integrated Goods and Services Tax Act, 2017, raising a demand of ₹3,15,02,758/- towards alleged erroneous refund of IGST for the financial years 2017-18 to 2022-23. Further, a penalty of an equivalent amount of ₹3,15,02,758/- has also been levied under the same provisions. Interest under Section 74(9) read with Section 50 of the CGST Act, 2017 and Section 20 of the IGST Act, 2017 has also been levied, though not quantified in the said order.

As represented to us, the Company has filed an appeal before the appropriate appellate authority under CGST Act, 2017 challenging the said order. Accordingly, the total disputed amount of ₹6,30,05,516/- (comprising tax and penalty) is under litigation and remains pending as on the reporting date.

2. The Company has received a Show Cause Notice bearing no. AE/51/2024-25 for the financial years 2017-18 to 2022-23 under Section 74 & 122 of the Central Goods and Services Tax Act, 2017. The notice alleges wrongful availment and utilization of Input Tax Credit (ITC) amounting to ₹15,13,03,420/- (Rupees Fifteen Crores Thirteen Lakhs Three Thousand Four Hundred Twenty only). Further, a penalty of ₹15,13,03,420/- has been proposed under Section 74(1) read with Section 122(2)(b). Accordingly, the total disputed amount proposed in the Show Cause Notice is Rs. 30,26,06,840/- (Demand & Penalty)

The company has filed a civil writ petition in the Punjab and Haryana high court bearing no CWP-34165-2024 against the said show cause notice. Hon'ble Punjab and Haryana high court has stayed the passing of adjudication order in pursuance to the show cause notice and the show cause notice is thus under litigation and remains pending as on the reporting date.



3. As per the information and explanations given to us and based on the records examined, the Company has received orders dated **30/12/2024** in Form DRC-07 from the Goods and Services Tax (GST) Department under Section 74 of the Central Goods and Services Tax Act, 2017, in respect of wrongly availed and passed on Input Tax Credit (ITC). The summary of the demands raised is as follows:

- For the financial year 2017–18, no tax was levied; however, a penalty of ₹2,80,695 /-was imposed.
- For the financial year 2019–20, a demand of ₹6,74,856 /-each towards tax and penalty was raised.
- For the financial year 2020–21, a demand of ₹12,62,160/- towards tax and ₹12,70,485/- towards penalty was raised.

The Company has filed appeals before the appropriate appellate authority under the GST Commissionerate in all the above cases, and the proceedings are pending as on the date of this report. The matter is currently under dispute and remains pending as on the reporting date.

34. Earnings Per Share

Particulars	As at 31 st March,2025	As at 31 st March,2024
Profit / (loss) for the year (₹ in Lacs) - used as numerator for calculating earnings per share	3988.97	2398.39
Number of shares used in computing basic and diluted earnings per share	1,03,76,198	1,03,76,198
Face value per share (in ₹)	10.00	10.00
Basic earnings per share (in ₹)	38.44	23.11
Diluted earnings per share (in ₹)	38.44	23.11

35. Disclosures under the MSMED Act, 2006:

(₹ in lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Principal Amount that has been unpaid to any supplier as at the period end	2117.99	2121.55
Interest due on above	-	-



Amount of interest due and payable for the period of delay	-	-
Amount of interest accrued and remaining unpaid as at year end	0.42	-
Amount of further interest remaining due and payable in the succeeding year	-	-

36. Financial Risk Management:

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

It is evident from the Note No. 10 of Notes forming Part of Standalone Financial Statements that company is managing its credit risk efficiently.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Current ratio of the company calculated later in the report is the true indicator of the management of the Liquidity risk by the company.

Foreign Exchange Risk

The Company's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses.

In the Current year, Company has charged Income due to Foreign Exchange Fluctuations of Rs 7.73 whereas there was loss of Rs. 3.62 Lacs in the previous year.



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The Company has below stated Foreign Exchange Exposure which was not hedged as on Balance Sheet date:

Particulars	As at 31 st March,2025		As at 31 st March,2024	
	Amount in Foreign Currency (in USD) (in Lacs)	Amount in ₹ (in Lacs)	Amount in Foreign Currency (in USD) (in Lacs)	Amount in ₹ (in Lacs)
Trade Payables	0.94	80.67	0.63	52.85
Trade Receivables	90.27	7712.22	59.50	4961.23

Particulars	As at 31 st March,2025		As at 31 st March,2024	
	Amount in Foreign Currency (in Euro) (in Lacs)	Amount in ₹ (in Lacs)	Amount in Foreign Currency (in Euro) (in Lacs)	Amount in ₹ (in Lacs)
Trade Payables	-	-	-	-
Trade Receivables	2.88	266.35	2.30	206.72

Particulars	As at 31 st March,2025		As at 31 st March,2024	
	Amount in Foreign Currency (in AED) (in Lacs)	Amount in ₹ (in Lacs)	Amount in Foreign Currency (in AED) (in Lacs)	Amount in ₹ (in Lacs)
Trade Payables	-	-	-	-
Trade Receivables	5.29	123.26	-	-

37. Employee Benefits

**a) Defined Contribution Plans**

The Company is regular in making contributions to Recognised Provident Fund (RPF), Employees State Insurance Scheme (ESIC) and other funds including Labour Welfare Fund for all regular employees or workers.

The amount of contributions to these funds are recognised as expense under the head “Employee Benefit Expenses” in the Statement of Profit and Loss as under:

(₹ in lakhs)

Particulars	As at 31st March,2025	As at 31st March,2024
Contribution to Recognised Provident Funds	95.30	90.51
Contribution to Employee State Insurance Corporation	26.66	22.67

b) Defined Benefit Plans**Gratuity**

The company made contributions to Life insurance Company in respect of the Gratuity. Under Gratuity Act, Employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment.

Gratuity is classified as Defined Benefit plan as enterprise's obligation is to provide agreed benefits, subject to minimum benefits as subscribed by the Payment of Gratuity Act, to plan members. Actuarial & Investment risks are borne by the enterprise.

The Net Defined Benefit Liability/(Asset) is the Net (Surplus)/Deficit in the plan netted off by effect of Asset Ceiling, if any. It is arrived by deducting Fair Value of Plan Assets from the Defined Benefit Obligation as on the date of valuation.

As required under Para 67 of Ind AS 19 actuarial valuation is done using Projected Unit Credit Method. Under this method, only benefits accrued till the date of valuation (i.e. based on service upto date of valuation) are to be considered for valuation. Present value of Defined Benefit Obligation is calculated by projecting salaries, exits due to death, resignation and other decrements, if any, and project the benefit till the time of retirement of each active member using assumed rates of salary escalation, mortality & employee turnover rates. The expected benefit



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payments are then discounted back from the future date of payment to the date of valuation using the assumed discount rate.

'Service Cost' is calculated separately in respect of benefit accrued during the current period using the same method as described above. However, instead of all accrued benefits, benefit accrued over the current reporting period is considered.

(₹ in lakhs)

Amount recognised in statement of Financial Position at Period End	As at 31 st March,2025	As at 31 st March,2024
Present Value of Unfunded Defined Benefit Obligation	159.11	113.65
Fair value of Plan Assets	117.45	83.70
Net Defined Benefit (Asset)/Liability Recognised in Statement of Financial Position	41.66	29.94

(₹ in lakhs)

Net Defined Benefit Cost/(Income) included in Statement of Profit & Loss at Period-End	From 31 st March,2024 to 31 st March,2025	From 31 st March,2023 to 31 st March,2024
Service Cost	30.85	23.54
Net Interest Cost	2.12	-
Past Service Cost	-	-
Total Defined Benefit Cost/(Income) included in Profit & Loss	32.98	23.54

(₹ in lakhs)

Current / Non-Current Bifurcation	31 st March,2025	31 st March,2024



		Annual Report 2024-25
Current Benefit Obligation	16.49	8.35
Non - Current Benefit Obligation	142.62	105.30
(Asset)/Liability Recognised in the Balance Sheet	159.11	113.65

(₹ in lakhs)

Analysis of Amounts Recognised in Other Comprehensive (Income)/Loss at Period-End	From 31 st March,2024 to 31 st March,2025	From 31 st March,2023 to 31 st March,2024
Amount recognized in OCI, Beginning of Period	6.40	-
Remeasurements due to :		
Effect of Change in financial assumptions	3.29	-
Effect of Change in demographic assumptions	-	-
Effect of experience adjustments	3.27	-
(Gain)/Loss on Curtailments/Settlements	-	-
Return on plan assets (excluding interest)	-7.52	6.40
Changes in asset ceiling	-	-
Total remeasurements recognized in OCI	-.97	6.40
Amount recognized in OCI, End of Period	5.43	6.40

(₹ in lakhs)

Change in Defined Benefit Obligation during the Period	From 31 st March,2024 to 31 st March,2025	From 31 st March,2023 to 31 st March,2024
Defined Benefit Obligation, Beginning of Period	113.65	90.29
Net Current Service Cost	30.85	23.54
Interest Cost on DBO	8.06	6.40
Actual Plan Participants' Contributions	-	-



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Actuarial (Gains)/Losses	6.55	-
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefits Paid		-6.59
Past Service Cost	-	-
Losses / (Gains) on Curtailments/Settlements	-	-
Defined Benefit Obligation, End of Period	159.11	113.65

(₹ in lakhs)

Change in Fair value of Plan Assets during the Period	From 31 st March,2024 to 31 st March,2025	From 31 st March,2023 to 31 st March,2024
Fair value of Plan Assets, Beginning of Period	83.70	90.29
Interest Income Plan Assets	5.93	6.40
Actual Company Contributions	20.29	-
Actual Plan Participants' Contributions	-	-
Actual Taxes Paid	-	-
Actual Administration Expenses Paid	-	-
Changes in Foreign Currency Exchange Rates	-	-
Actuarial Gains/(Losses)	7.52	-6.40
Benefits Paid		-6.59
Acquisition/Business Combination/Divestiture	-	-
Assets extinguished on Settlements/Curtailments	-	-
Fair value of Plan Assets, End of Period	117.45	83.70

(₹ in lakhs)

Reconciliation of Balance sheet Amount	From 31 st March,2024 to 31 st March,2025	From 31 st March,2023 to 31 st March,2024
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Balance Sheet (Asset)/Liability, Beginning of Period	29.94	-
True-up	-	-
Total Charge/(Credit) Recognised in Profit and Loss	32.98	23.54
Total Remeasurements Recognised in OC (Income)/Loss	-.97	6.40
Acquisitions/Business Combinations/Divestitures	-	-
Actual Company Contribution / Benefit Payouts Directly by the Company	-20.29	-
Other Events	-	-
Balance Sheet (Asset)/Liability, End of Period	41.66	29.94

Demographic Assumptions Used to Determine the Defined Benefit Obligation	From 31 st March,2024 to 31 st March,2025	From 31 st March,2023 to 31 st March,2024
Withdrawal Rate	For service upto 3 years: 20% Thereafter: 10%	For service upto 3 years: 20% Thereafter: 10%
Mortality Rate	IALM (2012-14) Ult	IALM (2012-14) Ult
Retirement Age	60 years	60 years

Asset Category

(₹ in lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2025	As at 31 st March,2025
	Quoted Value	Non-Quoted Value	Total



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Government of India Securities (Central and State)	-	-	-
High quality corporate bonds (including Public Sector Bonds)	-	-	-
Equity shares of the Company	-	-	-
Insurer Managed Funds & T-bills	-	100.00%	100.00%
Cash (including Bank Balance, Special Deposit Scheme)	-	-	-
Others	-	-	-

The scheme is funded through an 'Approved Trust'. The Trust has taken a Policy from the Life Insurance Corporation of India (LIC) and the management of the fund is undertaken by the LIC. We have been provided with the fund size of Rs.1,17,44,884 as of the valuation date.

Sensitivity Analysis

Particulars	As at 31 st March,2025	As at 31 st March,2024
Defined Benefit Obligation - Discount Rate + 100 basis points	-9.88	-9.45
Defined Benefit Obligation - Discount Rate - 100 basis points	11.14	11.05
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	12.14	11.82
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	-10.94	-10.24

38. Ratios

Particulars	Current Year 31 st March 2025			Previous Year 31 st March 2024			Variation (in%)	Reasons for variation
	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio		
Current Ratio	28490.44	16950.50	1.68	24337.76	15185.01	1.60	4.87%	The ratio has not been affected to major extent



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Debt Equity Ratio	11244.53	26584.44	0.42	9811.90	22594.50	0.43	-2.60%	The ratio has not been affected to major extent
Debt Service Coverage Ratio	6799.77	2323.44	2.93	6102.63	2164.56	2.82	3.80%	The ratio has not been affected to major extent
Return on Equity	3988.97	26584.44	15.00%	2398.39	22594.50	10.61%	41.36%	The increase in Return on Equity is due to higher profitability and efficient use of shareholders' funds
Inventory Turnover	16541.24	8092.65	2.04	15381.06	8235.10	1.87	9.44%	The ratio has not been affected to a major extent
Trade Receivables Turnover Ratio	37019.70	13594.00	2.72	30717.18	9463.42	3.25	-16.10%	The ratio has not been affected to a major extent
Trade Payables Turnover Ratio	18755.88	5005.53	3.75	14500.34	3975.48	3.65	2.73%	The ratio has not been affected to a major extent
Working Capital turnover Ratio	37019.70	11539.93	3.21	30717.18	9152.75	3.36	-4.41%	The ratio has not been affected to a major extent.
Net Profit Ratio	3988.97	37019.70	10.78%	2398.39	30717.18	7.81%	38.00%	Increased mainly due to higher revenue and improved cost efficiency
Return on Capital Employed	6410.49	37667.49	17.02%	4895.29	32403.86	15.11%	12.65%	The variation is due to increase in reserve and surplus .
Return on Investment	6410.49	37667.49	17.02%	4895.29	32403.86	15.11%	12.65%	The variation is due to increase in reserve and surplus .



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- ❖ From FY 2024–25, the Company has revised the method (also for FY 2023-2024) for calculating the Inventory Turnover Ratio. Instead of using **Sales**, the ratio is now computed using **Cost of Goods Sold (COGS)**, as per industry best practices and Schedule III guidance

39. Related Party Disclosures

Name of the Parties	Designation
Mr. Ramesh Arora	Managing Director
Mr. Ajay Arora	Whole Time Director
Mr. Aditya Arora	Whole Time Director
Mrs. Geeta Arora	Whole Time Director
Mrs. Anju Arora	Whole Time Director
Mrs. Kanika Arora	Relative of Director
Mrs. Aastha Seth	Relative of Director
Mrs. Geetika Thukral (Geetika Arora)	Relative of Director
Mr. Kiran Kumar Verma	Independent Director
Mr. Pankaj Takkar	Independent Director
Mr. Ravi Shanker Singh	Independent Director
Mr. Kartik Kapur	Independent Director
Mr. Prashnath Vellanki	Independent Director
Kwality Pharmaceuticals Africa Limitada	Subsidiary

(₹ in lakhs)

Name of the Related Parties	As at 31 st March, 2025	As at 31 st March, 2024
Transactions with Related Party		
Remuneration:		
Mr. Ramesh Arora	72.00	60.00
Mr. Ajay Arora	72.00	60.00
Mr. Aditya Arora	48.00	42.00
Mrs. Geeta Arora	30.00	24.00
Mrs. Anju Arora	30.00	24.00
Mrs. Kanika Arora	3.00	3.00
Mrs. Aastha Seth	4.20	4.20
Mrs. Geetika Thukral (Geetika Arora)	6.00	6.00
Rent:		
Mr. Ramesh Arora	1.08	1.08



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Mr. Ajay Arora	1.08	1.08
Director Sitting Fees		
Mr. Kiran Kumar Verma	1.80	1.80
Mr. Pankaj Takkar	1.87	1.08
Mr. Ravi Shanker	.45	0.20
Mr. Kartik Kapur	.15	0.20
Mr. Prashanth Vellanki	.10	0.07
	-	-
Loan Repayments to Related Parties:		
Mr. Ramesh Arora	.00	11.70
Balances with Related Parties at year end		
Subsidiary:		
Kwality Pharmaceuticals Africa Limitada (in form of Investment)	354.78	354.78
Kwality Pharmaceuticals Africa Limitada (in form of Debtors)	159.42	159.42

40. ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III OF COMPANIES ACT, 2013:

- a) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- b) Details of Benami Property held - No proceeding has been initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- c) There has been no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- d) Utilisation of Borrowed funds: The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of



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the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

e) Willful Defaulter - The Company is not declared willful defaulter by any bank or financial Institution or other lender during the year.

f) Registration of charges or satisfaction with Registrar of Companies - During the year, the Company has complied with the requirements for registration of charges on the assets of the company with the Registrar of Companies.

g) Disclosures in respect of Corporate Social Expenditure as per Companies Act,2013:

(₹ in lakhs)

CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE	As at 31 st March, 2025	As at 31 st March,2024
(a) Amount required to be spent by the Company during the year	145.94	139.49
(b) Amount of expenditure incurred on		
(i) construction/acquisition of any asset	-	-
(ii) on purpose other than (i) above	145.96	93.56
(c) (Shortfall)/ excess at the end of year	0.02	-45.93
(d) Total of previous years(shortfall)/excess	-30.93	-6.07
(e) Reason for shortfall	spending towards ongoing projects	spending towards ongoing projects
(f) Nature of CSR activities	**	**
(g) Details of related party transactions in relation to CSR expenditure	NIL	NIL
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	-	-

**** Promoting Education & Healthcare, Eradication of Hunger & Poverty, Special education and enhancing skills among differently abled children and Promoting Education of Poor Children, protection of flora & fauna, animal welfare and skill development & enhancing employment.**

h) The Company does not have any transactions with struck-off companies.

i) The Company has not traded or invested in crypto-currency or virtual currency during the current or previous year.



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j) The previous year's figures have been regrouped wherever necessary to make them comparable to the current year's figures.

**For VIJAY MEHRA & CO.
directors
Chartered Accountants
(Firm's Registration No. 001051N)**

For and on behalf of the Board of

**Sd/-
CA AMIT HANDA
Partner
director
M. No: 502400
UDIN:- 25502400BMLEFT6298**

**Sd/-
Ramesh Arora
Managing director

DIN:00462656**

**Sd/-
Ajay Kumar Arora
Whole time

DIN:00462664**

**Place: Amritsar
Date:19.05.2025**

**Sd/-
Gurpreet Kaur
Company Secretary**

**Sd/-
Aditya Arora
Whole time
Director
&CFO
DIN:07320410**



**INDEPENDENT AUDITORS' REPORT FOR THE CONSOLIDATED FINANCIAL STATEMENTS OF
KWALITY PHARMACEUTICALS LIMITED**

To

**The Members of
Kwality Pharmaceuticals Limited.**

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **KWALITY PHARMACEUTICALS LIMITED** (hereinafter referred to as "the Holding Company") and its foreign subsidiary (the Holding Company and its foreign subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at **31st March 2025**, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Statement of changes in equity and the Consolidated Cash Flow Statement for the year then ended, notes to Consolidated Financial Statement summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of information of the subsidiary as referred to in the "Other Matters" paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by 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.



Information Other Than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, the Board's Report including Annexures to the Board's Report, Corporate Governance Report, and Shareholder's Information but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate for preventing and detecting frauds and other irregularities; the 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 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for The Audit of The Consolidated Financial Statements

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

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

We also:

- a) Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiaries incorporated in India has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if



such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- e) Evaluate the overall presentation, structure, and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the Consolidated financial statements of which we are the independent auditors. For the other entities included in the Consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision, and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
- g) We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated financial statements of which we are the independent auditors 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.
- h) 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.
- i) From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of the foreign subsidiary, **KWALITY PHARMACEUTICALS AFRICA LIMITADA**, whose financial statements reflect total assets of ₹ **169.34 Lacs** as at March 31, 2025 (P.Y. ₹ **178.05 lacs**), but no revenue generated during the year (P.Y. ₹ 0.00 lacs), Net loss amounts to ₹ **8.71 Lacs** (P.Y. Loss ₹ **36.81 Lacs**) and net cash outflow amounting to ₹ **43.87 lacs** (P.Y. cash outflow of ₹ **36.45 lacs**)



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for the year ended on that date, as considered in the consolidated financial statements. The unaudited Financial Results on financial statements/Financial Results/financial information of these entities have been furnished to us by the Board of Directors and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on such unaudited Financial Results. In our Opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the group.

Our opinion on the Consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the written representations and explanations given by the Management.

Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the afore said Consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the afore said consolidated 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 of the Group as on March 31, 2025 taken on record by the Board of Directors of the respective companies, none of the directors of the Group is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 of the Act, as amended:



Annual Report 2024-25

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (a) The Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements in notes to the Consolidated financial statements.
 - (b) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (d) The clause (d) of Rule 11 has been omitted w.e.f 01.04.2021.
 - (e)
 - (i) The respective Managements of the Company and its subsidiary, Holding Company's financial statements have been audited under the Act, has represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The respective Managements of the Company(incorporated in India) and its subsidiary, Holding Company's financial statements have been audited under the Act, has represented to us, that, to the best of their knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and



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- (iii) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances on the Company (incorporated in India) and its subsidiary, Holding Company's financial statements have been audited under the Act, nothing has come to the notice that has caused them to believe that the representations made to us under sub-clause (i) and (ii) above, contain any material misstatements.
- (f) The Company has neither declared nor paid any dividend during the year.
- (g) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Holding Company, we report that there are no qualifications or adverse remarks in the CARO report.

For VIJAY MEHRA & CO.

Chartered Accountants

(Firm's Registration No. 001051N)

Sd/-

CA AMIT HANDA

Partner

M. No: 502400

UDIN:- 25502400BMLEFU3504

Place: Amritsar

Date: 19-05-2025



“Annexure- A” to the Auditors’ Report

(Referred to in point (f) under “Report on other legal and regulatory requirements” of our audit report of even date)

Report on the Internal Financial Controls under Clause (i) of Subsection 3, of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Control over financial reporting of **KQUALITY PHARMACEUTICALS LIMITED** (“the Holding Company”) as of **31st March, 2025** in conjunction with our audit of the consolidated financial statements of the Holding Company and its subsidiary company incorporated outside India as of that date, of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective entities 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 respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial control 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 prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists,



and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated 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 internal financial controls system over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls over Financial reporting with reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting 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 reflected transaction and dispositions of the assets of the company;
- (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of the financial statement in accordance with generally accepted accounting principles, and receipts and the expenditure of the company are being made only in accordance with authorization 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 material effect on financial statements.

Inherent limitation of internal financial control over financial reporting

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



Opinion

In our opinion, the holding company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial control financial reporting were operating effectively as at 31 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 Control over financial reporting issued by the ICAI.

For VIJAY MEHRA & CO.

Chartered Accountants

(Firm's Registration No. 001051N)

Sd/-

CA AMIT HANDA

Partner

M. No: 502400

UDIN:- 25502400BMLEFU3504

Place: Amritsar

Date: 19-05-2025



KWALITY PHARMACEUTICALS LIMITED

Regd.Office:- VILLAGE NAGKALAN, MAJITHA ROAD, AMRITSAR, PUNJAB – 143601

CIN :- L24232PB1983PLC005426; Phone no. :- 8558820862

Email Id:- ramesh@kwalitiypharma.com; Website :- www.kwalitiypharma.com

Consolidated Balance Sheet as at 31st March 2025

(₹ in Lakhs)

Particulars		Note No.	As at 31 st March 2025	As at 31 st March 2024
I ASSETS				
A Non-current assets				
(a) Property Plant and Equipment		3	14398.45	13905.46
(b) Intangible assets		4	170.72	-
(c) Capital work-in-progress		5	-	-
(d) Deferred tax Assets		6	161.48	2.54
			14730.65	13908.00
(e) Financial Assets:				
(i) Investments			.00	.00
(f) Other non-current assets		7	1618.76	1244.03
Total Non-current Assets (A)			16349.41	15152.03
B Current assets				
(a) Inventories		8	8346.57	7838.73
(b) Financial Assets:				
(i) Trade receivables		9	15430.58	11438.57
(ii) Cash and Bank Balances		10	1202.02	225.79
(iii) Bank Balances other than (ii) above		11	273.51	368.58
(iv) Other Current Financial Assets		12	1279.37	1639.23
(c) Other current assets		13	1845.70	2758.03
Total Current Assets (B)			28377.75	24268.94



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	TOTAL ASSETS (A+B)		44727.16	39420.97
II	EQUITY AND LIABILITIES			
A	Equity			
	(a) Share capital	14	1037.62	1037.62
	(b) Other Equity	15	25367.21	21383.52
	Total Equity attributable to Equity Holders of the company		26404.83	22421.14
	(c) Non Controlling Interests		- 165.24	- 162.79
	Total Equity (A)		26239.59	22258.35
B	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	16	1511.89	1956.02
	(b) Provisions-Non current	17	25.17	21.59
	(c) Deferred tax liabilities (net)		.00	.00
	Total Non- current liabilities (B)		1537.07	1977.61
C	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	9732.63	7855.88
	(ii) Trade payables			
	-Total outstanding dues of micro enterprises and small enterprises	19	2117.99	2121.55
	-Total outstanding dues of other than micro enterprises and small enterprises	19	3461.35	2310.17
	(iii) Other Current Financial liabilities	20	500.58	323.06
	(b) Other Current Liabilities	21	528.38	1913.88
	(c) Provisions-Current	22	16.49	8.35
	(d) Current Tax Liabilities (net)	23	593.08	652.13
	Total Current liabilities (C)		16950.50	15185.01
	TOTAL EQUITY AND LIABILITIES (A+B+C)		44727.16	39420.97



The accompanying notes forming part of financial statements.

As per our Report of even date attached

**For VIJAY MEHRA & CO.
Chartered Accountants
(Firm's Registration No. 001051N)**

For and on behalf of the Board of directors

**Sd/-
CA AMIT HANDA
(Partner)
M. No: 502400
UDIN:- 25502400BMLEFU3504**

**Sd/-
Ramesh Arora
Managing director
DIN:00462656**

**Sd/-
Ajay Kumar Arora
Whole time director
DIN:00462664**

**Place: Amritsar
Date:19.05.2025**

**Sd/-
Gurpreet kaur
Company Secretary**

**Sd/-
Aditya Arora
Whole time Director
&CFO
DIN:07320410**



KWALITY PHARMACEUTICALS LIMITED

Regd.Office.:-VILLAGE NAGKALAN, MAJITHA ROAD, AMRITSAR, PUNJAB – 143601

CIN No. :- L24232PB1983PLC005426; Phone no. :-8558820862

Email Id:- ramesh@kwalitiypharma.com; Website :- www.kwalitiypharma.com

Consolidated Statement of Profit or Loss for the year ended 31st March 2025

(₹ in lakhs) except EPS

Sr. No.	Particulars	Note No.	Year Ended 31.03.2025	Year Ended 31.03.2024
I.	Revenue from operations (Net)	24	37019.70	30717.18
II.	Other income	25	192.01	183.03
III.	Total Revenue (I+II)		37211.71	30900.21
IV.	Expenses			
	(a) Cost of materials consumed	26	16541.24	15381.06
	(b) Purchases of stock-in-trade	27	1590.16	85.34
			117.24	- 148.14
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	28		
	(d) Employee benefits expense	29	4378.39	3256.30
	(e) Finance Cost	30	987.79	1038.67
	(f) Depreciation and amortisation expense		1828.96	1955.88
	(g) Other expenses	31	6353.93	5511.28
	Total expenses (IV)		31797.71	27080.39
V.	Profit before share of profit of equity accounted investees, exceptional items and tax (III-IV)		5413.99	3819.82
VI.	Share of profit/(loss) of associates and joint ventures accounted for using equity method (net of income tax)		0.00	0.00



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VII.	Profit before exceptional items and tax (V+VI)		5413.99	3819.82
VIII.	Exceptional items		-	709.93
IX.	Profit / (Loss) before Tax (VII-VIII)		5413.99	3109.89
X.	Tax expense:			
	(1) Current tax		1469.47	791.96
	(2) Deferred tax		- 158.94	- 43.66
	(3) Income tax relating to earlier years		123.19	.00
	(4) MAT Credit (Entitlement)/Utilised		0.00	0.00
XI.	Profit/(Loss) after Tax (IX-X)		3980.27	2361.59
XII.	Other Comprehensive Income (net of tax)			
	(i) Items that will not be reclassified subsequently to profit or loss		- .97	- 6.40
	Remeasurement of defined benefit plans(net Tax)			
	(ii) Items that will be reclassified to profit or loss:			
	Exchange differences in translating financial statements of foreign operations		- .81	- 3.73
	Total Other Comprehensive Income (net of tax)		-1.78	- 10.13
	Total Comprehensive Income for the period (XI+XII)		3978.49	2351.46
XIII.	Profit/(loss)attributable to :			
	a) Owners of the Company		3984.51	2379.62
	b) Non-controlling interests		- 4.24	- 18.03
XIV.	Other comprehensive income attributable to:			
	a) Owners of the Company		-1.78	- 10.13

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	b) Non-controlling interests			
XV.	Total comprehensive income attributable to:			
	a) Owners of the Company		3982.73	2369.49
	b) Non-controlling interests		- 4.24	- 18.03
XVI.	Paid up Equity Share Capital (Face value Rs.10 each)		1037.62	1037.62
XVII.	Other Equity(excluding revaluation reserve)		25287.21	21303.52
XVIII.	Earnings per equity share (Non annualised) (In Rs.)			
	(1) Basic		38.36	22.76
	(2) Diluted		38.36	22.76

The accompanying notes forming part of financial statements.

As per our Report of even date attached

For VIJAY MEHRA & CO.
Chartered Accountants
(Firm's Registration No. 001051N)

For and on behalf of the Board of directors

Sd/-
CA AMIT HANDA
(Partner)
M. No: 502400
UDIN:- 25502400BMLEFU3504

Sd/-
Ramesh Arora
Managing director
DIN:00462656

Sd/-
Ajay Kumar Arora
Whole time director
DIN:00462664

Place: Amritsar
Date:19.05.2025

Sd/-
Gurpreet kaur
Company Secretary

Sd/-
Aditya Arora
Whole time Director
&CFO
DIN:07320410



KWALITY PHARMACEUTICALS LIMITED					
Consolidated Cash Flow Statement for the Year ended 31st March 2025					
(₹ in lakhs)					
		Year ended 31st March 2025		Year ended 31st March 2024	
		(Audited)		(Audited)	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit Before Tax		5413.99		3109.89
	Adjustments for non-cash items:				
	Depreciation	1828.96		1955.88	
	Other non-cash items	2.25		699.78	
	Adjustments for Finance cost:				
	Interest & Finance Charges	987.79		1019.53	
	Adjustments for Investing activities:				
	Profit/loss on sale of Assets	-2.84		-.24	
	Interest on investments	-15.88		-12.95	
			2800.28		3662.01
	Operating Profit before Working Capital Changes		8214.28		6771.90
	Adjustments for:				
	Decrease/(Increase) in Trade receivables	-3992.01		-4269.14	
	Decrease/(Increase) in Inventories	-507.83		273.49	
	Adjustment for Bank Balances (Except Cash & Cash Equivalent)	95.07		60.80	
	Decrease/(Increase) in Other Current Assets	912.33		735.06	
	Decrease/(Increase) in Other Financial Assets, Current	359.86		-949.61	
	Increase/(Decrease) in Trade Payables	1147.63		912.47	
	Increase/(Decrease) in Financial Current Liabilities	2054.27		1550.77	
	Increase/(Decrease) in Other Current Liabilities	-1385.50		61.07	



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	Increase/(Decrease) in Other Liabilities & Provisions	-50.91		-649.85	
	Increase/(Decrease) in Provisions (non-current)	3.58		-68.70	
			-1363.51		-2343.62
	Cash generated from operations		6850.77		4428.28
	Less: Income Tax Paid(Net of Refunds)		1578.99		130.00
	Net Cash flow from Operating activities (A)		5271.78		4298.28
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase for Property,Plant and Equipment	-2329.27		-2984.11	
	Proceeds from disposal of Property,Plant and Equipment	7.61		411.17	
	Purchase of Intangible asset	-171.00		-	
	Interest on FDR	15.88		12.95	
	(Increase)/Decrease in Other Long term Assets	-374.74		-79.68	
	Net Cash used in Investing activities (B)		-2851.52		-2639.66
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Proceeds from Borrowings	879.41		405.64	
	Repayments of Borrowings	-1335.65		-1125.89	
	Interest paid	-987.79		-1019.53	
	Net Cash from financing activities (C)		-1444.04		-1739.78
	Net increase in cash & Cash Equivalents (A+B+C)		976.22		-81.16
	Opening Cash and Cash equivalents		225.79		306.96
	Closing Cash and Cash equivalents		1202.02		225.79
	Cash & Cash Equivalents		As on		As on
			31.03.2025		31.03.2024
	Cash in Hand		17.82		15.71
	Cash at Bank		1184.19		210.08
	Cash & Cash equivalents as stated in Financial Statements		1202.02		225.79

Notes:



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1.The above cash flow statement has been prepared under “Indirect Method” as set out in Ind AS-7 on Statement of Cash flow

2.Previous year’s figures have been re-grouped and re-arranged wherever necessary.

As per our Report of even date attached

For VIJAY MEHRA & CO.

For and on behalf of the Board of directors

Chartered Accountants
(Firm’s Registration No. 001051N)

Sd/-
CA AMIT HANDA
(Partner)
M. No: 502400
UDIN:- 25502400BMLEFU3504

Sd/-
Ramesh Arora
Managing director
DIN:00462656

Sd/-
Ajay Kumar Arora
Whole time director
DIN:00462664

Place: Amritsar
Date:19.05.2025

Sd/-
Gurpreet kaur
Company Secretary

Sd/-
Aditya Arora
Whole time Director & CFO
DIN:07320410

Particulars	Share Capital	Other Equity					Attributable to owners of Parent Company	Non-Controlling Interest	Total Equity
	Equity Share Capital	Reserve and Surplus				Other Comprehensive Income(OCI)			
		Securities Premium Reserve	Building Revaluation Reserve	Investment Allowance	Retained Earnings	Foreign Currency Translation Reserve			
Balance as at 31 st March, 2023 2024 as at March, 2023	1037.62	846.77	80.00	.00	18087.26	-	20051.65	-144.74	19906.91
Profit for the year	-	-	-	-	2379.62	-	2379.62	-18.03	2361.59
Other comprehensive income for the year, net of tax	-	-	-	-	-6.40	-3.73	-10.13	-	-10.13
Total comprehensive income for the year	-	-	-	-	2373.22	-3.73	2369.49	-18.03	2351.46
Balance as at 31st March, 2024	1037.62	846.77	80.00	.00	20460.47	-3.73	22421.14	-162.79	22258.35
Profit for the year	-	-	-	-	3984.51	-	3984.51	-4.24	3980.27
Other comprehensive income for the year, net of tax	-	-	-	-	-.97	-.81	-1.78	-	-1.78
Reclassification Adjustment during the Year	-	-	-	-	-	-	.96	1.78	2.75
Total comprehensive income for the year	-	-	-	-	3983.54	-.81	3983.69	-2.46	3981.24
Balance as at 31st March, 2025	1037.62	846.77	80.00	-	24444.01	-2.92	26404.83	-165.24	26239.59

Consolidated Statement of Changes in Equity for the year ended 31st March 2025





Notes to the Consolidated Financial Statements **For the year ended March 31, 2025**

1. General Information

Kwaliti Pharmaceuticals Limited (“the parent company”) is one of the leading manufacturers of pharmaceutical products incorporated and domiciled in India having its registered office at Village Nagkalan, Majitha Road, Amritsar, Punjab – 143601, India. The Company has a foreign subsidiary in which the company holds 51% of share capital. The subsidiary Company named Kwaliti Pharmaceuticals Africa Limitada incorporated on 20/09/2013 under the laws of Africa have identification number as 100428873. The registered office of the Company is located at Mozambique, Maputo Cidade, Distrito Urbano 1, Bairro de Central, Africa. The company has invested in the share capital and granted loans to the foreign subsidiary. The subsidiary is incorporated with the intention of import export and marketing of pharmaceutical products of the company. The parent company and its subsidiary hereinafter referred as the “Company” or the “Group”.

2. Material Significant Policies

2.1 Statement of Compliance

The Group has prepared its consolidated financial statements for the year ended March 31, 2025 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2023 and the relevant provisions of Divisions II of Schedule III to the Companies Act, 2013 (“the Act”) and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

2.2 Basis of Preparation and Presentation

The consolidated financial statements have been prepared on the historical cost convention and on an accrual basis, except for:

- (i) certain financial instruments that are measured at fair values at the end of each reporting period;
- (ii) Defined benefit plans – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The consolidated financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest Lakhs (₹ 00,000) upto Two decimal, except when otherwise indicated.



All the Assets & Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in Ind AS and Schedule III to the said Act.

a. Basis of Consolidation

- (i) Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Company obtains control and continue to be consolidated until the date that such control ceases.
- (ii) The Consolidated Financial Statements are prepared using uniform accounting policies consistently for material like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's Standalone Financial Statements except otherwise stated. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.
- (iii) The Consolidated Financial Statements have been prepared by combining the financial statements of the company and its subsidiaries on a line-by-line basis by adding together the book values of like items of assets, liabilities, equity, income, expenses and cash flow after eliminating in full intra-group assets, liabilities, equity, income, expenses and cash flow relating to intra-group transactions and unrealized profits. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Such unrealized profit/losses are fully attributed to the Company.
- (iv) Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.
- (v) When the Group loses control of a subsidiary, a gain or loss is recognised in the consolidated statement of profit and loss and is calculated as the difference between:



1. The aggregate of the fair value of the consideration received and the fair value of any retained interest and
2. The previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation of that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to the consolidated statement of profit and loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109.

b. Classification of Current and Non-current

An asset is treated as current when it is:

- i) Expected to be realized or intended to be sold or consumed in normal operating cycle and company has identified twelve months as its normal operating cycle based on the time between the acquisition of assets for processing and their realization in cash and cash equivalents.
- ii) Held primarily for the purpose of trading,
- iii) Expected to be realized within twelve months after the reporting period, or
- iv) Cash or Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle,
- ii) It is held primarily for the purpose of trading,
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to determine the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non – current.

**c. Foreign Currency Transactions**

In preparing the financial statements of its each individual entity (i.e., its subsidiary), transactions in currencies other than the entity's functional currency are translated at exchange rates on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate on that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the year or in previous period are recognized in profit or loss in the period in which they arise.

d. Segment reporting

The Group operates in a Single segment of manufacturing of broad range of finished pharmaceutical formulations in a dosage form viz. Tablets, Capsules, Syrup, Dry Syrup, Injections etc. The product has the same risks and returns, which are predominantly governed by market conditions, namely demand and supply position. Thus, in the context of Ind AS 108 "Operating Segment", issued by the Institute of Chartered Accountants of India, there is only one identified reportable segment.

e. Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation/amortization and impairment losses, if any. The cost comprises of the purchase price (net of GST credit wherever applicable) and any attributable cost of bringing the property, plant and equipment to its working condition for its intended use.

Subsequent expenditures related to an item of property, plant, and equipment are added to its gross book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

The Group identifies and determines separate useful life for each major component of property, plant and equipment, if they have useful life that is materially different from that of the remaining asset.

Items such as Laboratory items is recognized in accordance with Ind AS 16 "Property, Plant and Equipment" when they meet the definition of property, plant and equipment. Otherwise, such items are classified as Consumable expense or Inventories as per the nature of item.

Property, plant and equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress". Advances given towards acquisition of property, plant and equipment's outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other Non-Current Assets".

Losses arising from the retirement of, and gains and losses arising from disposal of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the property, plant and equipment and are recognized in the statement of profit and loss when the property, plant and equipment is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f. Intangible asset:



Intangible assets are identifiable non-monetary assets without physical substance, such as software, licenses, trademarks, and similar rights. An intangible asset is recognised only when it is identifiable, the Company has control over the asset, it is probable that future economic benefits will flow to the Company, and the cost of the asset can be measured reliably

g. Depreciation & Amortization on Fixed asset

Depreciation on fixed assets is calculated on written down value basis using the rates arrived at based on the useful life of the assets prescribed under Schedule II of the Companies Act, 2013 for the year ended on March 31, 2025.

The useful life of Property, Plant and Equipment as estimated by the Management on the basis of expert advice and past experience are as under:

Class of Assets	Useful life (in years)
Plant & Machinery	20 years
Building	20-30 years
Furniture	10 years
Vehicles	8 years
Computer Equipment	3 years
Laboratory Equipment	10- 20 years
Office Equipment	5-10 years
Lift	8 years
Electric Fittings	10 years

*Freehold Land held by the company is not depreciated.

During the year ended March 31, 2025, the Company acquired an Intangible asset Technical know how. The asset is being amortised over an estimated useful life of **10 years** on a **straight-line basis**, starting from the date it was available for use

h. Inventories

Inventories are stated at cost or net realizable value whichever is lower. Cost include purchase price, non-refundable taxes and delivery and handling cost and all costs incurred in bringing the inventory to its present location and condition. Cost of raw materials, process chemicals, stores and spares, packing material, and another inventory is determined on weighted average basis.

Finished goods stock is valued at cost or net realizable value whichever is lower. Cost of finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.



The factors that the Group considers in determining the allowance for slow-moving, obsolete, and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory, and introduction of competitive new products, to the extent each of these factors impacts the Group's business and markets. The Group considers all these factors and adjusts the inventory provision to reflect its actual experience periodically.

i. Statement of Cash Flows

Consolidated Statement of Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

j. Provisions, contingent liabilities, and contingent assets

Provisions are recognized when:

- (i) The Group has a present obligation (legal or constructive) as a result of a past event,
- (ii) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities and contingent assets

Contingent liability is disclosed for,

- (i) Possible obligations that will be confirmed only by future events not wholly within the control of the Group, or
- (ii) Present obligations arise from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually and, if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

k. Employee Benefits

(a) Defined Contribution Plans



The Group's contribution to the defined contribution plan paid/payable for the year is charged to the Consolidated Statement of Profit and loss.

(b) Defined Benefit Plans

- The Group has gratuity as a defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation using the projected unit credit method. The gratuity fund is administered through the Life Insurance Corporation of India.
- The liability in respect of defined benefit plans is calculated using the projected unit credit method (PUCM) with actuarial valuations being carried out at the end of each annual reporting period.
- The current service cost of the defined benefit plan, recognised in the statement of profit and loss as employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements.
- The Net Interest Cost on Defined Benefit Obligations is also included in the Statement of Profit and Loss under the Head "Employees Benefit Expenses".
- Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise and are reflected immediately in retained earnings and is not reclassified to profit or loss.

l. Taxes on Income

Tax expense

- Tax expense consists of current and deferred tax. Income tax expense is recognized in the profit or loss except to the extent that it relates to items recognized in OCI or directly in equity as in that case it is recognized in OCI or directly in equity respectively. Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.
- Deferred tax resulting from "timing differences" between taxable and accounting income that originate in one period and are capable of being reversed in one or more subsequent period is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets can be realized in future. However, where there is unabsorbed capital expenditure or carry forward losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date.

m. Exceptional Items



Exceptional items refer to items of income or expense, including tax items, within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

n. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

o. Revenue Recognition

The Group recognizes revenue when the same can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. Revenue is measured at the value of the consideration received or receivable, considering defined terms of payment and excluding taxes or duties collected on behalf of the government. Amounts disclosed as revenue are exclusive of GST and net of returns, trade allowances, rebates, discounts, and amounts collected on behalf of third parties.

i) Sale of goods

Sales are recognized when substantial risk and rewards of ownership are transferred to customer, in case of domestic customers, sales generally take place when goods are dispatched or delivery is handed over to the transporter. In case of export customers, sales generally take place when goods are shipped on-board based on bill of lading.

ii) Interest & Other Indirect Income

- a) Interest income is recognized on time proportion basis considering the amount invested and rate of interest.
- b) Revenue in respect of other claims is recognized on an accrual basis to the extent the ultimate realization is reasonably certain.

p. Impairment

(i) Financial Assets

The Group's financial assets is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired, if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.



(ii) Non-Financial Assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

An impairment loss is recognized in the Statement of Profit or Loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount.

q. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement:

Financial assets are classified into the following categories upon initial recognition:

- (a) those measured at amortised cost
- (b) those to be measured subsequently at fair value through Statement of Profit & Loss.

The classification depends on the entity's business model for managing the financial assets and the terms of cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income as the case may be.

All financial assets are initially recognized at fair value. Transaction costs of acquisition of financial assets carried at fair value through profit and loss are expensed in the Statement of Profit and Loss.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured subsequently at amortized cost. Interest income from these financial assets is included in Other income as per interest received/receivable from Financial Institutions.

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

Financial liabilities

Initial recognition and measurement:

All financial liabilities are recognized initially at fair value. The Group's financial liabilities majorly comprises trade and other payables.



Financial liabilities are classified as 'FVTPL' if they are held for trading or if they are designated as financial liabilities upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

The Group classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit and loss.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same creditor on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

r. Fair Value Measurement

The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

s. Use of Judgment's, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialise. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised.



Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have a significant effect on the amounts recognised in the financial statements:

➤ **Defined benefit plans (Gratuity and Leave encashment benefits)**

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation and Leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

➤ **Useful life of Property, plant and equipment**

The Group reviews the useful life of Property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expenses in the future years.

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

Description of Asset	Gross Block						Accumulated Depreciation					Net Block	
	Opening Balance	Additions	Disposal	Impairment during the year	Reclassification	Cost as on 31 st March 2025	As on 31 st March 2024	Depreciation on assets impaired	Depreciation on Disposal of	For the year ended 31 st March 2025	As on 31 st March 2025	As on 31 st March 2025	As on 31 st March 2024
Plant & Machinery	9272.39	1064.48	-	-	-	10336.87	3114.55	-	-	1057.70	4172.25	6164.62	6157.84
Building	5143.52	573.39	-	-	-	5716.91	1330.07	-	-	277.35	1607.42	4109.48	3813.45
Furniture	675.08	53.34	-	-	-	728.42	315.76	-	-	106.21	421.97	306.45	359.32
Vehicles	924.43	170.37	-	-	-	1094.79	642.40	-	-	100.92	743.31	351.48	282.03
Computer Equipments	423.50	40.78	-	-	-	464.29	359.86	-	-	45.77	405.62	58.66	63.65
Laboratory Equipment	2011.39	212.46	-	-	-	2223.86	749.75	-	-	199.78	949.53	1274.33	1261.64
Office	54.84	6.71	-	-	-	61.55	39.30	-	-	6.20	45.49	16.06	15.54
Lift	66.73	.00	-	-	-	66.73	32.67	-	-	6.10	38.77	27.96	34.06
Electric	201.12	34.89	-	-	-	236.01	118.68	-	-	25.54	144.22	91.79	82.44
Property	1748.05	134.57	7.61	-	-	1875.00	-	-	-	-	.00	1875.00	1748.05

	At Mozambique:												
Property and Furniture	142.88	38.28	-	-	-	181.16	55.43	-	-	3.11	58.55	122.61	87.44
Total	20663.9	2329.27	7.61	.00	.00	22985.59	6758.46	.00	.00	1828.68	8587.14	14398.45	13905.46
Previous	17015.17	2984.11	8.20	756.34	1429.19	20663.93	4965.49	162.58	.34	1955.88	6758.46	13905.46	12049.67





Note: 3a
Property, Plant & Equipment

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
A. Closing Gross Block (other than Capital WIP) (Ai+Aii-Aiii-Aiv+Av)	22985.59	20663.93
Ai) Opening Gross Block	20663.93	17015.17
Aii) Additions during the year	2329.27	2984.11
Aiii) Disposal of Assets during the year	7.61	8.20
Aiv) Impairment of Assets		756.34
Av) Reclassification		1429.19
B. Closing Accumulated Depreciation (Bi+Bii-Biii-Biv)	8587.14	6758.46
Bi) Opening Accumulated Depreciation	6758.46	4965.49
Bii) Add: Depreciation charged during the Current year	1828.68	1955.88
Biii) Less: Depreciation on assets disposed		.34
Biv) Less: Depreciation on assets impaired		162.58
Net Block (A-B)	14398.45	13905.46

**NOTE 4 :INTANGIBLE ASSETS**

Description Of Asset	Gross Block				Accumulated Amortisation				Net Block	
	Opening Balance	Additions	Disposal	Cost as on 31 st March 2025	As on 31 st March 2024	Amortisation on asset sold	For the year ended 31 st March 2025	As on 31 st March 2025	As on 31 st March 2025	As on 31 st March 2024
TECHNICAL KNOW-HOW	.00	171.00	.00	171.00	.00	0.00	.28	.28	170.72	.00
TOTAL	.00	171.00	.00	171.00	.00	.00	.28	.28	170.72	.00
PREVIOUS YEAR	.00	.00	.00	.00	.00	0.00	.00	.00	.00	.00



Note : 4 (a) Intangible assets (₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
A. Closing Gross Block (other than Capital WIP) (Ai+Aii-Aiii-Aiv+Av)	171.00	-
Ai) Opening Gross Block		
Aii) Additions during the year	171.00	-
Aiii) Disposal of Assets during the year		
Aiv) Impairment of Assets		
Av) Reclassification		
B. Closing Accumulated Depreciation (Bi+Bii-Biii-Biv)	.28	-
Bi) Opening Accumulated Amortisation	-	-
Bii) Add: Amortisation charged during the Current year	.28	-
Biii) Less: Amortisation on assets disposed		
Biv) Less: Amortisation on assets impaired		
Net Block (A-B)	170.72	-

Note: 5

Capital Work-in-Progress:

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Closing Gross Block (Capital Work-in-Progress) (Ai+Aii+Aiii)	-	-
Ai) Opening Gross Block	-	1429.19
Aii) Additions during the year	-	-
Aiii) Reclassification	-	- 1429.19



Note: 6
Deferred Tax Assets

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Deferred Tax (Liability)/Assets		
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets, as restated with respect to previous years	2.54	-41.12
Current Year Adjustment of deferred Tax Asset	158.94	43.66
Net Deferred Tax (Liability) / Assets	161.48	2.54

- ❖ Effective from the financial year 2024-25, the Company has changed its method of calculating deferred tax from the **Profit and Loss (P&L) approach** to the **Balance Sheet approach** in accordance with the requirements of [specify applicable accounting standard, e.g., Ind AS 12 – Income Taxes or IAS 12 / local GAAP.

Note:7
Other Non-Current Assets

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
(a) Capital Advances		
Secured, Considered Good	-	-
Unsecured, Considered Good	1152.96	1137.50
Doubtful	-	-
(b) Security Deposits		
Secured, Considered Good	465.80	106.53
Unsecured, Considered Good	-	-
Doubtful	-	-
(c) Loans & Advances to Related Parties	-	-
(d) Other Loans & Advances	-	-
(e) Other Non Current Investments		
Total	1618.76	1244.03



Note: 8
Inventories

(₹ in Lakhs)		
Particulars	As at 31 st March,2025	As at 31 st March,2024
Inventory (incl. packing material) (a+b+c+d+e-f)		
(a) Raw Material	5239.29	4863.82
(b) Finished Goods	968.88	1102.59
(c) Packing Material	1894.64	1645.63
(d) Work-in-Progress	217.97	201.50
(e) Consumable Stores or Spares	25.79	25.19
(f) Less: Stock Written off during the period	-	-
Total	8346.57	7838.73

Note:9
Trade receivables

(₹ in Lakhs)		
Particulars	As at 31 st March,2025	As at 31 st March,2024
Trade Receivables		
- Secured, considered good	-	-
- Unsecured, considered good	15430.58	11438.57
- which have significant increase in credit risk	-	-
- Credit Impaired	-	-
	15430.58	11438.57
Less: Provision for doubtful trade receivables	-	-
	15430.58	11438.57
Total	15430.58	11438.57



Note: 9(a) Trade Receivables Ageing Schedule for the year ending 31st March,2025

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months to 1 year	1-2 years	2-3 years	More than 3 years	
Trade Receivables - Considered Good Secured	-	-	-	-	-	-
Trade Receivable - Considered Good Unsecured	12547.50	1152.47	566.17	517.50	646.94	15430.58
Trade receivables which have significant increase in credit risk	-	-	-	-	-	-
Trade Receivables - Credit impaired	-	-	-	-	-	-
Total	12547.50	1152.47	566.17	517.50	646.94	15430.58

Note: 9(b) Trade Receivables Ageing Schedule for the year ending 31st March,2024 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months to 1 year	1-2 years	2-3 years	More than 3 years	
TradeReceivables -Considered Good Secured	-	-	-	-	-	-
Trade Receivable - Considered Good Unsecured	8232.97	539.35	1768.15	648.46	249.65	11438.57
Trade receivables which have significant increase in credit risk	-	-	-	-	-	-
Trade Receivables - Credit impaired.	-	-	-	-	-	-
Total	8232.97	539.35	1768.15	648.46	249.65	11438.57

❖ The Trade receivables have been regrouped/reclassified as per prescribed IND AS format wherever necessary.



Note: 10
Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
(a) Balances with Banks		
- In Current Accounts	91.45	129.06
(b) Cash in Hand	13.84	6.14
c) Cheque in hand*	1050.00	-
Balances at Mozambique:		
(a) Balances with Banks	42.75	81.02
(b) Cash in Hand	3.99	9.58
Total	1202.02	225.79

*As on 31st March 2025, the Company is in possession of cheques amounting to Rs1050.00 Lakhs (Rupees Ten Crores Fifty Lakhs only), received towards settlement of trade receivables. The management confirms that the cheques represent valid receivables, and there is no known risk of non-realisation as on the date of signing the financial statements. Accordingly, the said amount has been classified as Cheque in Hand under Cash and Bank Balances, in line with the Company's accounting policy and relevant guidance under Schedule III of the Companies Act, 2013. The Company has taken adequate internal controls to ensure realization of the said cheques in the

Note: 11

Bank Balances other than Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Fixed Deposits with Banks	273.51	368.58
Total	273.51	368.58



Note: 12
Other Financial Current Assets

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
IGST refundable against export	1279.37	935.30
Claim Receivable A/C		702.93
FDR Bank Guarantee ICICI Bank		1.00
Total	1279.37	1639.23

Note: 13
Other Current Assets

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Balances with Revenue Authorities	995.03	1198.31
Security Deposits	.36	263.58
Other Advances	52.97	48.78
Advances to Suppliers	791.13	1220.03
Advances to Staff	6.22	27.33
Total	1845.70	2758.03

❖ *The Other Current Assets have been regrouped/reclassified as per prescribed IND AS format wherever necessary*

Note: 14
Share Capital

(₹ in Lakhs)

* All figures in lacs except number of shares

Particulars	As at 31 st March,2025		As at 31 st March,2024	
	Number of shares	Value (Rs.)	Number of shares	Value (Rs.)
(a) Authorised				
Equity shares of Rs.10 each with voting rights	16000000	1600.00	16000000	1600.00



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	16000000	1600.00	16000000	1600.00
(b) Issued				
Equity shares of Rs. 10 each with voting rights	10376198	1037.62	10376198	1037.62
	10376198	1037.62	10376198	1037.62
(c) Subscribed and fully paid up				
Equity shares of Rs.10 each with voting rights	10376198	1037.62	10376198	1037.62
	10376198	1037.62	10376198	1037.62
Total	10376198	1037.62	10376198	1037.62

14(a) Shareholding Pattern of Kwaliti Pharmaceuticals Africa Limitada (Subsidiary)

Name of Shareholders	% of Shareholding
Kwaliti Pharmaceuticals Limited	51.00%
Mr. Rajendra Singh Golan	49.00%

14(b) Shareholding Details at Kwaliti Pharmaceuticals Limited (Holding Company)

i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh Issue	Closing Balance
Equity shares with voting rights			
Year ended March 31, 2025			
- Number of Shares	10376198	-	10376198
- Amount (in Lac Rs.)	1037.62	-	1037.62
Year ended March 31, 2024			
- Number of Shares	10376198	-	10376198
- Amount (in Lac Rs.)	1037.62	-	1037.62

- ii) The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of the equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 'the remaining assets of the company, after distribution of all preferential amounts. The distribution will be 'in proportion to the number of equity shares held by the shareholders.



iii) Details of shares held by each shareholder in holding more than 5% shares:

Class of Shares/Name of the Shareholders	As at 31st March,2025		As at 31st March,2024	
	Number of Shares Held	% holding in that class of shares	Number of Shares Held	% holding in that class of shares
Equity shares with voting rights				
1. Ramesh Arora	2698684	26.01%	2698684	26.01%
2. Ajay Arora	1410638	13.59%	1410638	13.59%
3. Aditya Arora	1240091	11.95%	1240091	11.95%
4. Deepak Bansal	1103174	10.63%	1103174	10.63%
Total	6452587	62.19%	6452587	62.19%

Note: 15
Other Equity

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
(a) Securities premium account		
Opening balance	846.77	846.77
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year	-	-
Closing balance	846.77	846.77
(b) Retained Earnings		
Opening balance	20297.49	17942.32
Add: Profit / (Loss) for the year	3980.27	2361.59
Add: Other Comprehensive income for the period*	-1.78	- 6.40
Add: Reclassification Adjustments during the year	1.94	-
Closing balance	24277.92	20297.49



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Add: Non-Controlling Interest in Retained Earnings	165.45	162.99
	24443.38	20460.47
(c) Items of Other Comprehensive Income		
Exchange Difference arising on Translation of Foreign Operations	- 2.92	- 3.73
(c) Building Revaluation Reserve	80.00	80.00
Total	25367.21	21383.52

Note: 16 Long-term borrowings

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
(a) Term loans		
From Banks	1511.89	1956.02
From other parties	-	-
	1511.89	1956.02
(b) Loans and advances from related parties		
Unsecured	-	-
Total	1511.89	1956.02

Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

(₹ in Lakhs)

Particulars	As at 31 st March,2025		As at 31 st March,2024	
	Secured	Unsecured	Secured	Unsecured
Term loans from banks:				
Term loans	2911.28	-	3210.38	-
Less: Current maturities	-1399.39	-	-1254.36	-
Total - Term loans from banks	1511.89	-	1956.02	-



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Term loans from other parties:	-	-	-	-
Total - Term loans from other parties	-	-	-	-
Loans and advances from related parties:	-	-	-	-
Total - Loans and advances from related parties	-	-	-	-

Note: 17 Provisions-Non-current

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Provision for Defined Benefits Obligation (net)	25.17	21.59
Total	25.17	21.59

Note: 18 Short-term borrowings

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
(a) Loans repayable on demand		
From banks		
- Secured	9732.63	7855.88
- Unsecured	-	-
From Other Parties		
- Secured	-	-
- Unsecured	-	-
(b) Loans and Advances from Related Parties	-	-
Total	9732.63	7855.88

(i) Details of security for the secured short-term borrowings:



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Cash Credit, Pre-shipment, Post Shipment, FLC, PSL, PCFC and BG are secured by hypothecation of all types of stocks and other material at factory/godown or at other places as approved by the bank from time to time including goods in transit and receivables i.e., stock and book debts; hypothecation of plant and machinery and FDR margin and collaterally secured by equitable mortgage of the properties.

(ii) Details of the short-term borrowings:

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Working Capital Limits	8333.24	6601.52
Term Loans (with current maturities)	1399.39	1254.36
Total	9732.63	7855.88

Note: 19

Trade payables

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Trade Payables		
- Payable to MSME	2117.99	2121.55
- Payable to Others	3461.35	2310.17
Total	5579.34	4431.72

Note: 19 (a) Trade Payables Ageing Schedule for the year ending 31st March,2025

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	2050.71	59.07	.73	7.49	2117.99
Others	3399.42	61.39	.33	.21	3461.35
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total	5450.13	120.45	1.07	7.70	5579.34



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Note :19 (b) Trade Payables Ageing Schedule for the year ending 31st March,2024 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	2099.67	21.88	-	-	2121.55
Others	2204.63	60.06	21.68	23.81	2310.17
Disputed dues- MSME	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-
Total	4304.30	81.94	21.68	23.81	4431.72

Note: 20

Other Financial current liabilities

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
(a) Security Deposits	-	4.50
(b) Interest accrued but not due on Borrowings	16.12	19.14
(c) Statutory Dues	94.24	234.86
(d) Others	390.21	64.56
Total	500.58	323.06

Note: 21

Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Advances from Customers	497.03	1847.50
Other Advances	-	20.45
Unspent Portion of CSR	30.93	45.93
Interest Paid To MSME	.42	-
Total	528.38	1913.88

**Note: 22****Provisions-Current**

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Provision for Defined Benefits Obligation (net)	16.49	8.35
Total	16.49	8.35

Note: 23**Current Tax Liability (net)**

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Provision for Income Tax (net)*	593.08	652.13
Total	593.08	652.13

* Current year figure is net of the Provision against Taxes paid in form of Advance Tax(es).

Note: 24**Revenue from operations**

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Export Turnover	19543.82	13833.99
Domestic Turnover	17475.88	16873.70
Other Operating Revenue		9.49
Sale at Mozambique Subsidiary	-	-
Total	37019.70	30717.18



Note: 25

Other Income

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Interest on FDR	16.17	12.95
Duty Drawback	144.55	148.24
Other Income	20.72	20.98
Profit/Loss on Sale of Asset	2.84	.24
Rate Diff on Purchase	-	.63
Foreign Exchange Fluctuation	7.73	-
Total	192.01	183.03

Note: 26

Cost of materials consumed

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Opening Stock		
-Raw Material	4863.82	4989.88
-Packing Material of Pharma products	1645.63	2485.64
Add: Purchase		
-Raw Material	10287.79	8899.28
-Packing Material of Pharma products	6877.92	5515.72
Less: Closing Stock		
-Raw Material	5239.29	4863.82
-Packing Material of Pharma products	1894.64	1645.63
Total	16541.24	15381.06

Note: 27

Purchase of Stock-In-Trade

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Finished goods	1590.16	85.34
Total	1590.16	85.34



Note: 28

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

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31st March,2024
Opening Stock		
-finished goods	1102.59	1155.95
-Work-in-Progress	201.50	-
<u>Less: Closing Stock</u>		
-finished goods	968.88	1102.59
-Work-in-Progress	217.97	201.50
Total	117.24	-148.14

Note: 29

Employee benefits expense

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31st March,2024
Salaries and wages	3797.12	2794.26
Directors Remuneration	252.00	210.00
Contributions to provident and other funds	121.96	113.19
Staff welfare expenses(Food-lodging & medical)	171.92	111.59
Current Service Cost	30.85	23.54
Net Interest cost on Defined Benefit Obligation	2.12	-
Staff Expenses at Mozambique Subsidiary	2.40	3.71
Total	4378.39	3256.30



Note: 30
Finance costs

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Bank interest and other expenses	971.25	1019.53
Interest Accrued but not due on borrowings	16.12	19.14
Interest Paid to MSME	.42	-
Total	987.79	1038.67

Note: 31
Other expenses

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Administrative Expense	240.29	94.11
Auditor's Remuneration:		
- As Auditors	8.00	8.00
- For other services	4.50	-
Communication Expense	14.02	12.44
Advertisement & Publicity Expense	168.10	6.58
Other Expense	51.15	38.22
Fees and Taxes	141.02	395.50
Distribution Expenses	1496.78	769.86
Power, Fuel & Electricity	2337.31	1722.02
Legal and Professional Charges	193.85	274.95
Repair and Maintenance	572.54	482.82
Carriage Inward Expense	-	147.86
Testing and Laboratory Charges	273.91	586.36
Corporate Social Responsibility	152.03	179.79
Factory Expense	213.65	442.63
Hotel and Accomodation Expense	46.85	25.86
House Keeping Expense	71.18	58.92
Insurance	146.66	89.68
Travelling Expense	57.27	45.48
Commission Expense	157.25	94.96
Director's Sitting Fees	4.37	3.35
Foreign Currency Fluctuation	-	3.62
Expenses at Mozambique:		
Office Expenses	-	9.66

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Travelling Expenses	-	1.24
Stationery Expenses	-	.26
Professional Fee	-	.85
Fuel and Electricity	-	1.46
Communication Expenses	-	.62
Other Expenses	3.19	10.40
Fees and Taxes	-	3.80
Import Expenses	-	-
Total	6353.93	5511.28

- ❖ During the financial year 2024–25, the Company undertook a review of its expense classification and reporting structure. As a result, the Company has **reset the schedule of expenses** to improve clarity, enhance transparency, and align the presentation with current business operations and industry practices.

32. Contingent Liabilities and Pending Litigations**➤ Contingent Liabilities**

(₹ in Lakhs)

Pending Litigations	As at 31st March,2025	As at 31st March,2024
Details pertaining to ongoing litigation are provided below:	3697.75	34.93

➤ Pending Litigations

According to the information and explanations given to us, details of Income tax, Goods and Service tax, Customs Duty, Excise Duty and Value Added Tax, the amounts that may be required to be deposited on account of show cause notice or demands raised by the following departments during the financial year 2024-2025. The Details are as under:

1. As informed to us and based on the records examined, an order bearing No. 14/GST/ADC/JAL/2024-2025 has been received by the Company under Section 74(9) of the Central Goods and Services Tax Act, 2017, read with Section 20 of the Integrated Goods and Services Tax Act, 2017, raising a demand of ₹3,15,02,758/- towards alleged erroneous refund of IGST for the financial years 2017–18 to 2022–23. Further, a penalty of an equivalent amount of ₹3,15,02,758/- has also been levied under the same provisions. Interest under Section 74(9) read with Section 50 of the CGST Act, 2017 and Section 20 of the IGST Act, 2017 has also been levied, though not quantified in the said order.



As represented to us, the Company has filed an appeal before the appropriate appellate authority under CGST Act, 2017 challenging the said order. Accordingly, the total disputed amount of ₹6,30,05,516/- (comprising tax and penalty) is under litigation and remains pending as on the reporting date.

2. The Company has received a Show Cause Notice bearing no. AE/51/2024-25 for the financial years 2017–18 to 2022–23 under Section 74 & 122 of the Central Goods and Services Tax Act, 2017. The notice alleges wrongful availment and utilization of Input Tax Credit (ITC) amounting to ₹15,13,03,420/- (Rupees Fifteen Crores Thirteen Lakhs Three Thousand Four Hundred Twenty only). Further, a penalty of ₹15,13,03,420/- has been proposed under Section 74(1) read with Section 122(2)(b). Accordingly, the total disputed amount proposed in the Show Cause Notice is Rs. 30,26,06,840/- (Demand & Penalty).

The company has filed a civil writ petition in the Punjab and Haryana high court bearing no CWP-34165-2024 against the said show cause notice. Hon'ble Punjab and Haryana high court has stayed the passing of adjudication order in pursuance to the show cause notice and the show cause notice is thus under litigation and remains pending as on the reporting date.

3. As per the information and explanations given to us and based on the records examined, the Company has received orders dated **30/12/2024** in Form DRC-07 from the Goods and Services Tax (GST) Department under Section 74 of the Central Goods and Services Tax Act, 2017, in respect of wrongly availed and passed on Input Tax Credit (ITC). The summary of the demands raised is as follows:

- For the financial year 2017–18, no tax was levied; however, a penalty of ₹2,80,695 /- was imposed.
- For the financial year 2019–20, a demand of ₹6,74,856 /- each towards tax and penalty was raised.
- For the financial year 2020–21, a demand of ₹12,62,160/- towards tax and ₹12,70,485/- towards penalty was raised.

The Company has filed appeals before the appropriate appellate authority under the GST Commissionerate in all the above cases, and the proceedings are pending as on the date of this report. The matter is currently under dispute and remains pending as on the reporting date..

**33. Earnings Per Share**

Particulars	As at 31 st March,2025	As at 31 st March,2024
Profit / (loss) for the year (₹ in Lacs) - used as numerator for calculating earnings per share	3980.27	2361.59
Number of shares used in computing basic and diluted earnings per share	10,376,198	10,376,198
Face value per share (in ₹)	10.00	10.00
Basic earnings per share (in ₹)	38.36	22.76
Diluted earnings per share (in ₹)	38.36	22.76

34. Disclosures under the MSMED Act, 2006:

(₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Principal Amount that has been unpaid to any supplier as at the period end	2117.99	2121.55
Interest due on above	-	-
Amount of interest due and payable for the period of delay	-	-
Amount of interest accrued and remaining unpaid as at year end	0.42	-
Amount of further interest remaining due and payable in the succeeding year	-	-

35. Financial Risk Management:

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It arises principally from the Company's receivables



from customers, loans, and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

It is evident from the Note No.10 of Notes forming Part of Standalone Financial Statements that company is managing its credit risk efficiently.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Current ratio of the company calculated later in the report is the true indicator of the management of the Liquidity risk by the company.

Foreign Exchange Risk-

The Company's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses.

In the Current year, Company has charged Income due to Foreign Exchange Fluctuations of Rs.7.73 Lacs whereas there was Loss of Rs. 3.62 Lacs in the previous year.

The Company has below stated Foreign Exchange Exposure which was not hedged as on Balance Sheet date:

Particulars	As at 31st March,2025		As at 31st March,2024	
	Amount in Foreign Currency (in USD) (in Lacs)	Amount in ₹ (in Lacs)	Amount in Foreign Currency (in USD) (in Lacs)	Amount in ₹ (in Lacs)
Trade Payables	0.94	80.67	0.63	52.85
Trade Receivables	90.27	7712.22	59.50	4961.23

Particulars	As at 31st March,2025		As at 31st March,2024	
	Amount in Foreign Currency (in Euro) (in Lacs)	Amount in ₹ (in Lacs)	Amount in Foreign Currency (in Euro) (in Lacs)	Amount in ₹ (in Lacs)
Trade Payables	-	-	-	-
Trade Receivables	2.88	266.35	2.30	206.72



Particulars	As at 31 st March,2025		As at 31 st March,2024	
	Amount in Foreign Currency (in AED) (in Lacs)	Amount in ₹ (in Lacs)	Amount in Foreign Currency (in AED) (in Lacs)	Amount in ₹ (in Lacs)
Trade Payables	-	-	-	-
Trade Receivables	5.29	123.26	-	-

36. Employee Benefits

a) Defined Contribution Plans

The Company is regular in making contributions to Recognised Provident Fund (RPF), Employees State Insurance Scheme (ESIC) and other funds including Labour Welfare Fund for all regular employees or workers.

The amount of contributions to these funds are recognised as expense under the head “Employee Benefit Expenses” in the Statement of Profit and Loss as under: (₹ in Lakhs)

Particulars	As at 31 st March,2025	As at 31 st March,2024
Contribution to Recognised Provident Funds	95.30	90.51
Contribution to Employee State Insurance Corporation	26.66	22.67

b) Defined Benefit Plans

Gratuity

The company made contributions to Life insurance Company in respect of the Gratuity. Under Gratuity Act, Employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment.



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Gratuity is classified as Defined Benefit plan as enterprise's obligation is to provide agreed benefits, subject to minimum benefits as subscribed by the Payment of Gratuity Act, to plan members. Actuarial & Investment risks are borne by the enterprise.

The Net Defined Benefit Liability/(Asset) is the Net (Surplus)/Deficit in the plan netted off by effect of Asset Ceiling, if any. It is arrived by deducting Fair Value of Plan Assets from the Defined Benefit Obligation as on the date of valuation.

As required under Para 67 of Ind AS 19 actuarial valuation is done using Projected Unit Credit Method. Under this method, only benefits accrued till the date of valuation (i.e. based on service upto date of valuation) are to be considered for valuation. Present value of Defined Benefit Obligation is calculated by projecting salaries, exits due to death, resignation and other decrements, if any, and project the benefit till the time of retirement of each active member using assumed rates of salary escalation, mortality & employee turnover rates. The expected benefit payments are then discounted back from the future date of payment to the date of valuation using the assumed discount rate.

'Service Cost' is calculated separately in respect of benefit accrued during the current period using the same method as described above. However, instead of all accrued benefits, benefit accrued over the current reporting period is considered.

(₹ in Lakhs)

Amount recognised in statement of Financial Position at Period End	As at 31 st March,2025	As at 31 st March,2024
Present Value of Unfunded Defined Benefit Obligation	159.11	113.65
Fair value of Plan Assets	117.45	83.70
Net Defined Benefit (Asset)/Liability Recognised in Statement of Financial Position	41.66	29.94

(₹ in Lakhs)

Net Defined Benefit Cost/(Income) included in Statement of Profit & Loss at Period-End	From 31 st March,2024 to 31 st March,2025	From 31 st March,2023 to 31 st March,2024
Service Cost	30.85	23.54
Net Interest Cost	2.12	-
Past Service Cost	-	-
Total Defined Benefit Cost/(Income) included in Profit & Loss	32.98	23.54



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(₹ in Lakhs)

Current / Non-Current Bifurcation	31st March,2025	31st March,2024
Current Benefit Obligation	16.49	8.35
Non - Current Benefit Obligation	142.62	105.30
(Asset)/Liability Recognised in the Balance Sheet	159.11	113.65

(₹ in Lakhs)

Analysis of Amounts Recognised in Other Comprehensive (Income)/Loss at Period-End	From 31st March,2024 to 31st March,2025	From 31st March,2023 to 31st March,2024
Amount recognized in OCI, Beginning of Period	6.40	-
Remeasurements due to :		
Effect of Change in financial assumptions	3.29	-
Effect of Change in demographic assumptions	-	-
Effect of experience adjustments	3.27	-
(Gain)/Loss on Curtailments/Settlements	-	-
Return on plan assets (excluding interest)	-7.52	6.40
Changes in asset ceiling	-	-
Total remeasurements recognized in OCI	-.97	6.40
Amount recognized in OCI, End of Period	5.43	6.40



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(₹ in Lakhs)

Change in Defined Benefit Obligation during the Period	From 31st March,2024 to 31st March,2025	From 31st March,2023 to 31st March,2024
Defined Benefit Obligation, Beginning of Period	113.65	90.29
Net Current Service Cost	30.85	23.54
Interest Cost on DBO	8.06	6.40
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	6.55	-
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefits Paid		-6.59
Past Service Cost	-	-
Losses / (Gains) on Curtailments/Settlements	-	-
Defined Benefit Obligation, End of Period	159.11	113.65

(₹ in Lakhs)

Change in Fair value of Plan Assets during the Period	From 31st March,2024 to 31st March,2025	From 31st March,2023 to 31st March,2024
Fair value of Plan Assets, Beginning of Period	83.70	90.29
Interest Income Plan Assets	5.93	6.40
Actual Company Contributions	20.29	-
Actual Plan Participants' Contributions	-	-
Actual Taxes Paid	-	-
Actual Administration Expenses Paid	-	-
Changes in Foreign Currency Exchange Rates	-	-
Actuarial Gains/(Losses)	7.52	-6.40
Benefits Paid		-6.59
Acquisition/Business Combination/Divestiture	-	-
Assets extinguished on Settlements/Curtailments	-	-



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Fair value of Plan Assets, End of Period	117.45	83.70
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(₹ in Lakhs)

Reconciliation of Balance sheet Amount	From 31st March,2024 to 31st March,2025	From 31st March,2023 to 31st March,2024
Balance Sheet (Asset)/Liability, Beginning of Period	29.94	-
True-up	-	-
Total Charge/(Credit) Recognised in Profit and Loss	32.98	23.54
Total Remeasurements Recognised in OC (Income)/Loss	-.97	6.40
Acquisitions/Business Combinations/Divestitures	-	-
Actual Company Contribution / Benefit Payouts Directly by the Company	-20.29	-
Other Events	-	-
Balance Sheet (Asset)/Liability, End of Period	41.66	29.94

Demographic Assumptions Used to Determine the Defined Benefit Obligation	From 31st March,2024 to 31st March,2025	From 31st March,2023 to 31st March,2024
Withdrawal Rate	For service upto 3 years: 20% Thereafter: 10%	For service upto 3 years: 20% Thereafter: 10%
Mortality Rate	IALM (2012-14) Ult	IALM (2012-14) Ult
Retirement Age	60 years	60 years



Asset Category

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Particulars	As at 31 st March,2025	As at 31 st March,2025	As at 31 st March,2025
	Quoted Value	Non-Quoted Value	Total
Government of India Securities (Central and State)	-	-	-
High quality corporate bonds (including Public Sector Bonds)	-	-	-
Equity shares of the Company	-	-	-
Insurer Managed Funds & T-bills	-	100.00%	100.00%
Cash (including Bank Balance, Special Deposit Scheme)	-	-	-
Others	-	-	-

The scheme is funded through an 'Approved Trust'. The Trust has taken a Policy from the Life Insurance Corporation of India (LIC) and the management of the fund is undertaken by the LIC. We have been provided with the fund size of Rs1,17,44,884 as of the valuation date.

Sensitivity Analysis

Particulars	As at 31 st March,2025	As at 31 st March,2024
Defined Benefit Obligation - Discount Rate + 100 basis points	-9.88	-9.45
Defined Benefit Obligation - Discount Rate - 100 basis points	11.14	11.05
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	12.14	11.82
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	-10.94	-10.24

37.Ratios

Particulars	Current Year 31 st March 2025			Previous Year 31 st March 2024			Variation (in%)	Reasons for variation
	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio		
Current Ratio	28377.75	16950.50	1.67	24268.94	15185.01	1.60	4.75%	The ratio has not been affected to major extent



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Debt Equity Ratio	11244.53	26239.59	0.43	9811.90	22258.35	0.44	-2.79%	The ratio has not been affected to major extent.
Debt Service Coverage Ratio	6794.18	2323.44	2.92	6065.83	2164.56	2.80	4.35%	The ratio has not been affected to a major extent.
Return on Equity	3980.27	26239.59	15.17%	2361.59	22258.35	10.61%	42.97%	The increase in Return on Equity is due to higher profitability and efficient use of shareholders' funds.
Inventory Turnover	16541.24	8092.65	2.04	15381.06	8235.10	1.87	9.44%	The ratio has not been affected to a major extent
Trade Receivables Turnover Ratio	37019.70	13434.58	2.76	30717.18	9304.00	3.30	-16.54%	The ratio has not been affected to a major extent.
Trade Payables Turnover Ratio	18755.88	5005.53	3.75	14500.34	3975.48	3.65	2.73%	The ratio has not been affected to a major extent.
Working Capital turnover Ratio	37019.70	11427.24	3.24	30717.18	9083.93	3.38	-4.20%	The ratio has not been affected to a major extent.
Net Profit Ratio	3980.27	37019.70	10.75%	2361.59	30717.18	7.69%	39.85%	Increased



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								mainly due to higher revenue and improved cost efficiency..
Return on Capital Employed	6401.78	37322.64	17.15%	4858.49	32067.71	15.15%	13.21%	The variation is due to increase in reserve and surplus .
Return on Investment	6401.78	37322.64	17.15%	4858.49	32067.71	15.15%	13.21%	The variation is due to increase in reserve and surplus .

- ❖ From FY 2024–25, the Company has revised the method for calculating the Inventory Turnover Ratio(also for FY2023-2024). Instead of using **Sales**, the ratio is now computed using **Cost of Goods Sold (COGS)**, as per industry best practices and Schedule III guidance

38. Related Party Disclosures

Name of the Parties	Designation
Mr. Ramesh Arora	Managing Director
Mr. Ajay Arora	Whole Time Director
Mr. Aditya Arora	Whole Time Director
Mrs. Geeta Arora	Whole Time Director
Mrs. Anju Arora	Whole Time Director
Mrs. Kanika Arora	Relative of Director
Mrs. Aastha Seth	Relative of Director
Mrs. Geetika Thukral (Geetika Arora)	Relative of Director
Mr. Kiran Kumar Verma	Independent Director
Mr. Pankaj Takkar	Independent Director
Mr. Ravi Shanker Singh	Independent Director
Mr. Kartik Kapur	Independent Director



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Mr. Prashnath Vellanki	Independent Director
Kwaliti Pharmaceuticals Africa Limitada	Subsidiary

(₹ in Lakhs)

Name of the Related Parties	As at 31 st March,2025	As at 31 st March,2024
Transactions with Related Party		
Remuneration:		
Mr. Ramesh Arora	72.00	60.00
Mr. Ajay Arora	72.00	60.00
Mr. Aditya Arora	48.00	42.00
Mrs. Geeta Arora	30.00	24.00
Mrs. Anju Arora	30.00	24.00
Mrs. Kanika Arora	3.00	3.00
Mrs. Aastha Seth	4.20	4.20
Mrs. Geetika Thukral (Geetika Arora)	6.00	6.00
Rent:		
Mr. Ramesh Arora	1.08	1.08
Mr. Ajay Arora	1.08	1.08
Director Sitting Fees		
Mr. Kiran Kumar Verma	1.80	1.80
Mr. Pankaj Takkar	1.87	1.08
Mr. Ravi Shanker	.45	0.20
Mr. Kartik Kapur	.15	0.20
Mr. Prashanth Vellanki	.10	0.07
Loan Repayments to Related Parties:		
Mr. Ramesh Arora	-	11.70
Balances with Related Parties at year end		
Subsidiary:		
Kwaliti Pharmaceuticals Africa Limitada (in form of Investment)	354.78	354.78
Kwaliti Pharmaceuticals Africa Limitada (in form of Debtors)	159.42	159.42



39.ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III OF COMPANIES ACT, 2013:

- a) The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- b) Details of Benami Property held - No proceeding has been initiated or pending against the group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- c) There has been no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- d) Utilisation of Borrowed funds: The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- e) Willful Defaulter - The Group is not declared willful defaulter by any bank or financial Institution or other lender during the year.
- f) Registration of charges or satisfaction with Registrar of Companies - During the year, the Group has complied with the requirements for registration of charges on the assets of the Group with the Registrar of Companies.
- g) The Group does not have any transactions with struck-off companies.
- h) The Group has not traded or invested in crypto-currency or virtual currency during the current or previous year.
- i) The previous year's figures have been regrouped wherever necessary to make them comparable to the current year's figures.

For VIJAY MEHRA & CO.
Chartered Accountants
(Firm's Registration No. 001051N)

For and on behalf of the Board of directors

Sd/-
CA AMIT HANDA
Partner
M. No: 502400
UDIN:- 25502400BMLEFU3504

Sd/-
Ramesh Arora
Managing director
DIN:00462656

Sd/-
Ajay Kumar Arora
Whole time director
DIN:00462664

Place: Amritsar
Date:19.05.2025

Sd/-
Gurpreet kaur
Company Secretary

Sd/-
Aditya Arora
Whole time Director
&CFO
DIN:07320410

**Form AOC-1**

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

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

Part "A": Subsidiaries

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

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Kwality Pharmaceuticals Africa Limitada , Mozambique, Maputo Province, City of Matola
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Mozambican Meticals (MZN) 1MZN = 1.33905 INR as on 31 ST March 2025
4.	Share capital	88,67,500.00
5.	Reserves & surplus	(34214078.49)
6.	Total assets	17,226,315.87
7.	Total Outside liabilities	42572894.37
8.	Cash and Bank Balances	4673058.11
9.	Turnover/Total Revenue	-
10.	Profit before taxation	(870522.95)
11.	Provision for taxation	-
12.	Profit after taxation	(870522.95)
13.	Proposed Dividend	-
14.	% of shareholding	51%

Notes: 1. Names of subsidiaries which are yet to commence Operations: - Nil

2. Names of subsidiaries which have been liquidated or sold during the year: - Nil

PART "B": Associates and Joint venture: Statement pursuant to section 129(3) of Companies act, 2013
related to Associates Companies and Joint ventures: **-Not applicable**

For and on behalf of the Board of directors

Sd/-

Ramesh Arora
Managing director
DIN:00462656

Sd/-

Ajay Kumar Arora
Whole time Director
DIN:00462664

Place: Amritsar
Date:19.05.2025

Sd/-

Gurpreet Kaur
Company Secretary

Sd/-

Aditya Arora
Whole time Director &CFO
DIN:07320410



KWALITY PHARMACEUTICALS LIMITED



Registered Office Address :

Village Nag Kalan ,Majitha Road ,
Amritsar-143601 ,(Punjab) India